Seattle City Employees' Retirement System

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

Minutes, Thursday, July 25, 2024

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

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

Others Present: Andrew Robinson (FAS)

Call to Order

Judith Blinder, Chair, called the meeting to order at 1:15 pm.

Public Comment

There was no public comment.

Minutes

Approved Minutes from the June 27, 2024 Administrative Committee.

> **Motion:** Upon motion by Judith Blinder, seconded by Maria Coe, the Administrative Committee approved the minutes from the June 27, 2024 Administrative Committee meeting. The motion passed unanimously (5-0).

Pension Administration System (PAS) Future Planning Update

Claire Foster, SCERS's IT and Business Applications Manager, presented the Pension Administration System (PAS) Future Planning Update. The contracts for the PAS are expiring and the vendor, Vitech, is no longer providing hosting services or product enhancements for the current system. The vendor now offers a cloud-based service (V3locity).

SCERS has three options on how to proceed with its pension system:
1. Migrate current system to the City's data center or cloud platform
2. Select a new PAS vendor
3. Upgrade to V3locity platform

Ms. Foster reviewed the pros and cons of each option. Staff recommends that PAS be moved to V3locity. The costs and risks of the other two options do not outweigh the benefits. Staff have had a successful relationship with Vitech, and this option is a natural progression path for the current system.

Maria Coe asked if Vitech was providing any financial benefit to keep SCERS on their platform. Ms. Foster replied that Vitech would take that into consideration if SCERS chose to move over to their cloud-based offering.

Sherri Crawford asked if the contracts were written in a way that can be amended or piggybacked so SCERS does not have to do an RFP. Ms. Foster stated that she is working with the procurement office on assessing this.

Kimberly Loving asked when the end of life was for our current system. Ms. Foster replied that Vitech has not formally made that decision, although staff are already seeing diminishing support for the system in different ways. Ms. Loving recommended caution and diligence with any system upgrade.

Ms. Loving asked about the vendor's obligation to SCERS. Ms. Foster replied that after the current contract ends, hosting services would be by mutual consent. However, the vendor has been clear that they would continue to host through implementation if SCERS moves to V3locity. Staff have been in conversations with Vitech about the V3locity upgrade since last year. Ms. Alderete added that staff are also in the middle of an assessment with Vitech to assess what it would take to move from the current system to V3locity.

Ms. Crawford stated that she hears others concerns, but she is supportive of migrating to the V3locity. Migrating is the only way to get enhancements in the future. Ms. Crawford asked the cost of the initial implementation. Ms. Alderete responded that the initial implementation cost $15.2 million. Ms. Crawford wants Vitech to work with SCERS on the cost. Ms. Alderete agreed that contract negotiations will be a critical next step and SCERS will leverage experts.

(2:00 pm – Sherri Crawford left the meeting.)

Ms. Loving asked about the resource drain on the SCERS team and if that's part of the budget. Ms. Alderete confirmed that the project cost that was in SCERS's budget did include backfilling key positions. If the cost estimates end up being significantly different from what was approved by the Board, staff will come back to the Board for additional review and approval.

Ms. Coe asked if members have been surveyed on the type of functionality they would like to see. Ms. Alderete noted that SCERS conducts an annual member satisfaction survey which provides feedback on what members are looking for, especially on the portal.

There was general support for staff's decision to proceed with upgrading the current system to V3locity. Next steps include completing the migration assessment, reviewing Vitech's migration proposal, preparing for contract negotiations, and determining timing for the project.

Operations Update

Ms. Alderete reviewed Q2 2024 Operational statistics. Per the Committee's request, the report now includes comparisons to same quarter from the previous year. The biggest thing to note is that service delivery times have significantly decreased in 2024. One example is that benefit estimates are now taking 23 days to complete, which is down from 88 days in the previous year.

Adjourn Meeting

Motion:	Upon motion by Maria Coe, seconded by Joseph Hoffman, the Administrative Committee voted to adjourn the meeting at 2:18 pm. The motion passed unanimously (4-0).