



Seattle City Employees' Retirement System

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

Minutes, Thursday, August 10, 2023

SCERS Board Present: Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Kimberly Loving, Jamie Carnell

SCERS Staff Present: Jeff Davis, Jason Malinowski, Mark Schimizze, Nina Melencio, Leola Ross, Selam Teklemariam

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Joe Ebisa (WithIntelligence), Lindsay Saienni (FinNews), Edie Jorgensen (ARSCE), Nick Pealy (ARSCE), Melina Thung (ARSCE)

Call to Order

Sherri Crawford, Chair, called the meeting to order at 10:00 am.

Public Comment

There was no public comment.

Administrative Consent Agenda

Provided in the Retirement Board Packet were the minutes from the July 13, 2023 Retirement Board regular meeting, ratification of Retired Payroll, Office Payroll, and other payments and withdrawals.

The following items represent normal expenses:	
Pension Payroll	\$22,731,910.27
Office Payroll	401,544.30*
Admin Expenses	255,032.00
Investment Expenses	645,243.40
Total Expenses – July 2023	\$24,033,729.97

**Includes estimated benefit costs*

Retirements, Withdrawals, Other Payouts – July 2023			
	Count	Monthly Pension	Lump Sum Distribution
Retirements	21	\$73,638.16	\$1,287,669.94
Withdrawals	19	n/a	\$715,313.67

Motion: Upon motion by Maria Coe, seconded by Jamie Carnell, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed unanimously (6-0).

SCERS 2022 Annual Report to Members

Mark Schimizza presented the 2022 Annual Report to Members which provides a summary of SCERS's financial health, investment performance and key accomplishments for the last calendar year.

Benefits paid to retirees was \$234 million in 2022 compared to \$223 million in 2021. In 2022, the fund had 20,308 members up from 19,619 in 2021.

By the end of 2022, SCERS was managing \$3.6 billion in investments, a \$495.8 million decrease from 2021. Although assets decreased, funding status is steadily increasing due to strong investment returns in 2019, 2020, and 2021. The funding status as of 2022 was 75.7%, up from 75.0% in 2021. Over the last five years, SCERS's investments have performed similar to the benchmark that reflects the target strategic allocation. SCERS plans on being full funded by 2042.

Based on the results of the most recent member satisfaction survey, SCERS will continue focusing on customer service, addressing service request backlogs, and reducing turn-around times.

Ms. Blinder shared her own experience as a recent retiree and provided feedback for staff.

Motion: Upon motion by Jamie Carnell, seconded by Judith Blinder, the Board of Administration accepted and approved the 2022 SCERS Annual Report to Members as presented by Seattle City Employees' Retirement System Staff. The motion passed unanimously (6-0).

Investment Committee Report – July 27, 2023

Jason Malinowski reported on the July 27, 2023 Investment Committee meeting.

The results of the risk preference survey were presented to the committee. There was a high degree of consistency on risk preferences amongst board members and Investment Advisory Committee members. The results showed a lot of comfort with the way the portfolio is currently positioned and that respondents were comfortable with incremental changes to the portfolio.

Dr. Ross gave an asset class primer and reviewed each asset class in the portfolio. Mr. Malinowski presented information on the one new asset class that is being recommended which is Long Dated Fixed Income. Rose Dean and Thao Nguyen, of NEPC, attended the meeting in person. Ms. Dean provided an asset liability study overview which included the importance of asset allocation and SCERS's history of allocation. George Emerson gave a deep dive of the Core Fixed Income asset class.

Executive Director Update

Jeff Davis reported that the Pacific Building's front doors are now unlocked from 9:00 am to 4:00 pm on Tuesdays, Wednesdays, and Thursdays which coincides when the full member services team are on-site.

Adjourn Meeting

Motion: Upon motion by Judith Blinder, seconded by Jamie Carnell, the Board of Administration voted to adjourn the meeting at 10:26 am. The motion passed unanimously (6-0).