



ITEM 11

Executive Staff

Richard Stensrud
Chief Executive Officer

Vacant
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

For Agenda of:
August 17, 2016

August 12, 2016

TO: President and Members
Board of Retirement

FROM: Kathryn T. Regalia
Chief Operations Officer

SUBJECT: Semi-Annual Administrative Expense Report for the
Six Months Ended June 30, 2016

Attached is the Semi-Annual Administrative Expense Report for the six months ended June 30, 2016, which is presented in the same manner as SCERS' Annual Budget. The adopted budget amounts for Fiscal Year 2015-2016 are included for your information.

Administrative expenses for the second half of the year were \$3,281,577, compared with the first six months of the fiscal year of \$3,080,424, a net increase of \$201,153. SCERS operated well below the administrative expense limit. The administrative expense limit is calculated based on actuarial accrued liability (AAL), and this amount is then compared with total administrative expenses less information technology (IT) costs. Based on SCERS' total AAL of \$9,028,679,000 as of June 30, 2015, the calculated administrative expense limit of twenty-one hundredths of one percent (.21%) of AAL was \$18,960,226 for the 2015-2016 fiscal year. Actual administrative expenses for the year were \$6,362,001, less IT costs of \$851,434 for a net \$5,510,567, which is only six hundredths of one percent (.06%) of AAL. Total administrative expenses of \$6,362,001 compared favorably with the total annual administrative budget of \$7,778,326. SCERS continues to manage administrative expenses in a consistent and prudent manner.

Respectfully submitted,

Concurrence:

Kathryn T. Regalia
Chief Operations Officer

Richard Stensrud
Chief Executive Officer

Attachments

**SACRAMENTO COUNTY EMPLOYEES'
RETIREMENT SYSTEM**
Semi-Annual Summary of Administrative Expenses
January 1, 2016 - June 30, 2016

BUDGET OBJECT	Administrative Expenses January 1 - June 30, 2016	Administrative Expenses July 1 - Dec. 31, 2015	Increase/ (Decrease) Compared to Prior Six Months	Percentage Change Compared to Prior Six Months	Total Administrative Expenses FY 2015-2016	Administrative Budget FY 2015-2016	Percentage of Administrative Budget Expended
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Budget Categories

10 - Salaries & Benefits	1,820,485	1,685,282	135,203	8.0%	3,505,767	4,893,406	71.6%
20 - Services & Supplies	1,290,374	1,221,833	68,541	5.6%	2,512,207	2,413,604	104.1%
30 - Other Charges	170,718	173,309	(2,591)	-1.5%	344,027	346,316	99.3%
Subtotal	3,281,577	3,080,424	201,153	6.5%	6,362,001	7,653,326	83.1%
70 - Appropriation for Contingencies	-	-	-	0.0%	-	125,000	0.0%
Total Expenses	3,281,577	3,080,424	201,153	6.5%	6,362,001	7,778,326	81.8%

Total Administrative Expenses FY 2015-2016	6,362,001
Total Computer Software and Hardware and Computer Technology Consulting Services Cost (IT Costs)	851,434
Administrative Expenses Excluding IT Costs	5,510,567

Total Actuarial Accrued Liability of the Retirement System as of June 30, 2015 **9,028,679,000**

Budget Limit for Administrative Expenses is Twenty-one Hundredths of One Percent	0.21%	18,960,226
Less: Administrative Expenses Excluding IT Costs	0.06%	5,510,567
Budget Limit in Excess of Administrative Expenses Excluding IT Costs	0.15%	13,449,659

SACRAMENTO COUNTY EMPLOYEES'
RETIREMENT SYSTEM
Semi-Annual Report of Administrative Expenses
January 1 - June 30, 2016

SUB-OBJECT	ACCOUNT TITLE	Administrative Expenses January 1 - June 30, 2016	Administrative Expenses July 1 - December 31, 2015	Total Administrative Expenses FY 2015-2016
OBJECT 10 - SALARIES & BENEFITS				
10111000	SALARIES & WAGES-REGULAR EMPLOYEES	1,113,552	1,065,375	2,178,927
10112400	SALARIES & WAGES-COMMITTEE MEMBERS	570	2,480	3,050
10113100	SALARIES & WAGES-STRAIGHT TIME O/T	2,852	4,209	7,061
10113200	SALARIES & WAGES-TIME & ONE HALF O/T	33,722	25,034	58,756
10114100	SALARIES & WAGES-PREMIUM PAY	13,546	11,666	25,212
10114300	ALLOWANCES	1,838	1,430	3,268
10115200	TERMINAL PAY	32,732	16,482	49,214
10121000	RETIREMENT-NORMAL & UAAL	193,320	193,000	386,320
10121100	RETIREMENT-1995/2003 POB DEBT SERVICE	80,853	85,943	166,796
10121200	RETIREMENT-2004 POB DEBT SERVICE	39,236	41,702	80,938
10121300	HEALTH SAVINGS-EMPLOYER COST	10,463	10,029	20,492
10121400	401A PLAN-EMPLOYER COST	2,701	2,434	5,135
10122000	OASDI-EMPLOYER COST	87,077	77,993	165,070
10123000	GROUP INSURANCE-EMPLOYER COST	202,357	141,375	343,732
10124000	WORKERS COMPENSATION INS-EMPLR COST	5,630	5,840	11,470
10125000	UNEMPLOYMENT INS-EMPLOYER COST	36	290	326
	OBJECT TOTAL	1,820,485	1,685,282	3,505,767
OBJECT 20 - SERVICES & SUPPLIES				
20200500	ADVERTISING/LEGAL NOTICES	-	-	-
20202200	BOOKS/PERIODICALS SUPPLY	47	29	76
20202400	PERIODICALS & SUBSCRIPTIONS	(21)	3,048	3,027
20202900	BUSINESS CONFERENCES	12,345	9,867	22,212
20203100	BUSINESS TRAVEL	195	1,109	1,304
20203500	EDUCATION & TRAINING SERVICES	1,264	104	1,368
20203700	EMPLOYEE TUITION REIMBURSEMENT	-	-	-
20203800	EMPLOYEE RECOGNITION	3,407	5,115	8,522
20203900	EMPLOYEE TRANSPORTATION	-	25	25
20205100	INSURANCE-LIABILITY	8,186	8,494	16,680
20205200	INSURANCE-FIDUCIARY LIABILITY	42,207	43,884	86,091
20206100	MEMBERSHIPS	4,810	5,091	9,901
20207600	OFFICE SUPPLIES	5,407	5,934	11,341
20208100	POSTAGE SERVICES	2,181	3,664	5,845
20208500	PRINTING SERVICES	20,477	55	20,532
20226100	OFFICE EQUIPMENT MAINTENANCE SERVICES	30	1,046	1,076
20226200	OFFICE EQUIPMENT MAINTENANCE SUPPLIES	25	826	851
20226400	OFFICE EQUIPMENT MODULAR FURNITURE	-	-	-
20227500	RENTS/LEASES-EQUIPMENT	7,839	7,059	14,898
20244300	MEDICAL SERVICES	251,745	248,452	500,197
20250200	ACTUARIAL SERVICES	69,794	41,752	111,546
20252100	TEMPORARY CLERICAL SERVICES	22,917	53,599	76,516
20253100	LEGAL SERVICES	-	-	-
20254100	PERSONNEL SERVICES	12,985	15,707	28,692
20254400	SAFETY PROGRAM SERVICES	283	391	674
20256100	REPORTING SERVICES	78,019	104,992	183,011
20256200	TRANSCRIBING SERVICES	9,484	13,668	23,152
20259100	OTHER PROFESSIONAL SERVICES	32,477	106,360	138,837

SUB-OBJECT	ACCOUNT TITLE	Administrative Expenses	Administrative Expenses	Total
		January 1 - June 30, 2016	July 1 - December 31, 2015	Administrative Expenses FY 2015-2016
20259101	INFORMATION TECHNOLOGY CONSULTANTS	124,532	-	124,532
20281200	DATA PROCESSING SUPPLIES	10,221	2,200	12,421
20281700	ELECTION SERVICES	-	35,491	35,491
20283200	INTERPRETER SERVICES	-	-	-
20291100	SYSTEMS DEVELOPMENT SERVICES	101,845	74,018	175,863
20291200	SYSTEMS DEVELOPMENT SUPPLIES	9,445	9,168	18,613
20291300	DEPARTMENT OF FINANCE SERVICES	90,756	89,220	179,976
20291600	WIDE AREA NETWORK	14,557	14,550	29,107
20291700	ALARM SERVICES	295	296	591
20292100	GS-PRINTING SERVICES	11,138	8,089	19,227
20292200	GS-MAIL/POSTAGE CHARGES	73,376	58,613	131,989
20292300	GS-MESSENGER SERVICES	1,818	1,818	3,636
20292500	GS-PURCHASING SERVICES	441	723	1,164
20292700	GS-WAREHOUSING CHARGES	432	670	1,102
20292800	GS-CO EQUIP. RENTAL-LIGHT VEHICLES	-	-	-
20294200	COUNTY FACILITY USE CHARGES	788	818	1,606
20294300	LEASED PROPERTY USE CHARGES	252,086	234,193	486,279
20296200	PARKING	4,130	3,823	7,953
20298300	GS-SURPLUS PROPERTY MGT	604	626	1,230
20298700	GS-TELEPHONE USAGE	7,807	7,246	15,053
20298900	GS-TELEPHONE INSTALLATION	-	-	-
		1,290,374	1,221,833	2,512,207
OBJECT 30 - OTHER CHARGES				
30332000	DEPRECIATION EXPENSE	15,600	18,191	33,791
30348000	COUNTYWIDE COST ALLOCATION	155,118	155,118	310,236
	OBJECT TOTAL	170,718	173,309	344,027
OBJECT 70 - CONTINGENCIES				
70790100	APPROPRIATION FOR CONTINGENCIES	-	-	-
	OBJECT TOTAL	-	-	-
	TOTAL EXPENSES	3,281,577	3,080,424	6,362,001