



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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**Minutes, Thursday, January 27, 2022**

**This was a virtual meeting.**

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder, Kimberly Loving, Sherri Crawford

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Nina Melencio

## **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:00 p.m.

## **Public Comment**

There was no public comment.

## **Minutes**

Approved Minutes from the October 28, 2021 Administrative Committee.

**Motion:** Upon motion by Judith Blinder, seconded by Kimberly Loving, the Administrative Committee approved the minutes from the October 28, 2021 Administrative Committee meeting. The motion passed unanimously (3-0).

## **Board Self-Evaluation**

The Board of Administration did a self-evaluation for the first-time last year. There was discussion on whether or not to send out the self-evaluation this year.

**(2:02 p.m. – Sherri Crawford arrived at the meeting.)**

There was agreement from the committee members to send out the self-evaluation this year. This year's self-evaluation will be sent out on Survey Monkey.

One take away from last year's self-evaluation was that board members were looking for more educational activities. Staff will identify them and bring them to the Board.

### **Executive Director 2021 Evaluation Timeline**

Mr. Harvey gave the history of the Executive Director (ED) evaluation. The ED evaluation process was one way to make sure that all board members and the Executive Director were on the same page and an opportunity for the Board to give feedback to the Executive Director and for the Executive Director to also give feedback through a self-evaluation.

The goal of the ED evaluation is to raise the level of professionalism. The Executive Director's direct reports will also participate in the 360 review.

### **Charter and Policy Review**

Staff are not proposing any changes to the policy. It is SCERS's practice to review policies and charters every three years.

**Motion:** Upon motion by Kimberly Loving, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration reaffirm the Conflicts of Interest for Managers and Placement Agents Policy. The motion passed unanimously (4-0).

### **SCERS Update**

Paige Alderete gave the operations update. The accounting team met the city's deadline for year-end financials. Financial reporting and lagged interest will come in a few months. Last week the 2021 1099-Rs were sent out to retirees. Based on the results of the member satisfaction survey, staff have begun increasing responsiveness to members. The goal is to have no backlog and a two-to-four-week turnaround by the end of 2022.

The member services team had an effective team meeting yesterday. One of the issues is the data clean up aspect of the pension administration system. When the PAS went live, there were account adjustments. Staff did not expect that every single member needed an account adjustment. There needs to be a more proactive approach to get those addressed so the team can act more efficiently.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:18 p.m. The motion passed unanimously (4-0).



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## **Minutes, Thursday, February 24, 2022**

**AC Members Present:** Robert Harvey, Jr. (Chair), Sherri Crawford, Judith Blinder

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Nina Melencio

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:00 pm.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the January 27, 2022 Administrative Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee approved the minutes from the January 27, 2022 Administrative Committee meeting. The motion passed unanimously (3-0).

### **Board Self-Evaluation**

The committee reviewed the questions for the annual Board Self-Evaluation.

There were no changes, and the Board Self-Evaluation will be sent to Board members on February 24, 2022 and completed anonymously via Survey Monkey.

### **Executive Director 2021 Evaluation – Collect Relevant Data**

The committee reviewed the revised evaluation timeline in packet.

### **Charter and Policy Review**

It is the practice of SCERS to review each charter or policy on a three-year cycle. There are no changes recommended for the Board of Administration Charter.

**Motion:** Upon motion by Sherrri Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration reaffirm the Board of Administration Charter. The motion passed unanimously (3-0).

### **SCERS Update**

Ms. Alderete continues to work with the Member Services Team to support them and come up with a plan to alleviate the obstacles they are facing in providing timely service to members.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherrri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:08 pm. The motion passed unanimously (3-0).



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## **Minutes, Thursday, March 31, 2022**

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder  
**SCERS Staff Present:** Jeff Davis, Paige Alderete, Jason Malinowski, Nina Melencio  
**Others Present:** Mike Monaco (MMPL)

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:04 p.m.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the February 24, 2022, Administrative Committee.

**Motion:** Upon motion by Judith Blinder, seconded by Robert Harvey, Jr., the Administrative Committee approved the minutes from the February 24, 2022, Administrative Committee meeting. The motion passed unanimously (2-0).

### **Board Self-Evaluation**

There was discussion on lack of participation by board members in both the 2021 Board Self-Evaluation and the 2021 Executive Director evaluation. Mr. Harvey will bring the topic up at the next board meeting because the committee needs to know if the board supports the completion of both evaluations. Ms. Blinder agreed that the committee needs feedback on why the board members aren't completing the evaluations.

### **Executive Director 2021 Evaluation – 2021 Accomplishments/2022 Goals**

Jeff Davis reviewed accomplishments from 2021. Mr. Davis identified three adjectives that reflect many of SCERS's accomplishments during 2021.

- Innovative
- Thoughtful
- Dedicated

Despite dealing with an unrelenting pandemic, staff managed to design new policies, craft new processes, and imagine new concepts for the betterment of SCERS. Staff were thoughtful in the care they took when thinking about their return to the office environment. Much thought was put into balancing the preferences of staff with the goal of providing SCERS's members with the level of service they deserve when considering the long-term hybrid work models. Staff have been dedicated in trying to meet the needs of members. That dedication can also show as staying employed with SCERS or joining public sector employment even when there are opportunities for higher compensation elsewhere.

A top priority for 2022 is improving our delivery of services. Members deserve better than the service level they are currently receiving. The new positions approved by the Board will help in delivery of services. Another priority continues to be conducting our department's work in a way that is efficient and safe for staff and members.

Another area of focus for 2022 will be the development of an enhanced Positive Action Strategy as part of the review of the current ESG policy.

Lastly, there is some unfinished business from 2021 that needs to be completed which includes pursuing an equitable compensation for the member services team; presenting to members a more comprehensive view of their own financial picture; and build on the work that has been done to improve coordination between SCERS and the Deferred Compensation unit.

### **Charter and Policy Review**

Staff has no recommended changes to the Credit Interest Policy for Members.

**Motion:** Upon motion by Robert Harvey, Jr., seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration reaffirm the Credit Interest Policy for Members. The motion passed unanimously (2-0)/

There was discussion about the Administrative Committee Charter and the Investment Committee Charter which are both up for three-year review.

Neither charter speaks to the chair role and how the chair is appointed. The current practice for the Investment Committee is that the committee chair is the longest serving board member. It is unclear how the administrative committee chair was selected.

The full board should choose the chair for the committees. The Administrative Committee should revisit the Board of Administration Charter for revisions of its responsibilities. There was discussion on tabling the Administrative Committee Charter and the Investment Committee Charter until language could be drafted that supported the changes that were discussed on the chair structure and how the appointment is made.

In addition, the Investment Committee Charter is sparse right now. Perhaps formalizing the manager selection process and board interaction may be valuable. Ms. Blinder commented that she thinks it is important for the full board to have an understanding of why the Investment Committee reached the decision it reached for the board to make a well-informed decision. Especially if they are dealing with something that may be controversial.

Mr. Davis stated that he would not advocate for a thorough rehashing of the discussion that was held at the Investment Committee at the full Board of Administration meeting. He would want trustees to read the materials in advance so that there can be a full discussion on issues and encourage trustees to join the Investment Committee meeting if they see something in the materials, they have an objection to or opinion on rather than bringing it up to the full board. There are going to be situations where SCERS runs into an investment window that is closing and we do not have the ability to table the motion.

Mr. Harvey asked what happens if there is a 3 to 3 vote on a motion. Mr. Monaco stated that the motion does not pass in the event of a tie. The motion can be brought up again if this occurs.

Mr. Harvey stated that at the last meeting, the motion did not pass and SCERS missed the window to invest.

The decision was made to table both committee charters and come back at a future Administrative Committee meeting with suggested revisions that reflect the conversations that members had at today's meeting.

**Motion:** Upon motion by Robert Harvey, Jr., seconded by Judith Blinder, the Administrative Committee recommends that the three-year review of the Administrative Committee Charter and the Investment Committee Charter be tabled and reviewed no later than the May 2022 Administrative Committee meeting. The motion passed unanimously (2-0).

The proposed amends to the charters would reflect concerns and today's discussion with the focus on chair appointments and their responsibilities.

### **SCERS Update**

2021 Member Statements went out at beginning of this week. There were some delays due to the national envelope shortage.

The first annual retiree letter, which is a member statement for retirees, will be sent out when more envelopes are received. The letter gives retirees annual updated information and will also ask them to update their beneficiaries, if needed, and contact information.

### **Adjourn Meeting**

**Motion:** Upon motion by Judith Blinder, seconded by Robert Harvey, Jr., the Administrative Committee voted to adjourn the meeting at 2:38 pm. The motion passed unanimously (2-0).



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
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(206) 386-1293

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## **Minutes, Thursday, April 28, 2022**

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder, Sherri Crawford, Teresa Mosqueda

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Jason Malinowski, Leola Ross, Nina Melencio

**Others Present:** Mike Monaco (MMPL)

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:00 pm.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the March 31, 2022 Administrative Committee.

**Motion:** Upon motion by Judith Blinder, seconded by Sherri Crawford, the Administrative Committee approved the minutes from the March 31, 2022 Administrative Committee meeting. The motion passed unanimously (4-0).

### **Charter Revisions**

At a previous Administrative Committee meeting, staff and committee discussed adding a section to both the Administrative Committee and Investment Committee charters on the role of the committee chair.

Both charters have been revised to add a new paragraph on the committee chair role. In addition, a small tweak was made to the Board of Administration charter to make it clear that the Board is responsible for assigning committee chairs.

Mike Monaco, of MMPL, has reviewed the changes to the three charters as well as the draft ESG policy update that will be discussed shortly.

Committee members concurred that the updated language was a good addition to the charters.



**Motion:** Upon motion by Sherry Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration adopt the revised Administrative Committee Charter. The motion passed unanimously (4-0).

**Motion:** Upon motion by Sherry Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration adopt the revised Board of Administration Charter. The motion passed unanimously (4-0).

There were a few more changes to the Investment Committee charter including its responsibility in determining the strategic asset allocation and its process of acting on staff and consultant recommendations when selecting and terminating investment managers.

**Motion:** Upon motion by Judith Blinder, seconded by Sherry Crawford, the Administrative Committee recommended that the Board of Administration adopt the revised Investment Committee Charter. The motion passed unanimously (4-0).

### **Investment Advisory Committee (IAC) Appointment**

Cathy Cao and Steven Hill's terms on the Investment Advisory Committee (IAC) run through June. Both joined the IAC in 2016 and have provided value to SCERS and to staff during their tenure. If approved, this will be their third term on the committee.

**Motion:** Upon motion by Sherry Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration reappoint Cathy Cao and Steven Hill to the Investment Advisory Committee with a three-year term commencing July 1, 2022. The motion passed unanimously (4-0).

### **ESG Policy revision – ESG 2.0**

Staff presented proposed revisions to the ESG policy following a presentation and discussion at the April 14, 2022 board meeting. Staff plans to collect feedback on the draft policy before bringing it back for Administrative Committee approval in May and Board approval in June.

The proposed ESG policy adds a section on ESG Process Integration that is generalized to include all financially-material ESG risks and opportunities. The existing Climate Positive Action Strategy is enhanced by establishing a goal of improving investment portfolio outcomes by contributing to the successful decarbonization of the real economy, reframing corporate voting and engagement activities to be more assertive, and adding policy advocacy given the critical role of governments to address climate change. A positive action strategy is added for Diversity, Equity, and Inclusion (DEI) to improve portfolio outcomes by harnessing the superior decision-making of diverse teams. Lastly, the frequency of ESG updates to the Board is revised from quarterly to semiannual to allow staff more time in implementing the ESG program, which is also consistent with the frequency at other plans.

Several committee members stated that they liked the way the proposed policy has been organized and how the purpose has been fleshed out as well as the paragraph that states that manager research is the most impactful part of the ESG integration process.

### **SCERS Update**

Paige Alderete gave a brief update on SCERS's operations which includes the first annual retiree letter being mailed out this week. Staff are also working on the 2023 budget and will be bringing that to the May Board meeting.

The work with the auditors and actuary is wrapping up as well. Both will be presenting at a future board meeting.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherrri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:44 p.m. The motion passed unanimously (4-0).



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## **Minutes, Thursday, May 26, 2022**

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder, Sherri Crawford

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Jason Malinowski, Leola Ross,

**Others Present:** Mike Monaco (MMPL), Matt Courtois

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:01 pm.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the April 28, 2022 Administrative Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee approved the minutes from the April 28, 2022 Administrative Committee meeting. The motion passed unanimously (2-0).

### **Private Funds Disclosure Exemption Policy Review**

It is SCERS's practice to review policies and charters every three years. The only revision to this policy is to remove mention of "Diversifying Strategies" from the list of assets since it is no longer included in the portfolio.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration adopt the revised Private Funds Disclosure Exemption Policy. The motion passed unanimously (3-0).

### **ESG Policy revision – ESG 2.0**

The draft policy reviewed at today's committee meeting had a slight change from the version the committee reviewed at the April meeting. Board Chair Teresa Mosqueda submitted clarifying language to the Policy Review Section that the policy will still be reviewed at least every three years or upon request by a majority of board members.

**Motion:** Upon motion by Sherrri Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration adopt the ESG policy as revised with Board Chair Teresa Mosqueda's additional language. The motion passed unanimously (3-0).

### **Board Self-Evaluation**

There was discussion on the rating system used on the self-evaluation. For the 2022 board self-evaluation, all rating categories will include definitions for clarity.

Chair Harvey reviewed the survey results with the committee and focused on the questions that received lower ratings or the ones that surprised him, in particular, questions:

- Q14 The Board actively engages in discussion around significant issues.
- Q21 The Board is active engaged in the Board development process.
- Q29 Board members fully and positively participate in discussion.
- Q30 Board Membership: The Board size is adequate to effectively govern the organization.
- Q31 The Board has a range of talents, experience, and knowledge to accomplish its role.

It is not clear what some members are wishing would be different about the size and make-up of the Board. Any changes to the Board would have to be made by City Council through the Seattle Municipal Code.

Regarding Board participation, engagement, and development, the Committee discussed what could make this better. Suggestions included receiving the board packet earlier; tabling items if more time is needed to discuss; and staff pausing more during presentations and asking the Board if there are any questions. The Chair can also ask each Board member for comments and/or questions and to extend the meeting length to provide more time for questions and absorption of the materials.

It was noted that many decisions are time sensitive and tabling items will have an impact. Mr. Davis has been actively trying to meet with all board members on a monthly basis to help answer any questions they may have. For complicated topics, such as the experience study, staff brought in the actuaries the month before the Board was sked to approve the new assumptions to give the Board a refresher on the assumptions and their impact.

The Board Self-Evaluation results will be an upcoming Board of Administration meeting. At that meeting, Chair Harvey will lead the discussion and ask for more information on specific improvements from fellow board members.

### **Executive Session for Personnel Matter**

The Administrative Committee entered into Executive Session at 2:35 pm for approximately 30 minutes to discuss a personnel matter.

Executive Session ended at 2:50 p.m.

### **SCERS Update**

There was no update.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherrri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:57 p.m. The motion passed unanimously (3-0).

No Administrative Committee  
Meeting  
in  
June 2022



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## Minutes, Thursday, July 28, 2022

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder, Sherri Crawford

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Nina Melencio

### Call to Order

Robert Harvey, Jr., Chair, called the meeting to order at 2:01 pm.

### Public Comment

There was no public comment.

### Minutes

Approved Minutes from the May 26, 2022 Administrative Committee.

**Motion:** Upon motion by Judith Blinder, seconded by Sherri Crawford, the Administrative Committee approved the minutes from the May 26, 2022 Administrative Committee meeting. The motion passed unanimously (3-0).

### Discussion – Committee Chair Appointments

The Board recently revised the Administrative Committee, Board of Administration, and Investment Committee Charters with language on how committee chairs are selected and the full Board's role in appointing chairs.

There was discussion on the process for chair appointments and the length of the appointments.

The committee agreed that the chair term should be two years with the term beginning January 1<sup>st</sup>. Three months prior to the term start date (October 1<sup>st</sup>) the Administrative Committee will inform the Board that an appointment is coming up. Board members can express interest.

### SCERS Staff Engagement and Satisfaction Survey Results

Paige Alderete provided a high-level recap of the results of the anonymous staff survey. Sixty-eight percent of staff completed the survey this year versus 79% who completed the survey in 2019.

There was a slight decline in the average rating from 2019 to 2022: 4.13 to 3.94 (high is 5.0).

Although this was an anonymous survey; it was apparent from the comments that the member services team members who responded were feeling overwhelmed, frustrated, and stressed because they feel the workload is not reasonable and that there is a disconnect between staff and management due, in part, to the slowness of change.

Staff indicated that the biggest area that needs to improve is customer service, followed by consistency, communication, and opportunity for advancement.

An action plan was created for the member services team and leadership is meeting monthly with them. They are receiving more training on the V3 pension system and business processes. The member services team is on-site three to five days per week since they are at the forefront of speaking to our members. The team agrees that being in the office together has helped.

### **Discussion – New Trustee Onboarding**

The committee discussed the New Trustee Onboarding process and any changes they would like to see. The onboarding consists of three modules:

- Module 1 - Operations
- Module 2 - Legal/Fiduciary Responsibility
- Module 3 - Investments

There was discussion on adding information on environmental issues and long-term strategy. They are currently covered in both Module 2 and Module 3.

A committee member brought up a concern about new trustees not having a clear understanding of fiduciary duty and what the role of the board is and is not, as well as the decisions the board is responsible for making versus what the staff decides. Those concerns can be brought up in Module 1.

Another concern that was brought up was the distinction between an elected versus appointed board position since there is a different dynamic.

### **Executive Director Report**

There was no update.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:27 pm. The motion passed unanimously (3-0).

No Administrative Committee  
Meeting  
in  
August 2022





# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## Minutes Thursday, September 29, 2022

**AC members present:** Robert Harvey, Jr. (Chair), Judith Blinder, Jamie Carnell, Lou Walter

**SCERS staff present:** Jeff Davis, Paige Alderete, Nina Melencio

**Others present:** Mike Monaco (MMPL)

### Call to Order

Robert Harvey, Jr., chair, called to order at 2:00 pm.

### Public Comment

There was no public comment.

### Minutes

Approved Minutes from the July 28, 2022 Administrative Committee.

**Motion:** Upon motion by Jamie Carnell, seconded by Judith Blinder, the Administrative Committee approved the minutes from the July 28, 2022 Administrative Committee meeting. The motion passed unanimously (3-0).

### Discussion – Process for Selection of Appointed Board Member

Committee members discussed establishing a framework to select the appointed member of the Board. Mr. Monaco clarified that the position is tied to the Seattle Municipal Code and that the only limitations to this position are that the person is not a current city employee, a retiree of SCERS, or be a member of SCERS.

Previous appointments have been made with an informal approach from the Board. There is nothing in the Seattle Municipal Code which requires a process. If the committee wants to put a process in place, the full board will need to approve.

Committee members discussed minimum qualifications, attendance at meetings, and where to advertise the vacancy.

### ***(2:10 pm- Lou Walter signed on to the meeting)***

Mr. Harvey will present a sample description of the appointed member position at the next Board meeting for input.

### **Executive Director Report**

There was discussion about the timeline to accept volunteers for the Administrative Committee and Investment Committee chairs.

The chair positions are two-year terms which would coincide with the trustee election cycle. The trustee should have served at least one year on the board before volunteering to be a chair.

The process will start the first quarter of 2023 so the chairs can begin on July 1<sup>st</sup>.

### **Adjourn Meeting**

**Motion:** Upon motion by Lou Walter, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:26 pm. The motion passed unanimously (4-0).



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## **Minutes, Thursday, October 27, 2022**

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder, Sherri Crawford

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Nina Melencio

**Others Present:** Mike Monaco (MMPL)

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:00 pm.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the September 29, 2022 Administrative Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee approved the minutes from the September 29, 2022 Administrative Committee meeting. The motion passed unanimously (3-0).

### **Discussion – Process for Selection of Appointed Board Member**

The committee reviewed the changes based on board input from the October 13, 2022 Board of Administration meeting.

Staff will create a simple application form. In January, the committee will discuss how to approach different groups for outreach. The goal is to have someone ready to come on board when Mr. Harvey leaves the board at the end of June 2023.

### **Policy Review – Executive Director Evaluation and Compensation**

It is the practice of SCERS to review each charter or policy on a three-year cycle. There are no changes recommended for the Executive Director Evaluation and Compensation Policy.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Binder, the Administrative Committee recommended that the Board of Administration reaffirm the Executive Director Evaluation and Compensation policy. The motion passed unanimously (3-0).

## **Executive Director Report**

Staff are preparing for the annual COLA for retirees in November.

There was discussion on the floor COLA. If the purchasing power of a member's pension falls below 65%, that person will receive both the regular COLA and a floor COLA to restore the member's pension to 65% purchasing power. This year, the people who are eligible for floor COLAs are those who retired 1991 and before. For example, most retirees eligible for the floor COLA will have an additional 1.05% added to their benefit after the regular 1.5% COLA is applied.

## **Adjourn Meeting**

**Motion:** Upon motion by Sherry Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:10 pm. The motion passed unanimously (3-0).



# Seattle City Employees' Retirement System

**Administrative Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle, WA  
(206) 386-1293

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## **Minutes, Thursday, November 17, 2022**

**AC Members Present:** Robert Harvey, Jr. (Chair), Judith Blinder, Sherri Crawford

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Nina Melencio

**Others Present:** Mike Monaco (MMPL)

### **Call to Order**

Robert Harvey, Jr., Chair, called the meeting to order at 2:09 pm.

### **Public Comment**

There was no public comment.

### **Minutes**

Approved Minutes from the October 27, 2022 Administrative Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Robert Harvey, Jr., the Administrative Committee approved the minutes from the October 27, 2022 Administrative Committee meeting. The motion passed unanimously (2-0).

### **New Policy - Underpayments**

***(2:12 pm – Judith Blinder joined the meeting.)***

Paige Alderete summarized the proposed new Board Policy on Underpayments which is the counterpart to the Overpayments Policy the Board approved on October 29, 2020. Mike Monaco, MMPL, assisted writing the new policy.

If SCERS underpaid one of its members due to an administrative error, we will owe the member interest on the underpayment. Mr. Harvey asked how big an issue underpayment is.

Mr. Monaco added that there have been infrequent cases and will be even less so due to the implementation of the new Pension Administration System. This policy is not to cover the ordinary time frame to process retirements and start making payments. The policy is intended for a mistake when an inordinate amount of time has passed, e.g., somebody's benefit was supposed to be reduced to pay out on a QDRO, but that was not done. In the old system, this was not flagged. You have both an overpayment to the member and an underpayment to

the ex-spouse. Interest can be paid for the underpayment due to the error. These types of situations, from what Mr. Monaco has seen, is rare and should be rarer as SCERS ages out of the older system.

**Motion:** Upon motion by Sherry Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration approve the Underpayments policy. The motion passed unanimously (3-0).

### **Executive Director Report**

Paige Alderete informed the committee that the Cost-of-Living Adjustment (COLA) will be applied this month.

Mr. Harvey asked if SCERS has received any other requests to increase the COLA. Ms. Alderete responded that ARSCE submitted requests to the City Council regarding the COLA rate. Staff are monitoring the budget process to see what happens with the request.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherry Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:22 pm. The motion passed unanimously (3-0).