



# 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, July 13, 2023

**Board Members Present:** Teresa Mosqueda (Chair), Judith Blinder, Jamie Carnell, Maria Coe, Sherri Crawford, Joseph Hoffman, Kimberly Loving

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Mark Schimizzze, Nina Melencio, Leola Ross, George Emerson

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Brittany Smith (CliftonLarsonAllen), Kevin Balaod (With.Intelligence), Elizabeth Paschke (ARSCE), Tom Mikesell (LEG), Nick Pealy (ARSCE), Edie Jorgensen (ARSCE)

### Call to Order

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

Ms. Mosqueda welcomed the two new board members who began July 1, 2023. Maria Coe has been elected as an Active Member Trustee. Joseph Hoffman has been appointed as the At-Large Trustee.

### Public Comment

There was no public comment.

### Administrative Consent Agenda

Provided in the Retirement Board Packet were the minutes from the June 8, 2023 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	\$23,258,030.33
Office Payroll	401,534.39*
Admin Expenses	310,975.54
Investment Expenses	1,607,889.92
<b>Total Expenses – June 2023</b>	<b>\$25,578,430.18</b>

*\*Includes estimated benefit costs*

<b>Retirements, Withdrawals, Other Payouts – June 2023</b>			
	<b>Count</b>	<b>Monthly Pension</b>	<b>Lump Sum Distribution</b>
Retirements	31	\$98,679.47	\$1,175,538.59
Withdrawals	26	n/a	\$1,127,695.37

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Crawford, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed unanimously (7-0).

### **Final Audit Report – Staff and CliftonLarsonAllen**

Mark Schimizza acknowledged the partnership between SCERS and CliftonLarsonAllen (CLA). During 2022 there was a decrease in net position by 12% due to negative investment returns and a volatile 2022. Despite that, net assets are over \$3.6 billion and funding status increased to 75.7%.

Brittany Smith of CliftonLarsonAllen (CLA) presented SCERS's Final Audit Report for the year ended December 31, 2022.

There were no material weaknesses found during the audit and no material findings associated with compliance with laws and regulations or other matters. SCERS worked diligently to implement internal control for the new pension administration system.

**Motion:** Upon motion by Jamie Carnell, seconded by Sherri Crawford, the Board of Administration accepted the 2022 Year-End Audited Financial Statements as presented by Seattle City Employees' Retirement System Staff and CliftonLarsonAllen, LLP. The motion passed unanimously (7-0).

### **Credited Interest**

Jason Malinowski presented on Credited Interest. The new credited interest rate for contributions after December 31, 2011 is calculated by taking the average daily rate of the thirty-year treasury bond. The credited interest rate is 3.62%, up from 2.2%. This interest gets applied to members' contributions and is different than the returns we are expecting on the investment portfolio.

**Motion:** Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Board of Administration set the 2023 credited interest rate on all employee contributions into the pension after December 31, 2011 at **3.62%**. The motion passed unanimously (7-0).

### **Appointment of Committee Chairs**

Mr. Malinowski presented background on the agenda item. The Administrative Committee has updated the Administrative Committee and Investment Committee charters to formalize how the committee chairs would be selected.

**Motion:** Upon motion by Teresa Mosqueda, seconded by Jamie Carnell, the Board of Administration appointed Judith Blinder as Chair of the Administrative Committee effective July 13, 2023 through June 30, 2025. The motion passed 6-0-1 with Ms. Blinder abstaining.

**Motion:** Upon motion by Teresa Mosqueda, seconded by Jamie Carnell, the Board of Administration appointed Sherri Crawford as Chair of the Investment Committee effective July 13, 2023 through June 30, 2025. The motion passed 6-0-1 with Ms. Crawford abstaining.

### **Executive Director Update**

Mr. Malinowski stated that due to the cancelations of the June 29, 2023 Investment Committee and Administrative Committee meetings, there would be no committee reports at today's meeting.

New Trustee Onboarding was completed with both Ms. Coe and Mr. Hoffman.

Ms. Mosqueda can't attend the August meeting and asked Ms. Crawford to chair the meeting.

### **Adjourn Meeting**

The meeting adjourned at 10:54 am.