

**Spokane Employees' Retirement System (SERS)  
Board Meeting Minutes  
June 26, 2019**

The regular monthly meeting was called to order at 12:02 p.m. in the Council Briefing Center at City Hall.

**Present:** Mike Coster, Jim Tieken, Mike Cavanaugh, Dean Kiefer, and Brian Brill

**Absent:** Candace Mumm and J.D. Morscheck

**Staff:** Phill Tencick, Christine Shisler, Donald Brown, and Tim Szambelan

**Guests:** Tammy Erickson and Ashlee Lent (Moss Adams), Joe Cavanaugh, Richard Czernik, and Natalie Hilderbrand

**Moss Adams – December 31, 2018 Audit Report**

Moss Adams presented the 2018 SERS independent audit report. The auditors explained how they test critical areas such as the investment assets, investment income, contributions, benefit payments and participant data. Moss Adams issued an unqualified (clean) opinion. They had no negative comments or areas of concern in the management letter, which reflects the continuing diligence of staff.

**Minutes of the May 29, 2019 Meeting**

Jim Tieken moved and Mike Cavanaugh seconded the motion to approve the minutes of the May 29, 2019 meeting as presented. The motion passed unanimously.

**Director's Report**

**Service Retirements**

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Andrew E. Schenk	50	07/01/2019	16.3	E
Karen C. Burke	58	07/02/2019	18.2	ST
Dennis C. Powell	58	07/02/2019	23.7	E
David R. Carlson	60	07/06/2019	25.9	E
Rick A. McCord	62	08/09/2019	25.4	E

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the service retirements as presented on the June Retirement Transaction Report. The motion passed unanimously.

Withdrawals for June 2019

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Mubarak F. Abdur-Raheem	4.3	03/08/2019
Corinne A. Hall	1.0	04/05/2019
Jennifer M. Ingerson	2.9	04/22/2019

Mike Cavanaugh moved and Dean Kiefer seconded the motion to approve the requests for withdrawal as presented on the June Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Julie D. Happy	Economic Development	6.0

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Barbara A. Hill	04/15/2006	76	02/12/2019	No Further Benefits
Marion Rothstein	11/02/1990	93	05/02/2019	No Further Benefits
Dorothy J. Jones	02/08/2013	90	05/15/2019	No Further Benefits
Myrna F. Johnson-Ross	03/04/2003	77	05/23/2019	No Further Benefits
Barbara L. Parker	03/05/1992	86	05/24/2019	No Further Benefits
Thomas E. Perry	06/03/1986	90	06/05/2019	No Further Benefits
Albert J. Powell	08/06/2011	74	06/08/2019	No Further Benefits

Vesting and Death information provided to the Board for review.

Expenditure Summary Report – May 2019

The Expenditure Summary Report was presented to the Board and discussed.

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the May 2019 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – May 2019

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on May 31, 2019 was \$297.3 million with an estimated rate of return of -3.0% for the month.

Monthly Cash Reconciliation

The monthly cash reconciliation report was presented to provide the Board with additional insight into the ongoing liquidity, transactions, and cash position of the plan.

Other Business

Mr. Tencick updated the Board on the initiative to allow SERS members to retain their membership if they move to SREC during its initial launch. The affected participants have been notified. The formal agreement with SREC has been drafted and will be approved by the SREC Board before employees start at SREC. The plan document changes are being reviewed by outside counsel.

**2020 Budget**

The 2020 Budget was presented to the Board and discussed.

Mike Cavanaugh moved and Jim Tieken seconded the motion to adopt the 2020 Budget as presented. The motion passed unanimously.

**Contribution Interest Rate**

Mr. Tencick presented information on the US Treasury rates used to determine the Plan interest rate on member contributions. From July 1, 2018 to June 30, 2019, the average 5-year US Treasury Note rate, rounded to the nearest 25 basis points, was 2.50%. This rate will become effective July 1, 2019, and is an increase from the previous rate of 2.25%.

Jim Tieken moved and Mike Cavanaugh seconded the motion to change the contribution interest rate from 2.25% to 2.50%. The motion passed unanimously.

There being no other business, the meeting adjourned at 12:51 p.m.

/s/

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**Phillip Tencick, Retirement Director**