



Seattle City Employees' Retirement System

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

Minutes, Thursday, January 26, 2023

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

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 November 17, 2022 Administrative Committee.

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee approved the minutes from the November 17, 2022 Administrative Committee meeting. The motion passed unanimously (4-0).

Board Self-Evaluation

Mr. Davis asked that the committee review the questions that were on last year's Board Self-Evaluation and provide recommendations for changes for the February meeting. The self-evaluation is long and may have been a barrier for the Board to complete it last year.

Ms. Loving stated that she was fine with the questions as is.

(2:03 p.m. – Jamie Carnell joined meeting.)

Appointed Trustee Candidates Outreach

The committee reviewed the timing of the at large board member outreach and the draft application form. The deadline to apply is March 15, 2023. The Administrative Committee will review the candidates at the March meeting.

The committee had no issue with the timeline or the form. Staff will begin the outreach and include information on the website.

Executive Director 2022 Evaluation Timeline

The committee reviewed the timeline for the Executive Director evaluation. Mr. Harvey stated that the goal of the evaluation is information gathering and to ensure that there are no concerns.

Executive Director Report

Paige Alderete stated that it is end of year so all teams are preparing for the auditors, actuaries, and closing the books for 2022.

Mr. Harvey asked for an update on staffing.

Two new positions were approved by the Board to start in 2023. The City Council approved the additional positions last November as part of the City budget. One is a half-time Member Services Representative, and the other is a full-time Senior Business Analyst. Both positions have been posted and are ready to be interviewed. All other positions are filled.

Adjourn Meeting

Motion: Upon motion by Judith Blinder, seconded by Sherri Crawford, the Administrative Committee voted to adjourn the meeting at 2:18 pm. The motion passed unanimously (5-0).



Seattle City Employees' Retirement System

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

Minutes, Thursday, February 23, 2023

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 January 26, 2023 Administrative Committee.

Motion: Upon motion by Judith Blinder, seconded by Robert Harvey, Jr., the Administrative Committee approved the minutes from the January 26, 2023 Administrative Committee meeting. The motion passed unanimously (2-0).

(2:01 pm – Sherri Crawford joined the meeting.)

Discussion – Committee Chair Appointments effective July 1, 2023

In 2022, the roles of the chairs for both the Investment Committee and Administrative Committee were formalized in the respective charters. Chairs for both committees are to be appointed by the Board of Administration to be effective July 1st. With anticipated turnover on the Board, trustees need to start thinking about who can be appointed to the Chair positions. Appointing an interim Chair is an option.

At-Large Trustee Candidates – Initial Review Process

There has been quite a bit of interest in the at-large trustee position. The due date for candidate forms is March 15, 2023. Staff will pre-screen the files before the Administrative Committee reviews them at the March 30, 2023 Administrative Committee meeting. Mike Monaco will research if the committee's review should occur during Executive Session.

Board Self-Evaluation – Finalize Questions

The committee reviewed the board self-evaluation and provided input on changes. The revised board self-evaluation will be reviewed at the March 30, 2023 Administrative Committee meeting for final approval.

Executive Director Report

Ms. Alderete stated that staff have completed February payroll which was approximately three times larger than regular payrolls. The bulk were members who retired on December 31, 2022 before SCERS's new 2023 assumptions took effect.

The impact of more members retiring will be factored in the 2023 Actuarial report by Milliman.

Adjourn Meeting

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:29 pm. The motion passed unanimously (3-0).



Seattle City Employees' Retirement System

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

Minutes, Thursday, March 30, 2023

IAC 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 2:06 pm.

Public Comment

There was no public comment.

Minutes

Approved Minutes from the February 23, 2023 Administrative Committee.

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee approved the minutes from the February 23, 2023 Administrative Committee meeting. The motion passed unanimously (3-0).

Overpayment Policy Revision

Paige Alderete and Mike Monaco (MMPL) presented the revision to the Overpayment Policy that was originally approved November 12, 2020.

At the end of 2022, the federal government passed Secure 2.0 Act. The act gives public pension plans more flexibility on how to approach overpayments to retired members. The policy revision reflects the balance in ensuring the fund is whole while giving members understanding in certain situations.

There was discussion on whether the revised policy would be retroactive so that it would apply to members who appealed their overpayments in 2022. Committee members requested that the revision be retroactive.

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee recommended that the Board of Administration adopt the Overpayment Policy as revised and to make changes effective back to the date of the original policy adoption of November 20, 2020. The motion passed unanimously (3-0).

At-Large Trustee Vacancy – Discussion

The committee reviewed the applications for the At-Large Trustee vacancy and selected three candidates to be interviewed at the April 27, 2023 Administrative Committee meeting.

Committee members will email Mr. Davis potential interview questions.

Board Self-Evaluation

The 2022 Board Self-Evaluation has been finalized and will be sent out to the Board with a due date of May 1, 2023.

Executive Director 2022 Evaluation – 2022 Accomplishments/2023 Goals

Jeff Davis reviewed accomplishments from 2022.

Despite dealing with turnover in 2022, the member services team was able to make progress in 2022 by completing 20% more service requests than they did in 2021, as well as completing a project to close out a large portion of the service credit purchase backlog. There were also modest gains in the member satisfaction survey.

2022 included financial milestones. The experience study was conducted which resulted in the adoption of new mortality tables and economic assumptions. The economic assumptions decreased our assumed rate of return from 7.25% to 6.75%. The investment team revised the ESG Policy to include the new Diversity, Equity, and Inclusion (DEI) positive action strategy. These efforts represent substantial efforts by staff and the Board. Both will result in a financially stronger organization.

In 2022, SCERS's staff started returning on-site and over the course of the year we increased onsite work to at least two days per week. We also opened our offices for visits from members and investment managers.

A top priority in 2023 is conducting the Asset Liability Study and establishing a new Strategic Asset Allocation. In 2023, we will improve upon the climate analysis conducted five years ago and also include the work staff has done over the past few years on liability-aware investing.

2023 will also be period of transition for the Board. Two of SCERS's longest-serving members, Bob Harvey and Lou Walter, will be leaving the board at the end of their turns. There is also a possibility of additional turnover. We are in the process of running an internal process to select the new At-Large Board member to replace Mr. Harvey.

We are continuing to work with the management of the Pacific Building to address our concerns with the building's front doors being locked, contrary to the terms of our lease. There will always be a need for members to meet with staff in-person or to come to our offices for assistance. There should be no barriers in allowing that to happen.

Executive Director Report

2022 Member Statements were sent to active and deferred members.

Adjourn Meeting

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee voted to adjourn the meeting at 2:56 pm. The motion passed unanimously (3-0).



Seattle City Employees' Retirement System

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

Minutes, Thursday, April 27, 2023

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

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

Others Present: Gary Smith (City Attorney's Office)

Call to Order

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

Public Comment

There was no public comment.

Minutes

Approved Minutes from the March 30, 2023 Administrative Committee.

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee approved the minutes from the March 30, 2023 Administrative Committee meeting. The motion passed unanimously (4-0).

At-Large Trustee Interviews

The Administrative Committee interviewed three candidates for the At-Large Trustee position which will begin July 1, 2023. Candidates interviewed were Joseph Hoffman, Brander Richmond, and Curtis Yasutake.

After the interviews were completed, the committee discussed which of the three candidates would be recommended to move forward in the process by interviewing with the full Board at its May 11, 2023 meeting.

(3:08 pm – Jamie Carnell left the meeting.)

Motion: Upon motion by Sherri Crawford, seconded by Judith Blinder, the Administrative Committee recommended Joseph Hoffman to proceed to an interview with the SCERS Board of Administration at its May 11, 2023 meeting for consideration of their appointment to the At-Large position on the Board. The motion passed unanimously (3-0).

Executive Director Report

Mr. Davis gave an update on Trustee Elections. The candidacy period ends at 5:00 pm on April 27, 2023. One member has applied for the Active Member seat and there are two candidates for the Retired Member seat.

Executive Session for Personnel Matter

The Administrative Committee entered into Executive Session at 3:18 pm for approximately 20 minutes to discuss a personnel matter.

Executive Session ended at 3:24 pm.

Adjourn Meeting

Motion: Upon motion by Judith Blinder, seconded by Sherri Crawford, the Administrative Committee voted to adjourn the meeting at 3:26 pm. The motion passed unanimously (3-0).



Seattle City Employees' Retirement System

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

Minutes, Thursday, May 25, 2023

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

SCERS Staff Present: Jeff Davis, Nina Melencio

Call to Order

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

Public Comment

There was no public comment.

Minutes

Approved Minutes from the April 27, 2023 Administrative Committee.

Motion: Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Administrative Committee approved the minutes from the April 27, 2023 Administrative Committee meeting. The motion passed unanimously (4-0).

2022 Board Self-Evaluation Results

Mr. Harvey reviewed the results of the 2022 Board Self-Evaluation.

There was discussion on questions which received marks that were less than “somewhat agree” and “strongly agree”. One member of the board “somewhat disagreed” that the Board actively engages in discussion around significant issues. Whoever becomes chair of the committees should be cognizant to engage the board members.

There was discussion on how committee members felt about the level of engagement and conversation in the committee meetings. There is a balance to be struck between moving a meeting along, covering a lot of material, and giving committee members a chance to comment. The committee are improving on this.

It was noted that a lot of good information being presented in the Investment Committee meetings and the refreshers on the deep dives were appreciated, particularly with new board members coming on board. However, agendas shouldn't be so full that they don't allow time for questions and extending the meetings would not work for several members.

Mr. Davis stated that staff can be more flexible when on the calendar they schedule topics if it balances out the load on the agenda.

Ms. Carnell noted that SCERS is the best run, in terms of the committees that she participates on. The bar is high with SCERS.

Executive Director Report

Mr. Davis that the trustee elections are occurring through June 5, 2023 for the retired member seat. New trustee orientation is being scheduled with the two new board members who have already been appointed.

Mr. Davis will be reaching out to board members to chair the Investment Committee and Administrative Committee.

Adjourn Meeting

Motion: Upon motion by Judith Blinder, seconded by Sherri Crawford, the Administrative Committee voted to adjourn the meeting at 2:28 pm. The motion passed unanimously (4-0).

June 2023 Administrative
Committee meeting was
cancelled.

July 2023 Administrative
Committee meeting was
cancelled.

August 2023
Administrative Committee
was cancelled.

September 2023
Administrative Committee was
cancelled.



Seattle City Employees' Retirement System

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

Minutes, Thursday, October 26, 2023

AC Members Present: Judith Blinder (Chair), Sherri Crawford, Maria Coe, Jamie Carnell, Joseph Hoffman

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

Others Present: Andrew Robinson (FAS)

Call to Order

Judith Blinder, Chair, called the meeting to order at 3:00 pm.

Public Comment

There was no public comment.

Minutes

Approved Minutes from the May 25, 2023 Administrative Committee.

Motion: Upon motion by Jamie Carnell, seconded by Sherri Crawford, the Administrative Committee approved the minutes from the May 25, 2023 Administrative Committee meeting. The motion passed unanimously (5-0).

SCERS Staff Satisfaction Survey Results

Paige Alderete provided a high-level recap of the results of the anonymous staff survey.

There were significantly more staff responding to the survey this year. Eighty-seven percent of staff completed the survey this year versus 68% in 2022 and 73% in 2019. The overall satisfaction rating went up to 4.20 (with 5 being highly satisfied) from 3.95 in 2022 and 4.14 in 2019.

The lowest rating under the topic of Inclusion and Belonging was staff feeling connected to their co-workers. Some of it may be due to the nature of the hybrid work environment coming back from Covid. The highest rating was that staff felt that their colleagues treated them with respect.

One of the higher rated topics was Job Satisfaction. The lowest rating was 4.23 under a feeling of personal accomplishment. The highest rating for Job Satisfaction was 4.42 in that staff interactions at work are positive. One rating that fell below the neutral range was opportunities for advancement at 2.77 which fell in the Satisfaction with SCERS topic. We are a very small department with not a lot of room for growth. Under

Satisfaction with SCERS the high rating of 4.5 was staff feeling that SCERS cares about them and that SCERS is a safe and ethical workplace.

Last year part of the dissatisfaction among staff was the high backlog. Staff focused this year on the backlog so there would be less frustration. Ms. Alderete was happy to report that the service logs are now caught up. We have more room to improve and will continue to work with the team. We are heading in a good direction and things have improved.

Committee members congratulated the staff for the work they did to catch up on the backlog and for the satisfaction results.

Charter and Policy Review

It is the practice of SCERS to review each charter or policy on a three-year cycle. Staff proposed revisions to the Executive Director Policy and reaffirmations for the Board Chair Charter, Secretary to the Board Charter, Treasurer to the Board Charter, and the Election Policy. Mr. Davis spoke to Kimberly Loving and Jamie Carnell on the charters that affected them. There were no revisions requested.

Board Chair Charter

Motion: Upon motion by Sherry Crawford, seconded by Jamie Carnell the Administrative Committee recommended that the Board of Administration reaffirm the Board Chair Charter. The motion passed unanimously (5-0).

Secretary of the Board Charter

Motion: Upon motion by Sherry Crawford, seconded by Jamie Carnell, the Administrative Committee recommended that the Board of Administration reaffirm the Secretary of the Board Charter. The motion passed unanimously (5-0).

Treasurer of the Board Charter

Motion: Upon motion by Sherry Crawford, seconded by Jamie Carnell, the Administrative Committee recommended that the Board of Administration reaffirm the Treasurer of the Board Charter. The motion passed unanimously (5-0).

Executive Director Charter

Mr. Davis reviewed the proposed revisions to the Executive Director charter.

(3:21 pm – Joseph Hoffman left the meeting.)

Administrative Committee members were fine with the changes requested.

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

Election Policy

Initially, staff were not proposing any changes to the Election Policy. A comment by Ms. Blinder led staff to finding that the language referencing the Seattle Municipal Code (SMC) doesn't match the code. Staff are requesting an amendment to the Election Policy so that the language referencing the SMC is correct.

Motion: Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Administrative Committee recommended that the Board of Administration approve the Board of Administration Election Policy as amended to make first paragraph consistent with Seattle Municipal Code. The motion passed unanimously (4-0).

Executive Director Report

Staff are working closely with the WEvolve project team to make sure we are staying on top of implementation and how the data from the new Workday timesheet will feed to the Pension Administration System.

Adjourn Meeting

Motion: Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Administrative Committee voted to adjourn the meeting at 3:36 pm. The motion passed unanimously (4-0).



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Minutes, Thursday, November 30, 2023

AC Members Present: Judith Blinder (Chair), Sherri Crawford, Jamie Carnell, Maria Coe

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

Others Present: Andrew Robinson (FAS)

Call to Order

Judith Blinder, Chair, called the meeting to order at 3:00 pm.

Public Comment

There was no public comment.

Minutes

Approved Minutes from the October 26, 2023 Administrative Committee.

Motion: Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Administrative Committee approved the minutes from the October 26, 2023 Administrative Committee meeting. The motion passed unanimously (4-0).

Pension Administration System Future Planning

Paige Alderete presented the Pension Administration System Future Planning including a recap of the current Pension Administration System (PAS), an overview of V3locity, and next steps.

The PAS has enabled staff to improve processes, increase efficiency and automation, and serve members better. SCERS's contract with the PAS vendor, Vitech, ends in December 2024. The current contract includes both hosting and software maintenance services. Gong forward, Vitech will only offer their new cloud platform/subscription model named V3locity.

The City of Seattle's new HR System/Workday implementation impacts SCERS's timing. Workday needs to be implemented before SCERS can go forward.

SCERS has three options:

- Move to V3locity which changes SCERS PAS to a cloud-based platform;
- Stay on the current version but SCERS must then take it on premises and do our own hosting; or
- Select new vendor.

A V3locity assessment will be conducted in the first quarter of 2024 as well as a GAAP analysis. Realistically, any change would begin in 2025.

Ms. Alderete answered questions from the committee members.

If SCERS chooses V3locity, the transition would start in 2025 and Vitech has assured staff they would work with SCERS and continue to host during the transition. If SCERS stays with the current PAS, the contract with Vitech could be extended but staff would have a limited number of months to move to hosting. It is unclear how much time Vitech would give staff to transition.

The transition to Vitech's cloud product would not be as intensive as going to a new system/vendor. The data conversion is already done and we would not be re-designing our process. Although some of our rules won't fit exactly in their template.

Executive Director Report

Ms. Alderete reported that payments for the annual COLA implementation went out today and staff will be sending out the Active and Retired Member Satisfaction survey this month. Results of the survey will be presented to the Board at the January meeting.

The annual retiree letter was mailed out in October. The letter mirrors the member statement that goes out to active and deferred members.

Ms. Crawford had a question about City Council action on the contribution rate. The Board had recommended that the Council leave the contribution rate at 15.82%. The Council took action to drop the rate to 15.17% which is their prerogative. SCERS's concern is if the plan has a deferred loss from last year's investment returns, the City will see future rate increases. This won't be a problem if the City continues to fund the ARC when it increases.

Adjourn Meeting

Motion: Upon motion by Sherrri Crawford, seconded by Jamie Carnell, the Administrative Committee voted to adjourn the meeting at 3:25 pm. The motion passed unanimously (4-0).