Seattle Retirement
Seattle City Employees' Retirement System

Board of Administration Meeting

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

Minutes, July 9, 2026

Board Members Present: Sherri Crawford (Chair), Dwight Dively, Bill Schrier, Kimberly Loving

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

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Joe Ebisa (With Intelligence), Brittany Smith (CliftonLarsonAllen), Tom Mikesell, Milliman, "Ann S"

<u>Call to Order</u>

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

<u>Public Comment</u>

There was no public comment.

<u>Administrative Consent Agenda</u>

Provided in the Retirement Board packet were the minutes from the June 11, 2026 Retirement board regular meeting, ratification of Retired Payroll, Office Payroll, and other payments and withdrawals.

The following items represent normal expenses:

Pension Payroll	$25,982,521.59
Office Payroll*	508,733.78
Admin Expenses	895,359.79
Investment Expenses	-
Total Expenses – June 2026	$27,386,615.16

**Includes estimated benefit costs*

Retirements, Withdrawals, Other Payouts – June 2026:

	Count	Monthly Pension	Lump Sum Distribution
Retirements	28	$123,037.51	$493,160.38
Withdrawals	21	n/a	$620,353.21

<u>Motion:</u> Upon motion by <u>Sherri Crawford</u>, seconded by <u>Dwight Dively</u>, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed unanimously (4-0).

2026 Valuation Study and Actuarial Contribution Rate (ARC) – Milliman

Nick Collier and Julie Smith from Milliman presented the 2026 Actuarial Valuation Report as of January 1, 2026 and answered questions from the Board.

The funding ratio increased from 76.0% in 2025 to 79.7% as of January 1, 2026. The employer actuarially required contribution (ARC) of 13.48% for 2027 has decreased from the 2026 rate of 15.06%. The decrease is primarily due to new assumptions adopted in the recent experience study. Beginning January 1, 2027, a new amortization layer will be created each year that will be fully paid off 20 years from the date the layer is created. This will create more stability in contribution rates going forward.

The actuarial valuation of assets increased from $4.4 billion as of January 1, 2025 to $4.7 billion as of January 1, 2026. The market value of assets is $4.96 billion, up from $4.33 billion last year. The market value of assets had a 15.1% return in 2025 which is greater than the assumed rate of return of 6.75%. The unfunded actuarial accrued liability decreased from $1.4 billion to $1.2 billion. This is projected to be paid off by 2043.

Motion:	Upon motion by Sherri Crawford, seconded by Kimberly Loving, the Board of Administration accepted the January 1, 2026 Actuarial Valuation Report as presented by Milliman and recommended the City of Seattle set the rate of 13.48% as the employer contribution for 2027. The motion passed 3-0-1 with Bill Schrier abstaining.

Final Audit Report – CliftonLarsonAllen

Brittany Smith of CliftonLarsonAllen (CLA) presented SCERS's 2025 Final Audit Report for the year ending December 31, 2025. Ms. Alderete thanked Ms. Smith, the CLA team, and the SCERS teams for another smooth audit.

There were no significant deficiencies, material weaknesses or other matters to report on internal controls. During Workday implementation, there were quite a lot of changes. Staff have checks and balances in place to identity and make corrections and the City is fixing bugs. However, until all Workday bugs are fixed, SCERS must continue with its manual workarounds to ensure that the data coming into our pension system is correct. Manual work always adds risk. Ms. Smith added that the Board can be proud about the controls that were in place for Workday implementation. SCERS also had a very low staff turnover, which is helpful.

Motion:	Upon motion by Sherri Crawford, seconded by Dwight Dively, the Board of Administration accepted the 2025 Year-End Audited Financial Statements as presented by CliftonLarsonAllen, LLP. The motion passed unanimously (4-0).

Credited Interest

Paige Alderete presented and reviewed the credit interest rate recommendation.

The annual Credited Interest rate is determined using the average yield on a 30-year U.S. Treasury bond during the preceding June 1 to May 31 period with a maximum credit interest rate equal to 5.75%. For 2027, the Credited Interest rate is calculated to be 4.83%, which is higher than the previous year's rate of 4.53%.

If approved, it would go to Council via resolution as part of the budget package.

Motion:	Upon motion by Sherri Crawford, seconded by Dwight Dively, the Board of Administration set the 2027 credited interest rate on all employee contributions into the pension system after December 31, 2011 at 4.83%. The motion passed unanimously (4-0).

Executive Director Update

Jeff Davis stated that there is one more committee meeting scheduled in SCERS's current location at Pacific Building. There will be no August Board of Administration meeting. The August Investment Committee and Administrative Committee meetings will be held at SCERS's new location at Madison Centre.

Over the next two weeks, the contractors are completing the build-out in the new space. Furniture and workstations will be installed in the last two weeks of July. SCERS will pack up the Pacific Building the first week in August and will move to the new space in the second week of August. The offices will be physically closed the first two weeks in August. Staff will be available virtually by phone, and by email.

Good of the Order

There was nothing for the good of the order.

Adjourn Meeting

Motion:	Upon motion by Sherri Crawford, seconded by Dwight Dively, the Board of Administration voted to adjourn the meeting at 11:12 am. The motion passed unanimously (4-0).