



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).