



# Seattle City Employees' Retirement System

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

## Minutes, Thursday, April 9, 2020

Due to the "Stay Safe, Stay Home" order issued by Governor Inslee, the meeting was held remotely.

**Board Members Present:** Teresa Mosqueda (Chair), Judith Blinder, Sherri Crawford, Glen Lee, Robert Harvey, Jr., Bobby Humes, Lou Walter

**SCERS Staff Present:** Jeff Davis, Paige Alderete, Jason Malinowski, Tony Smith, Jill Johnson, Cecelia Chen, Claire Foster, Nina Melencio

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

### Call to Order

Teresa Mosqueda, Chair, called the meeting to order at 10:03 a.m.

CM Mosqueda thanked the SCERS staff for transitioning everyone to work from home. Mr. Davis stated that a few staff will be on a rotation to cut checks and pick up the mail at the office. No one will be working on-site on a regular basis.

### Public Comment

There was no public comment.

### Administrative Consent Agenda

Provided in the Retirement Board Packet were the minutes from the February 13, 2020 Retirement Board regular meeting. Ratification of Retired Payroll, Office Payroll, and other payments and withdrawals.

<b>The following items represent normal expenses:</b>	
Pension Payroll & Withdrawals	\$18,915,639
Office Payroll	\$467,488*
Admin & Investment Expenses	\$1,121,147
<b>Total Expenses – February 2020</b>	<b>\$20,504,274</b>

<b>The following items represent normal expenses:</b>	
Pension Payroll & Withdrawals	\$19,789,366
Office Payroll	\$347,890*
Admin & Investment Expenses	\$1,342,446
<b>Total Expenses – March 2020</b>	<b>\$21,479,702</b>

\*includes estimated benefit costs

**Motion:** Upon motion by Lou Walter, seconded by Robert Harvey, Jr., the Board of Administration accepted and approved the February 13, 2020 Board of Administration minutes. The motion passed unanimously (7-0).

**Motion:** Upon motion by Lou Walter, seconded by Robert Harvey, Jr., the Board of Administration ratified the February 2020 and March 2020 service retirements. The motion passed unanimously (7-0).

### **Market and Portfolio Update**

Jason Malinowski gave a market and portfolio update due to the impact of COVID-19. Public Equity market performance was down sharply in the first quarter while Core Fixed Income had modest positive performance. There are several open questions that the market is grappling with related to the length of the lockdowns, impact of fiscal and monetary policy and the long-term impact on economic activity.

Mr. Malinowski reviewed SCERS's investment beliefs related to time horizon and diversification that can help guide the board and staff during the pandemic. The portfolio is intentionally allocated to closely reflect the strategic asset allocation target. The portfolio also has ample liquidity to satisfy its cash flow needs, including benefit payments, private market capital calls and future rebalancing. First quarter performance of the portfolio is estimated at -12% on a reported basis. There will be an additional impact from private market asset classes when they are revalued later in the year.

Going forward, staff will continue to rebalance the portfolio on a monthly basis and make private market fund commitments to build private market asset classes to their long-term targets. Staff also plans to prioritize certain workplan items that may be better suited to the current market environment.

### **Deep Dive – Member Self-Service (MSS) Portal**

Paige Alderete and Claire Foster gave an overview of the new Member Self-Service (MSS) Portal and answered questions from the Board members. The overview included the background, design philosophy, benefits, security, pilot feedback and a walk-through of the portal.

SCERS went live with the Pension Administration System (PAS) in January 2019. The PAS needed to be stabilized before the MSS Portal was rolled out. 200 members were part of a pilot earlier this year. Their feedback was used to improve the portal experience for members.

The goal is to do a phased roll out for SCERS's 17,000 members. The roll-out should be completed by the end of summer 2020. There is no requirement to use the portal. Members can still request information by calling or emailing SCERS.

The portal provides real time information about member accounts and secure messaging. There is a simple calculation tool for benefit estimates which provides greater transparency for members for retirement planning.

Since pensions are popular targets for hacking, SCERS used a third-party security firm to conduct a Security Assessment & Penetration test before going live. The portal uses Security controls in-line with best practices.

***(11:00 a.m. - Glen Lee left the meeting.)***

Bobby Humes stated that Seattle Department of Human Resources will do whatever they can do to support awareness of the new tool.

**Trustee Elections** – Candidacy Period Open from April 9, 2020 through 5:00 p.m. April 23, 2020.

SCERS has trustee elections for one Active member and one Retired member seat. Since the office is currently closed, members will not be able to submit their candidate information in person. The policy needs to be temporarily modified to remove that option.

Information will be posted on the SCERS website. A Citywide email will also be sent out.

**Motion:** Upon motion by Robert Harvey, Jr., seconded by Sherri Crawford, the Board of Administration modified the Election Policy to temporarily suspend in-person applications for the 2020 Retired Member and Active Member Trustee Elections. Candidates may apply by email or by mail. The motion passed unanimously (6-0).

### **Executive Director Update**

Mr. Davis gave kudos to the SCERS staff for the smooth transition to working remotely. All staff were receptive to problem solving and doing things in creative ways.

### **Adjourn Meeting**

**Motion:** Upon motion by Bobby Humes, seconded by Lou Walter, the Board of Administration voted to adjourn the meeting at 11:36 a.m. The motion passed unanimously (6-0).