

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS' CEO

After all the rain we experienced this past winter, it feels great to turn the corner into spring and see the super-bloom of color covering hillsides and fields around us. Hope is in the air.

We are staffing up - our vacancy rate is the lowest since 2010 and we are adding 12 more positions in 2023-24 to stay ahead of workload demands and improve our service delivery.

We are moving fast to build the strongest team and provide you with new technology and self-service tools to improve your experience and access to SCERS resources.

But enough about us. In observance of May's Public Service Recognition Week, this issue highlights the employees of the Bradshaw Animal Shelter and the hard work they do every day. We also recognize all of your contributions and your commitment to government service. The work you do matters, and we are honored to work for you.



—Eric Stern

From Bridget Jones to Snoop Dogg: Content Revenue to SCERS

When it comes to investments, professionals will tell you that the key to success is asset allocation – dividing your money among stocks, bonds, and other financial asset classes. Maintaining a diversified portfolio is critical to long-term success, especially in turbulent economic times.

One way SCERS has been successfully diversifying investments and strengthening the fund is through the private equity fund offerings of Shamrock Capital, in which SCERS has invested \$90 million.

You may not have heard of Shamrock Capital, but you will know the businesses it has been investing in since 1978: media, entertainment, and communications. Shamrock's history began with Hollywood royalty when Walt Disney's nephew Roy E. Disney started the business as a family office. In 2010, following Roy E's death, the partners spun out Shamrock to become an independent investment firm, though the iconic Disney heritage remains an important part of Shamrock's culture and DNA.

Shamrock currently manages approximately \$4.2 billion of assets, including content interest ownership in over 600 films, 1,000 TV episodes, and 20,000 music compositions. Shamrock's strategy is well-positioned to perform during uncertain economic backdrops since consumer spending on media and entertainment content is generally insulated from economic uncertainty and global market fluctuations. Shamrock projects its investments will generate consistent, solid returns, mostly in the form of cash yield from royalty payments, for investors like SCERS.



SCERS first invested with Shamrock in 2019, before the global pandemic accelerated the already increasing demand for more streaming content.

"Shamrock is the type of investment that interests us because it offers diversification and consistent cash flows in a segment with increasing tailwinds," SCERS' Chief Investment Officer Steve Davis said. "In a time when most market segments have struggled, including stocks and bonds, our investments in Shamrock have proven resilient and produced steady, solid returns that have contributed to the retirement security of our members. We continue to look for other promising areas with the potential to add long-term value to our portfolio."

continued inside



Department Spotlight: Bradshaw Animal Shelter

SCERS recognizes the tireless and dedicated employees of the Sacramento County Bradshaw Animal Shelter. The Shelter team consists of 67 County government employees and a host of volunteers, working every day of the year to care for stray and injured animals. To Shelter employees, it's more than just a job — it's a labor of love.

"I am constantly inspired by staff with their remarkable skills, talent and innovation to fuel the mutual efforts to save lives," said Shelter Director Annette Bedsworth.

During one recent visit to the bustling shelter, employees could be seen assisting visitors, training volunteers, playing with dogs, cleaning kennels, providing wellness checks, tending to cats recovering from surgeries, preparing to feed the barn animals, and communicating with each other using walkie-talkies. "Things are never boring, and every day we leave with new stories, experiences, and knowledge," said Animal Care Attendant Ashley Bolton.

Volunteer Coordinator Celeste Ingrid, a longtime Shelter employee, described it as "a great place to work because of its collective compassion," a quality that also requires dedication and many helping hands from the time animals first come through the door until they reunite with their owners or find new homes with foster or forever families.

At any given time, the large and welcoming facility at 3839 Bradshaw Road is home to 200-400 animals, and sheltering them is only one of many services the staff provides. The primary focus is pet adoptions; however, running the operation also involves microchipping and vaccinating strays, responding to 311 calls to rescue injured, abused, or neglected animals, providing outreach and education, and treating sick or injured animals in the on-site hospital staffed with three full-time veterinarians.

"If an animal comes in and needs surgery, we perform it. The animals get better and then get adopted," Shelter Veterinarian Dr. Rebecca Price said. The staff provides free spaying and neutering services with adoptions, and encourages pet owners to spay and neuter for the prevention of unwanted litters and impacted shelters. Dr. Price encouraged one more thing: "Microchip your pet." It's the fastest ticket home for lost pets.

The Shelter should be at the top of anyone's list of where to go if your pet is lost or if you're looking to adopt or foster an animal. Shelter staff are happy to give tours and help determine if specific animals and prospective owners are good matches, depending on the animal's needs and the lifestyle and living situation of the people involved. "When coming to adopt an animal, it's important to be open-minded. Sometimes the animal you fall in love with online isn't the right fit," Animal Care Officer Jessica Solano said.

Many considerations are necessary when it comes to adopting a pet. For instance, is everyone in your household in agreement on having a pet? Since owning a pet is a lifelong commitment, are family or friends willing and able to care for your pet if you no longer can? How much time do you have to spend with a pet? Are you patiently prepared to lovingly train, feed, and walk a pet? Are you financially prepared for the costs involved in pet ownership?

Unexpected events can also create challenges. "January is usually down-time here, but this year we had a 40% increase in intake due to flooding, which especially affected unhoused individuals and their pets," said Director Bedsworth. It's easy to feel the collective compassion here. Currently the Shelter is housing a large number of cats, with

many more fostered off-site.

Fostering and volunteering at the Shelter are two ways anyone who may not be prepared to adopt can still support the staff and the animals. Volunteers can walk dogs, socialize with cats, provide clerical assistance, greet visitors, do laundry, feed animals, and help the Bradshaw Animal Assistance Team (BAAT) provide free animal care services to low-income residents of Sacramento County. They can also simply give the animals love and attention, especially around holidays that involve stress-inducing fireworks.

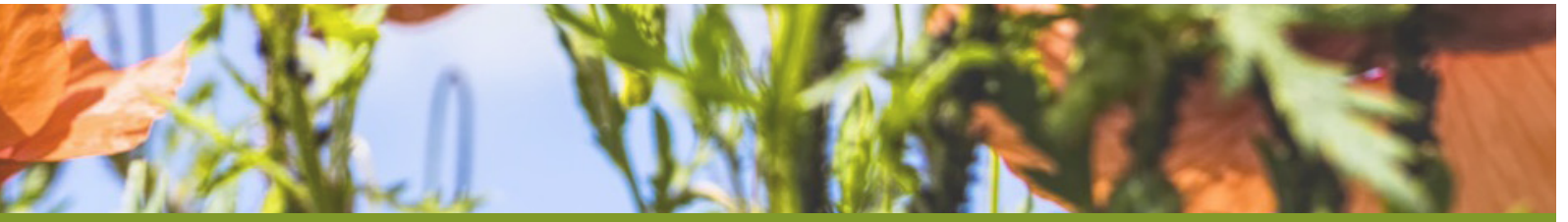
July 4th is the busiest time of year at the Shelter, when many lost dogs come in, along with kittens due to cat breeding season. However, the holiday also brings in the most volunteers. Director Bedsworth is amazed at the dedication they bring.

"We get lines of people outside waiting to pet the animals, sing to them, or read books to them," she said. "The volunteers on July 4th are an example of why this is the best place to work; plus the fact that we're saving lives every day."

For more information, visit animalcare.saccounty.gov or call (916) 368-7387. For BAAT details, call (916) 875-BAAT.



Animal Care Attendant Ashley Bolton, Animal Care Officer Jessica Solano, Veterinarian Dr. Rebecca Price, Director Annette Bedsworth, and Volunteer Coordinator Celeste Ingrid posing with adopted pets next to the "BAAT Mobile" on May 8, 2023.



Court Rules in SCERS' Favor in DSA Suit

On April 14, 2023, the Sacramento County Superior Court issued the final ruling in *Sacramento County Deputy Sheriffs' Association v. Sacramento County Employees' Retirement System, et al.*, resolving all disputed issues in SCERS' favor.

The lawsuit was filed in 2019 following the Board of Retirement's adoption and implementation of several policies that clarified how pensions are calculated. The Court concluded that SCERS and its Board acted in accordance with their legal authority with respect to the following three topics:

- (1) retention of the Board's 2012 limitation on pensionable compensation to "base pay only" for PEPRA members, excluding all incentive pays from those calculations;
- (2) exclusion of Canine Handler pay from compensation earnable and pensionable compensation as to members who retired and will retire on and after January 1, 2013, and
- (3) prospective limitation of service credit to one year of credit for one year of work for those on a 7/12 work schedule, following the Board's 2019 action to rescind a 1999 Board decision on that topic.

"We are pleased with the Court's ruling that SCERS and its Board did not violate a contractual right or impair vested or other legal rights of members when adopting these policies," said SCERS' chief executive officer Eric Stern. "The Court resolved legal questions that DSA raised regarding each of the topics addressed in the litigation. The ruling establishes that SCERS and its Board complied with the law in the areas that were challenged, and helps ensure that they may continue to administer the retirement system in a prudent manner."

Schedule Your Appointments

Members who would like one-on-one appointments with Retirement Benefits Specialists must schedule them in advance by calling (916) 874-9119.

Monthly Cutoff Date for Changes

The cutoff date for retirees submitting changes to banking, tax, and address information is the 10th of each month. If that day falls on a holiday or weekend, the cut-off date becomes the business day prior to the 10th.



Content Revenue continued from cover

Shamrock's content strategy includes the acquisition of underlying copyrights or rights to income streams in entertainment properties. Examples of titles and artists include the Rocky movies, Shrek, Bridget Jones Diary, Twilight, Pulp Fiction, Taylor Swift, Lizzo, Imagine Dragons, Pharrel Williams, Post Malone, Gwen Stefani, Blake Shelton, Snoop Dogg, Alan Jackson, and a host of others, with key distribution partners including MGM, Universal, Paramount, Warner Bros., Discovery, Sony Pictures, The Walt Disney Company, Warner Music, Sony Music, and Universal Music Group.

Patrick Russo, a partner at Shamrock, told the SCERS Board last year that the entertainment and media industry offers the potential for strong returns over the long term. "As Americans, we currently spend about 13 hours a day consuming content: films, television, music, news. This is more than sleep, more than work, more than anything else," he said. Russo predicts the number will remain high or even continue to grow in certain countries as the global demand grows for streaming movies, shows and songs. "The ability to access content has never been greater. [It's there] when you want it, where you want it, and how you want it," he said.



Board of Retirement

The SCERS Board is responsible for administering the pension plan in accordance with governing law, managing risk, and protecting both plan assets and the interests of the plan beneficiaries.

- Keith DeVore, President**, Appointed by the Board of Supervisors
- James Diepenbrock, Vice President**, Appointed by the Board of Supervisors
- Robert Aguallo, Jr.**, Appointed by the Board of Supervisors
- Ronald Suter**, Appointed by the Board of Supervisors
- Joyce Renison**, Ex-Officio, Interim Director of Finance
- M. Tapa Banda**, Elected by Miscellaneous Members
- Alina Mangru**, Elected by Miscellaneous Members
- Jack Noble**, Elected by Safety Members
- Chris Giboney (alternate)**, Elected by Safety Members
- Martha Hoover**, Elected by Retired Members
- Dave Irish (alternate)**, Elected by Retired Members

Learn more about our Board at scers.org/board.



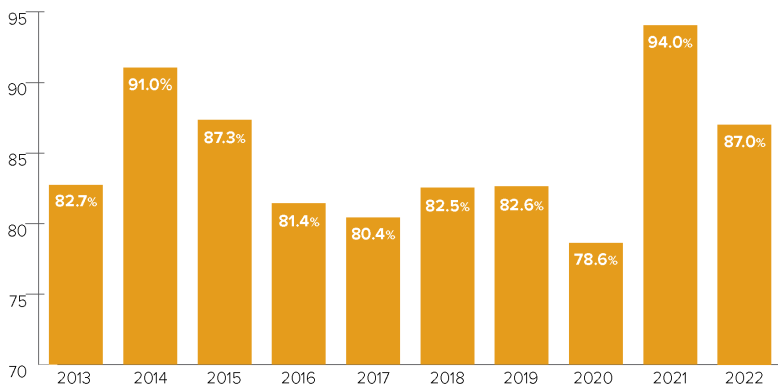
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SCERS' Funding Ratio as of June 30, 2022

Among the top goals at SCERS is to maintain prudent and effective funding policies that promote plan sustainability. Reaching this goal includes minimizing administrative expenses, demonstrating fiscal stewardship, and promoting responsible oversight to ensure accuracy and protect plan assets.

Despite an economic dip in 2022, SCERS is still on track to reach 100% funding within 20 years and ranks high compared to other similar retirement systems. The funding ratio measures the percent of assets on hand to meet long-term benefit obligations.



FISCAL YEAR ENDING JUNE 30

Upcoming Events

Board Meetings - 10:00 a.m.

- Wednesday, June 21
- Wednesday, August 16
- Wednesday, September 20

Board meetings are presented as in-person events, with live-streamed meeting links accessible from our home page quick link menu.

Visit scers.org/retirement-board-meetings for agendas, minutes, and other Board updates.

Pension Planning Webinars - 10:00 a.m.

- Thursday, June 22
- Thursday, September 14

SCERS will be joined by representatives from some or all of the following agencies: Social Security Administration, Fidelity Investments, Sacramento County Retired Employees Association, and Sacramento County's Employee Benefits Office. Register at scers.org/pension-planning-webinars.