

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting, 1:00 p.m. May 5, 2021**  
**WebEx Conference Call**

**AGENDA**

1. Bill Dowd and Bill Reid, SageView Consulting – Actuarial Valuation Report
  - Information
2. Contribution Rate
  - Motion
3. Ad-hoc
  - Motion
4. Minutes of the April 7, 2021 Meeting
  - Motion
5. Director's Report
  - a. Retirements
    - Motion
  - b. Withdrawals
    - Motion
  - c. Deaths
    - Information
  - d. Expenditure Summary Report – March 2021
    - Motion
  - e. Schedule of Investments – March 2021
    - Information
  - f. Cash Reconciliation – April 2021
    - Information
  - g. Other Business
6. SERS Board Member Search
  - Discussion
7. Other Business
8. Next Meeting - **Wednesday, June 2, 2021 at 1:00 p.m.**

**\*\*Please note:** The May SERS Board meeting will be held via [WebEx Meeting](https://spokanecity.webex.com/spokanecity/j.php?MTID=maf4c52e3c9a5971b58c80ddc58621f9f).  
<https://spokanecity.webex.com/spokanecity/j.php?MTID=maf4c52e3c9a5971b58c80ddc58621f9f>

Meeting dial-in number: 1-408-418-9388  
Meeting number (access code): 187 720 3993  
Meeting password: FXvcwmDV542



# Spokane Employees' Retirement System December 31, 2020 Valuation Results

Presentation to the Board of  
Administration

May 2021

William Dowd, MAAA, EA, FCA  
William J. Reid, EA, FCA

SEE  
WHERE  
YOU'RE  
GOING



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# Purpose of the Valuation



- » To determine the Actuarially Determined Contribution (ADC) rate for the fiscal year
- » To prepare financial statement disclosures in accordance with GASB 67/68 standards
- » To report on experience during the year
- » To inform the Board of any other developments that might impact the operation of the plan
  - Impact of lower-than-expected payroll growth on contribution rates
    - » Assumed 4% annual payroll growth
    - » Actual annual growth since 2016 experience study is 2.5%
    - » Lower than expected covered payroll leads to increased contribution rates
  - Volatility and uncertainty related to ongoing impact of the pandemic

# Changes Since Last Valuation



## » Contribution Rates

- Employer and Employee contribution rates were both increased from 9.75% to 10%, effective the last pay period in 2020

## » Legislative

- There were no negotiated or associated legislative changes since the last valuation

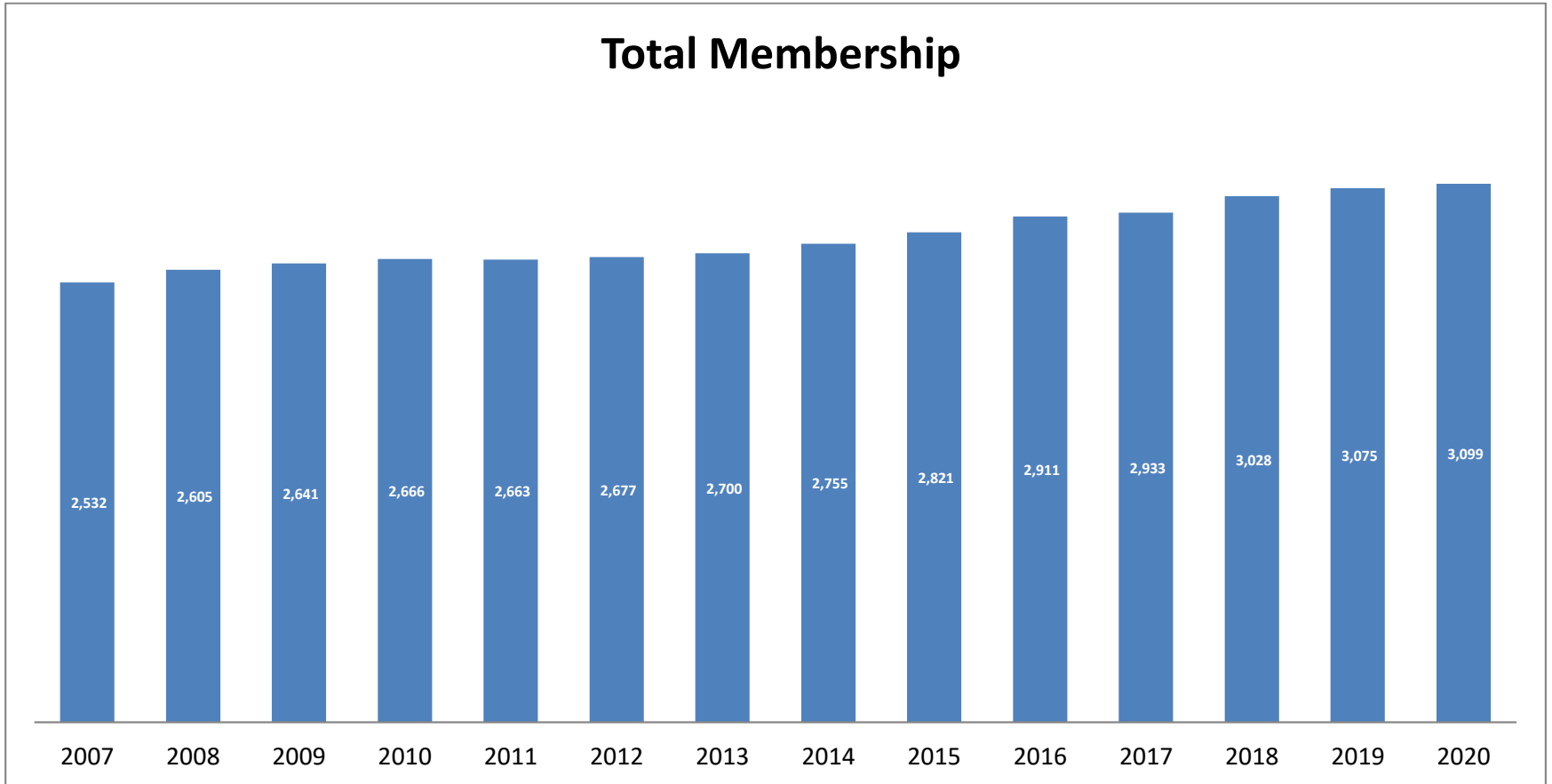
## » Assumptions and Methods

- For purposes of financial reporting (GASB 67/68) a blended discount rate is used to determine Total Pension Liability if plan assets are projected to be depleted at some future date
- As a result of the negotiated changes in contribution rates effective in December of 2017, a blended discount rate no longer applies
- This will continue to be the case if contribution rates are adjusted up to +/-1% each year when warranted in order to cover the ADC

# Membership History



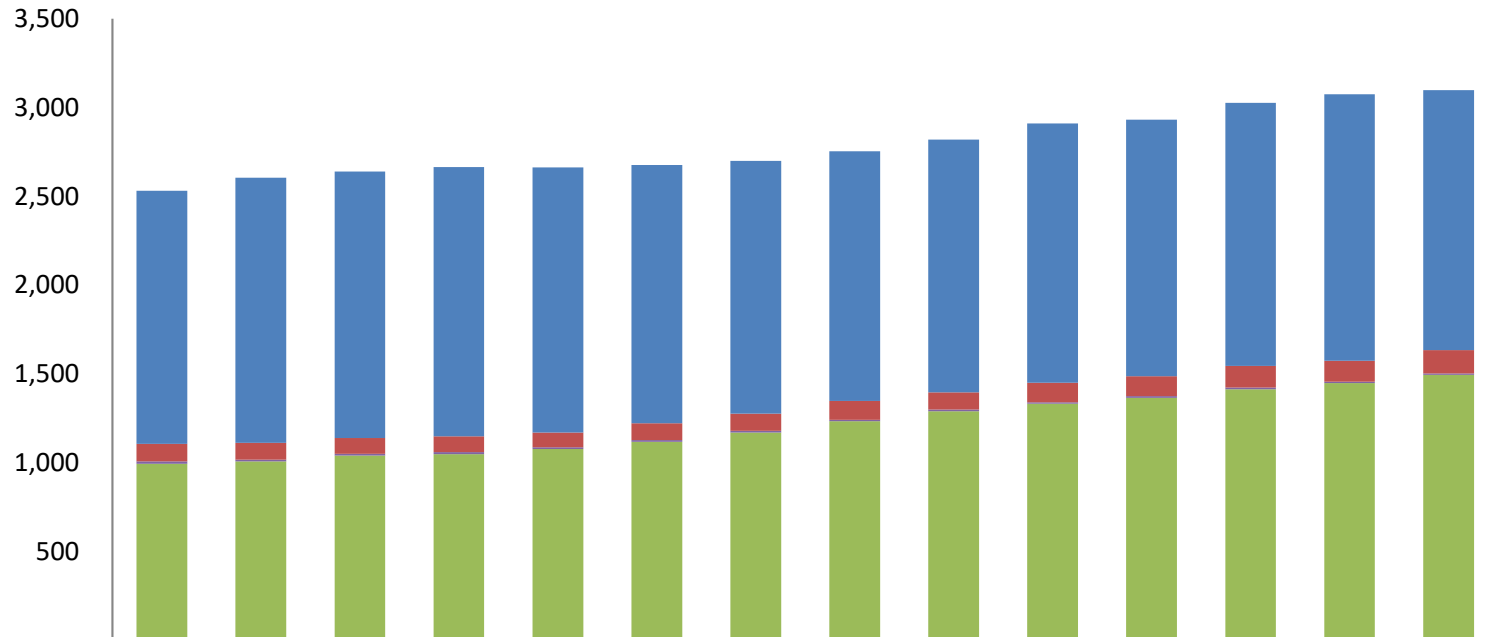
## Total Membership



# Membership History



## Membership Breakdown

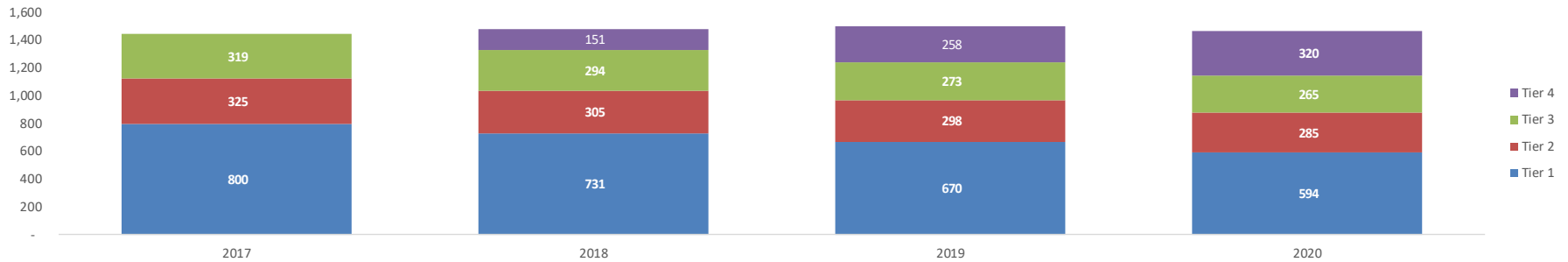


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Active	1,425	1,492	1,501	1,516	1,491	1,453	1,422	1,407	1,424	1,460	1,444	1,481	1,499	1,464
Term Vested	99	94	89	90	84	96	98	105	97	109	113	123	119	131
Disabled	13	11	10	10	9	9	9	9	9	9	9	9	8	8
Retirees	995	1,008	1,041	1,050	1,079	1,119	1,171	1,234	1,291	1,333	1,367	1,415	1,449	1,496

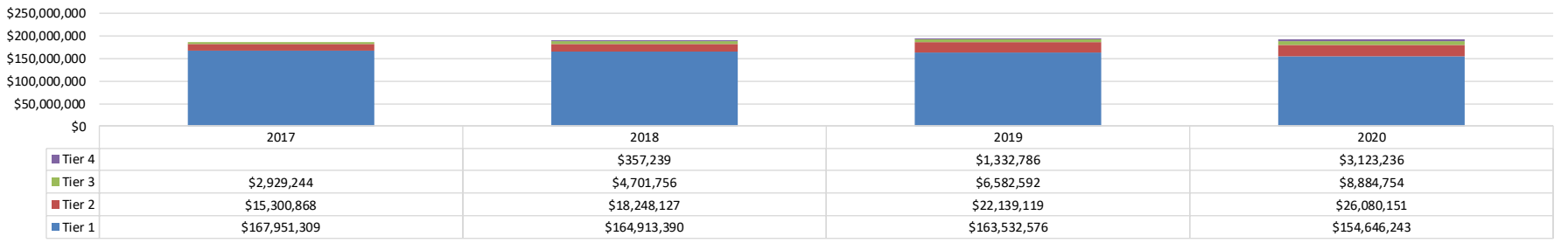
# Benefit Tiers



Active Membership



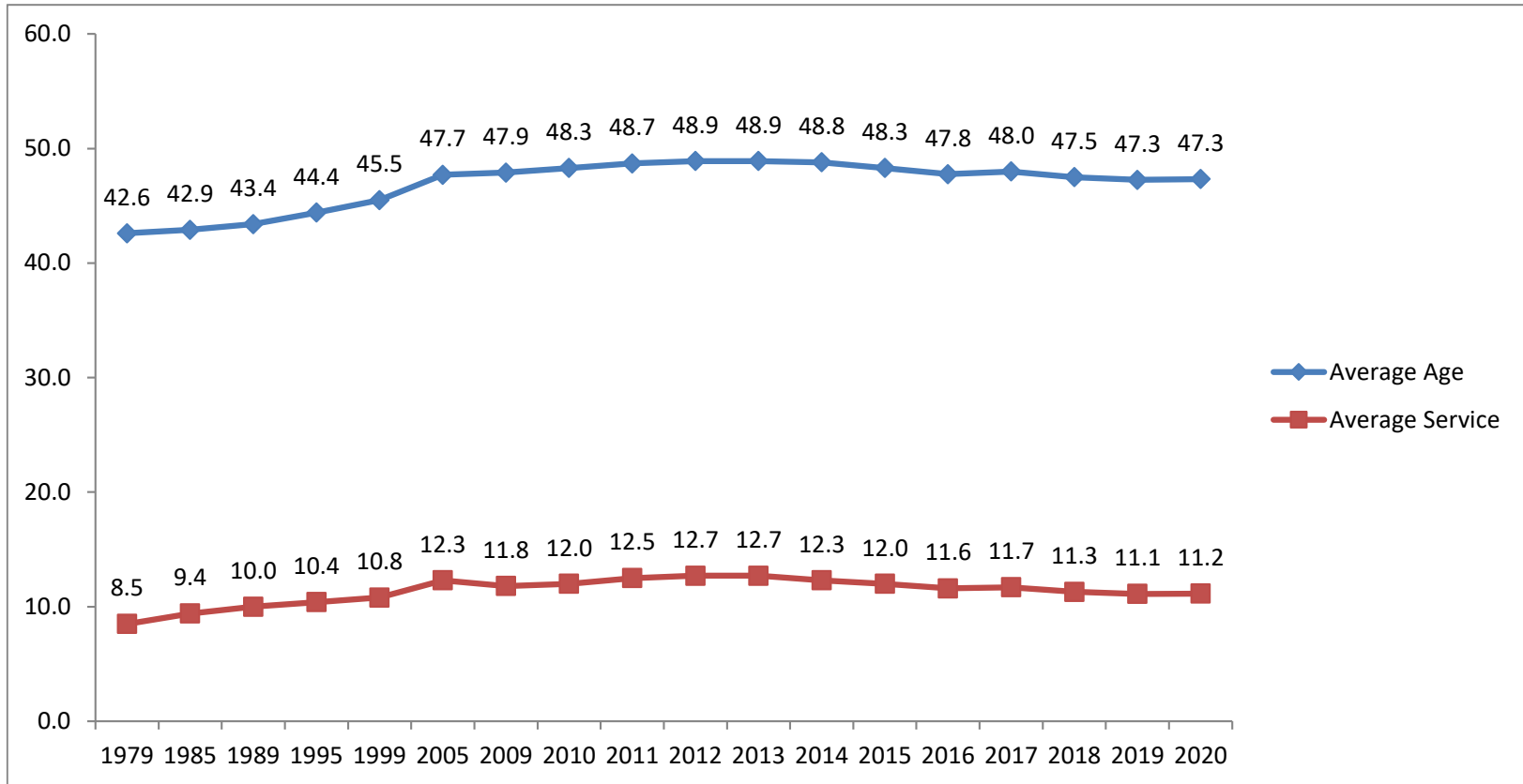
GASB 67/68 Liability  
Active Members





# Age and Service History

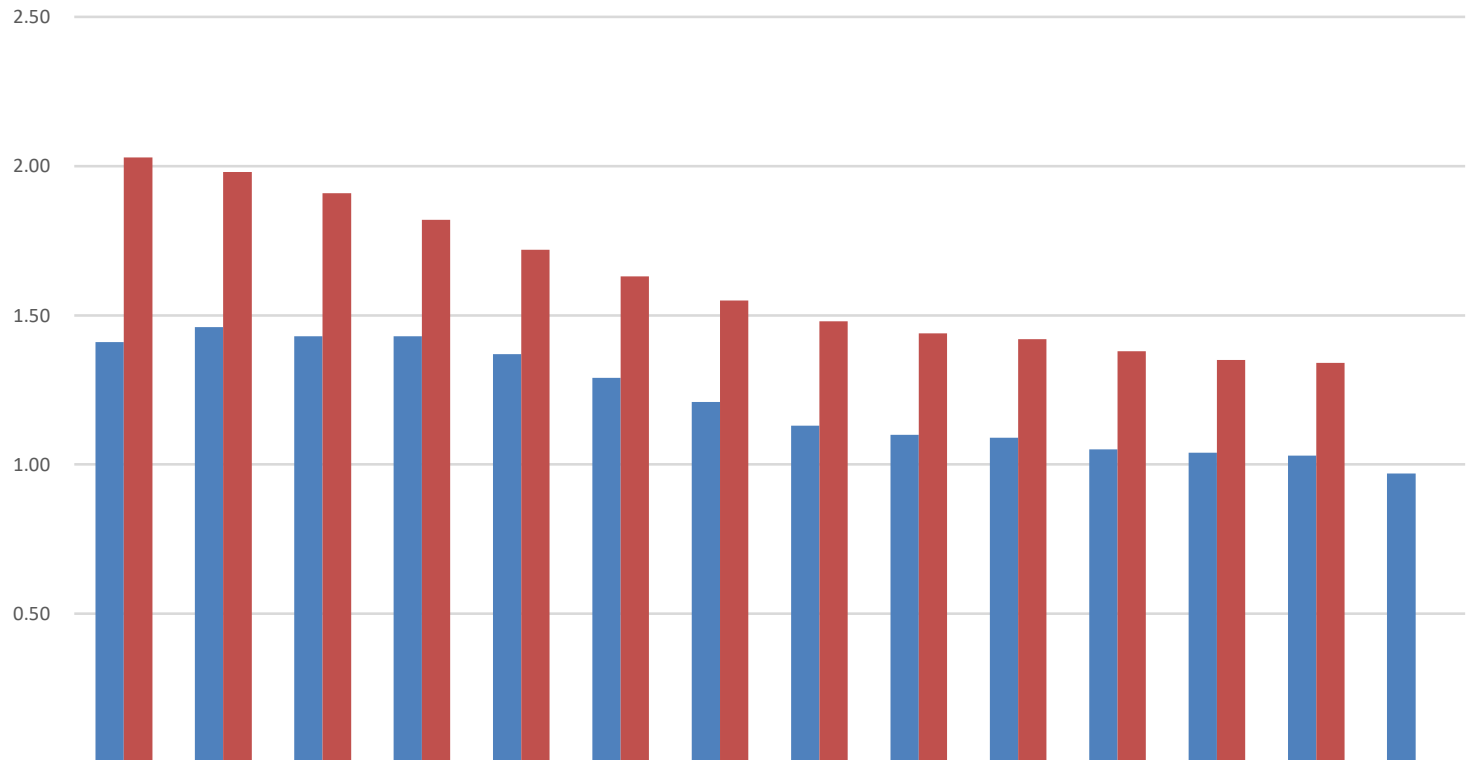
## Active Members



# Maturity Ratio



## Active Members per Retiree

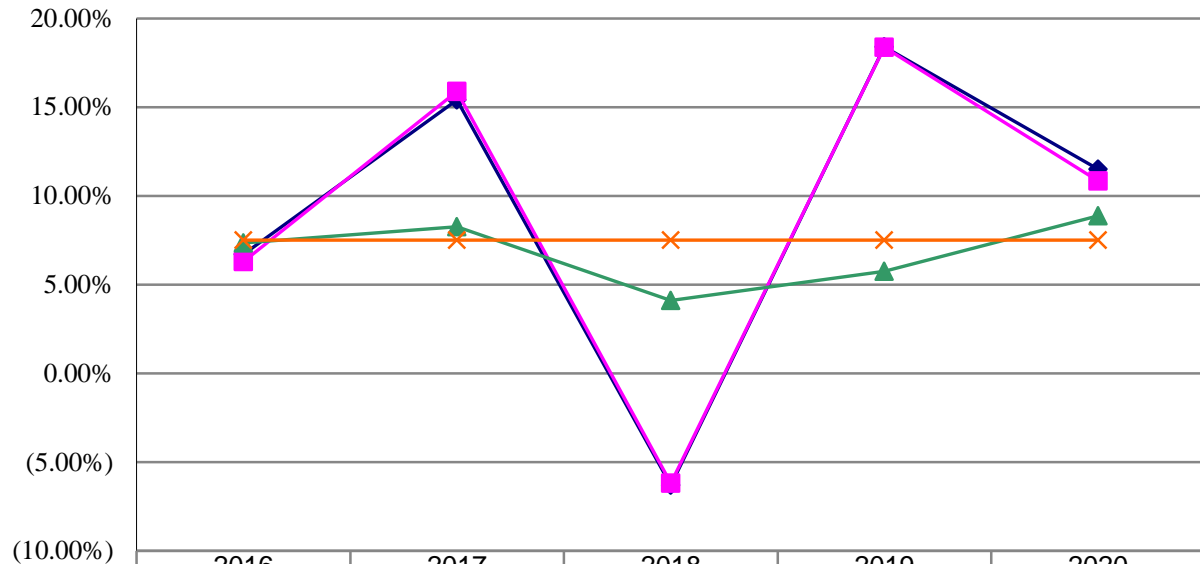


■ SERS	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
■ NASRA Survey	1.41	1.46	1.43	1.43	1.37	1.29	1.21	1.13	1.10	1.09	1.05	1.04	1.03	0.97
	2.03	1.98	1.91	1.82	1.72	1.63	1.55	1.48	1.44	1.42	1.38	1.35	1.34	

# Rates of Return

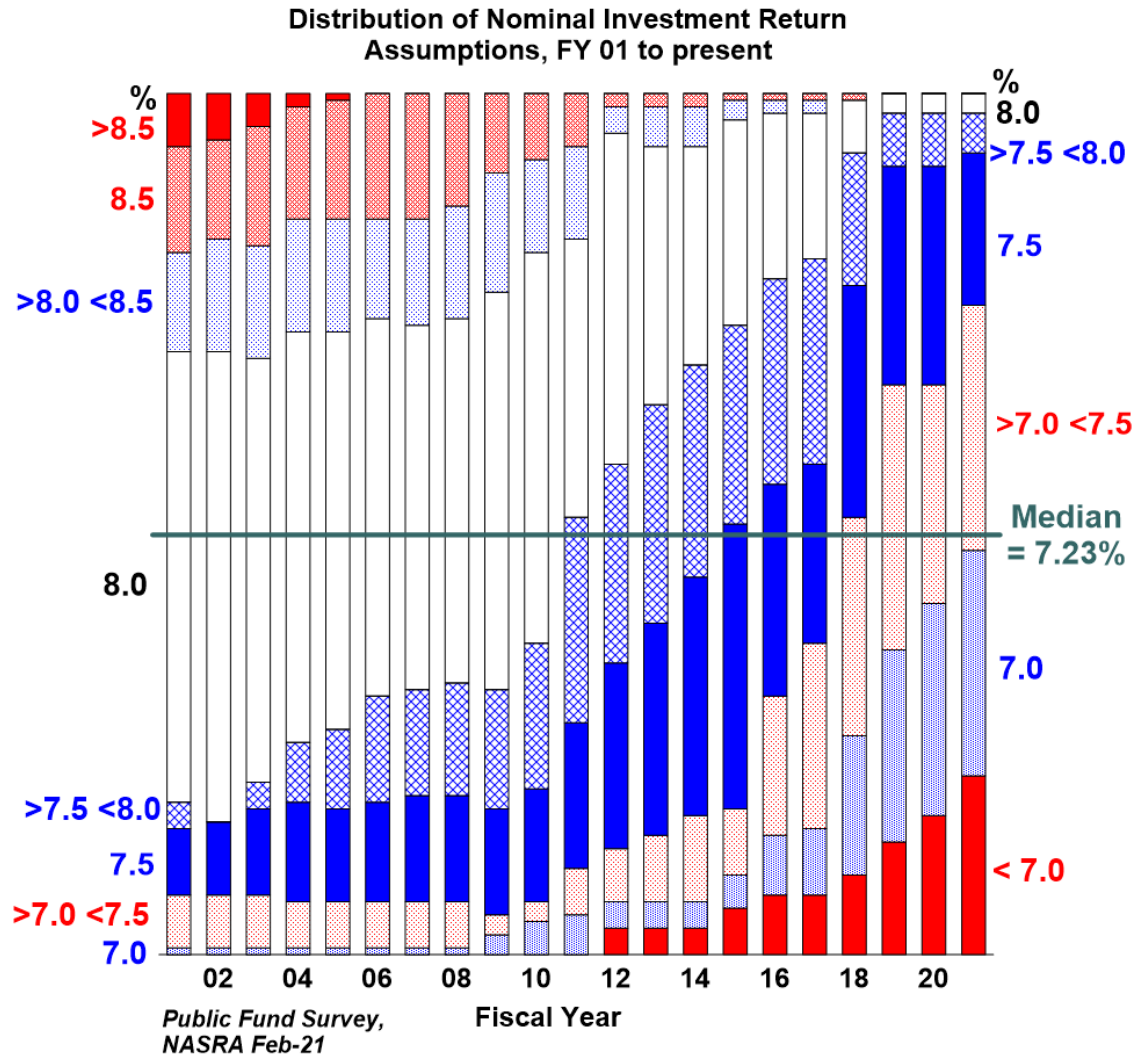


## Rates of Return



	2016	2017	2018	2019	2020
Invested Value Return	6.70%	15.40%	(6.30%)	18.40%	11.50%
Total Value Return	6.31%	15.87%	(6.17%)	18.37%	10.84%
Actuarial Value Return	7.35%	8.25%	4.12%	5.75%	8.87%
Assumed Return	7.50%	7.50%	7.50%	7.50%	7.50%

# Assumed Investment Return



SERS 7.50%

Median decreased from 7.25% in 2020

# Fiduciary Net Position



## ASSETS

1. Cash		141,000
2. Short-term investments		1,060,143
3. Receivables		
a. Interest and Dividends	204,815	
b. Other receivables	128	
c. Total Receivables		<u>204,943</u>
4. Investments, at fair value		
a. U. S. Fixed Income	39,918,717	
b. International Fixed Income	1,039,549	
c. U.S. Equities	106,974,730	
d. International Equities	83,099,810	
e. Real Estate	26,689,924	
f. Alternatives	80,757,767	
g. Total Investments		<u>338,480,497</u>
5. Capitalized software, net of accumulated amortization		194,139
6. Total Assets		<u>340,080,722</u>

## LIABILITIES

1. Accounts Payable	85,044	
2. Current portion employee salary & benefits	4,704	
3. Employee leave benefits	49,925	
4. Other current liabilities	13,041	
5. Total Liabilities		<u>152,714</u>

## NET POSITION

339,928,008

# Change in Fiduciary Net Position



## ADDITIONS

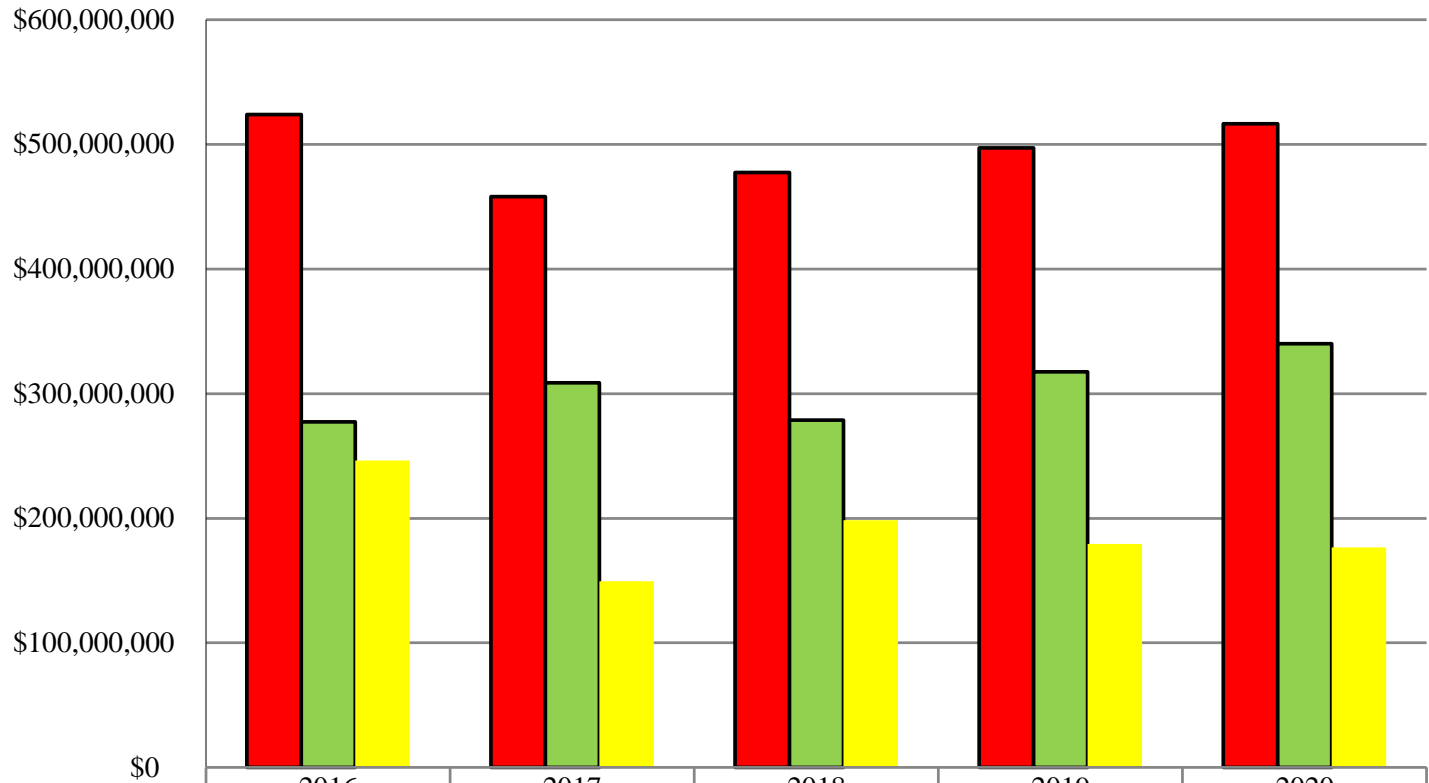
1. Contributions		
a. Employer	10,659,281	
b. Plan Members	10,659,281	
c. Miscellaneous Revenue	-	
d. Total Contributions		21,318,562
2. Investment Earnings:		
a. Net increase (decrease) in fair value of investments	30,455,175	
b. Interest, dividends and other investment income	3,789,747	
c. Total Investment Earnings (loss)		<u>34,244,922</u>
d. Less: investment expense		<u>449,834</u>
e. Net investment earnings (loss)		<u>33,795,088</u>
Total additions		<u>55,113,650</u>

## DEDUCTIONS

1. Pension benefits	31,595,115	
2. Refund of contributions	513,758	
3. Administrative expenses	619,135	
Total deductions		<u>32,728,008</u>
Change in net assets:		22,385,642
Prior period adjustment		0
Plan Fiduciary Net Position, 12/31/2019		<u>317,542,366</u>
Plan Fiduciary Net Position, 12/31/2020		<u>339,928,008</u>

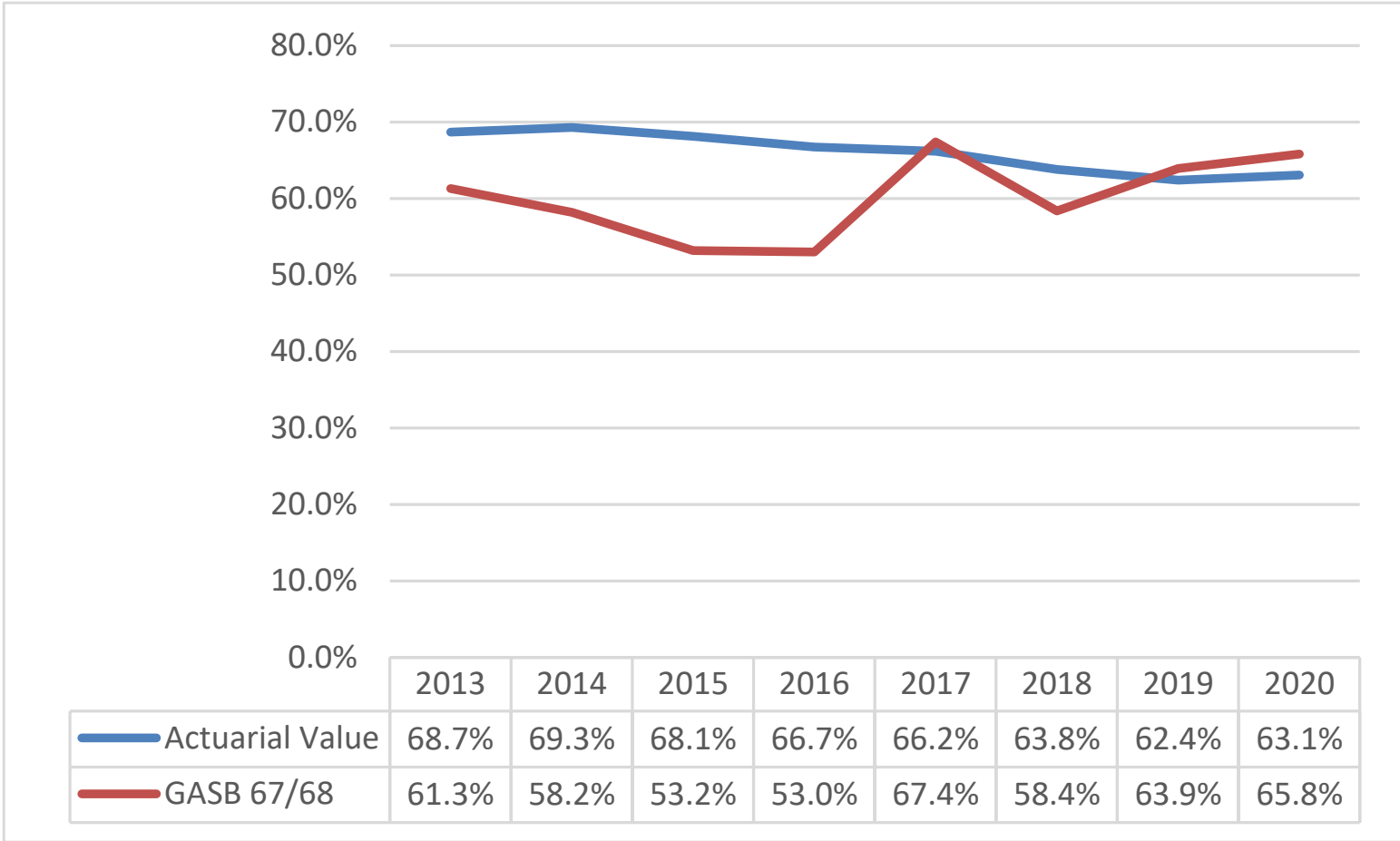
# Net Pension Liability

## GASB 67/68



	2016	2017	2018	2019	2020
■ Total Pension Liability	\$523,734,979	\$458,119,623	\$477,240,443	\$496,987,271	\$516,665,282
■ Plan Fiduciary Net Position	\$277,331,781	\$308,637,220	\$278,879,226	\$317,542,366	\$339,928,008
■ Net Pension Liability	\$246,403,198	\$149,482,403	\$198,361,217	\$179,444,905	\$176,737,274

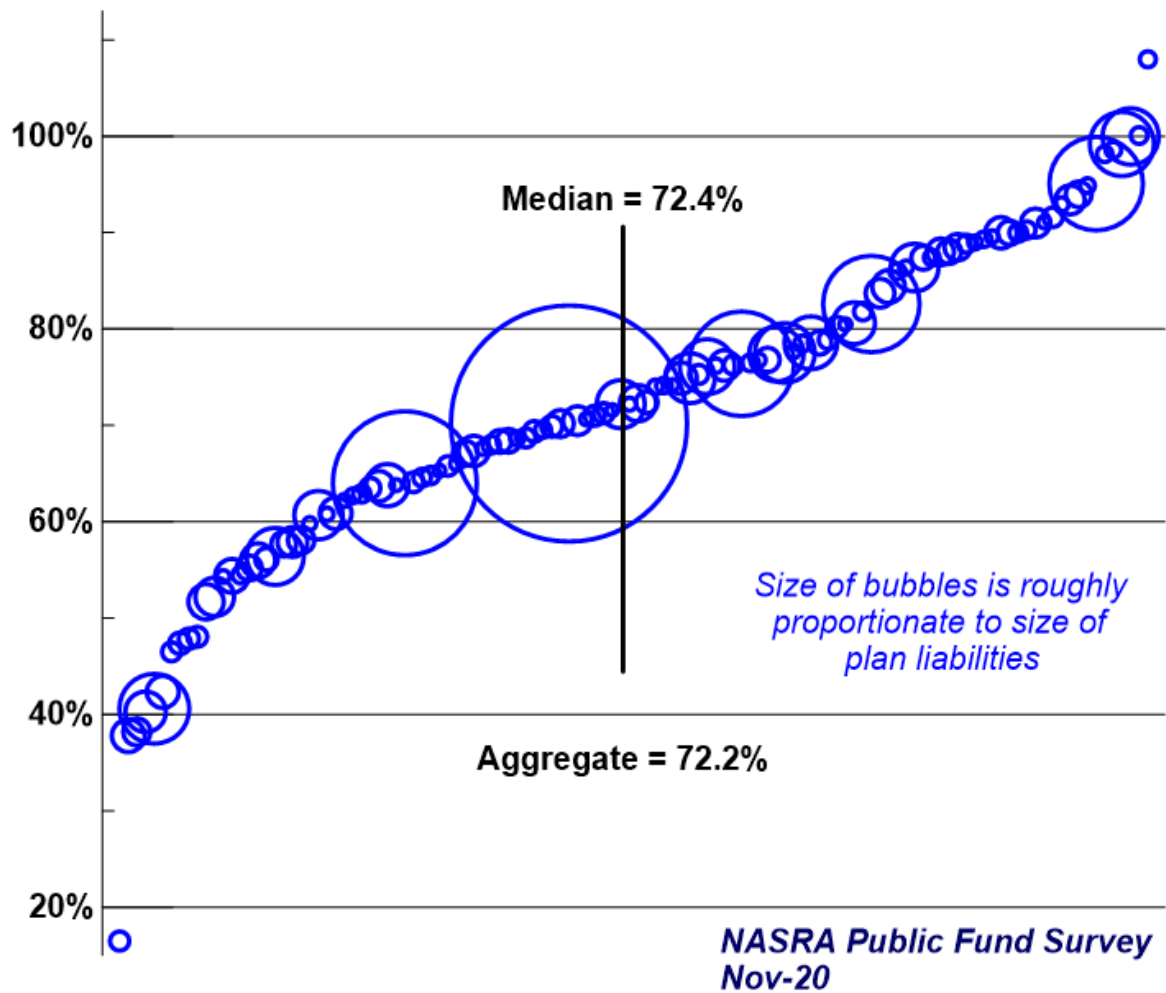
# Funded Status



- » The actuarial value funded % is calculated using a discount rate of 7.50% (the long term expected rate of return) and the smoothed actuarial value of assets.
- » The GASB 67/68 funded % was calculated using the blended discount rate prior to 2017. (5.75% in 2013; 5.50% in 2014 and 2015, 5.75% in 2016); beginning in 2017, the 7.50% long term expected rate of return was used. Assets are at market value.



# Funded Status

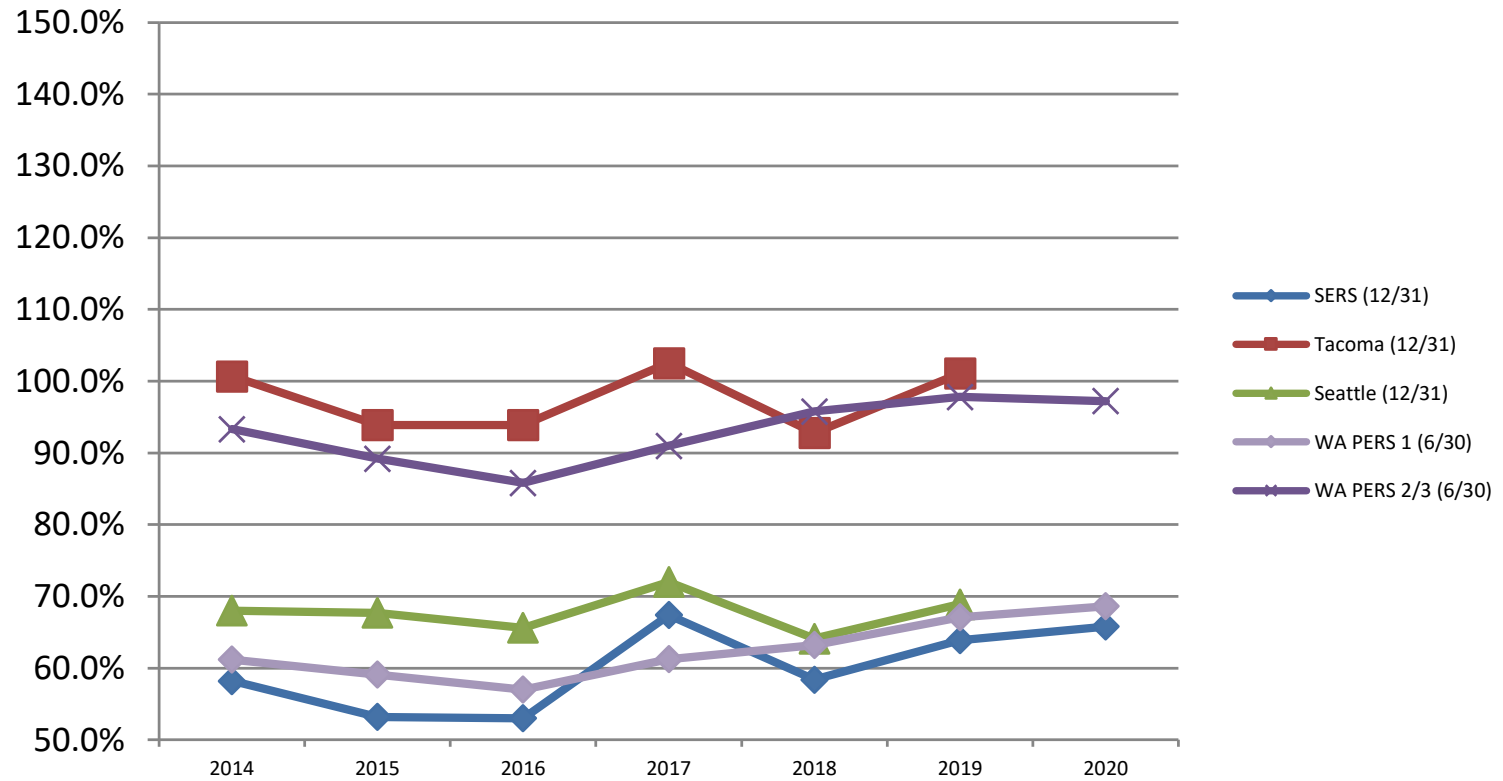


# Funded Status

## Comparison with other systems

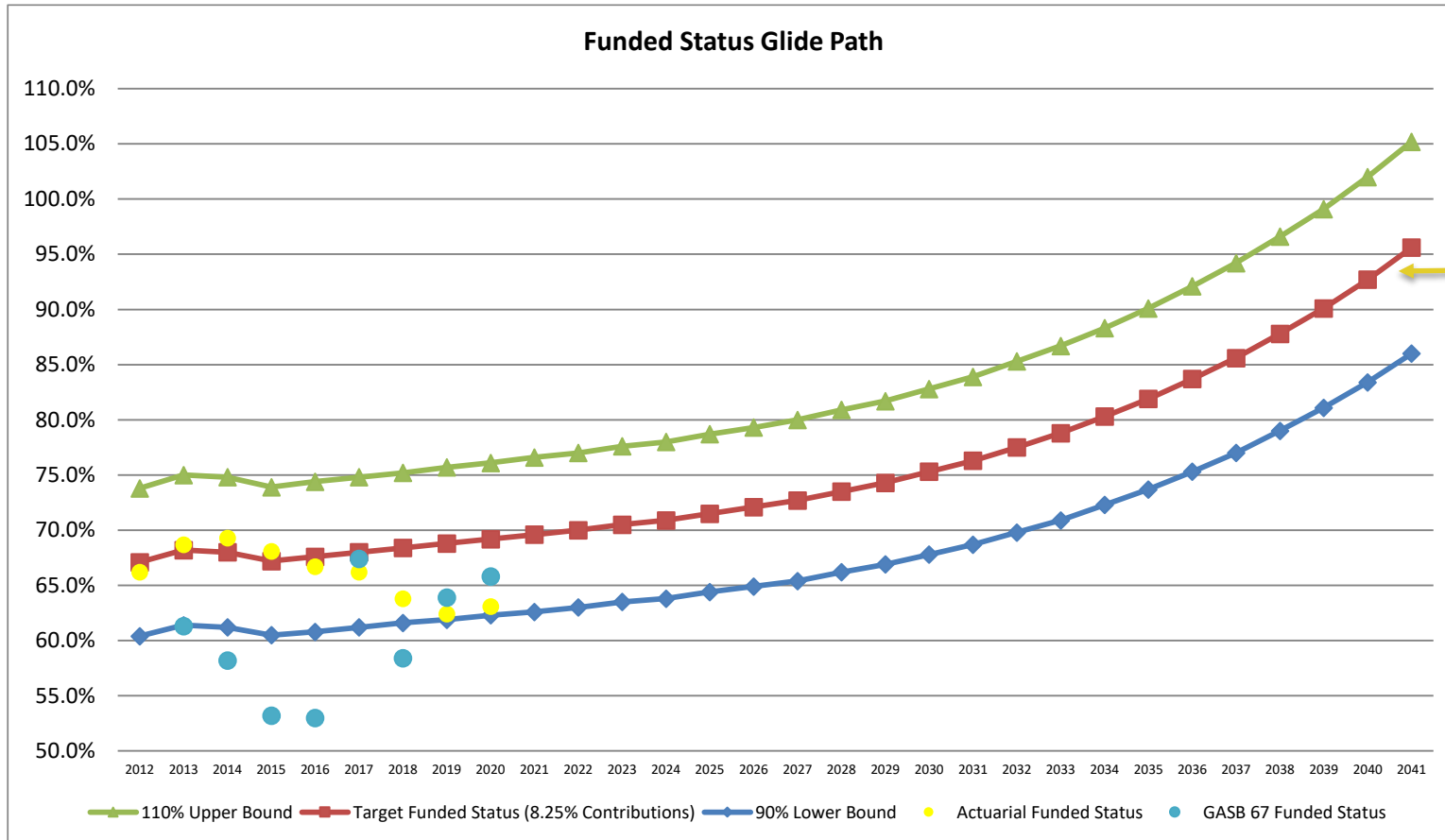


### GASB 67 Funded Status



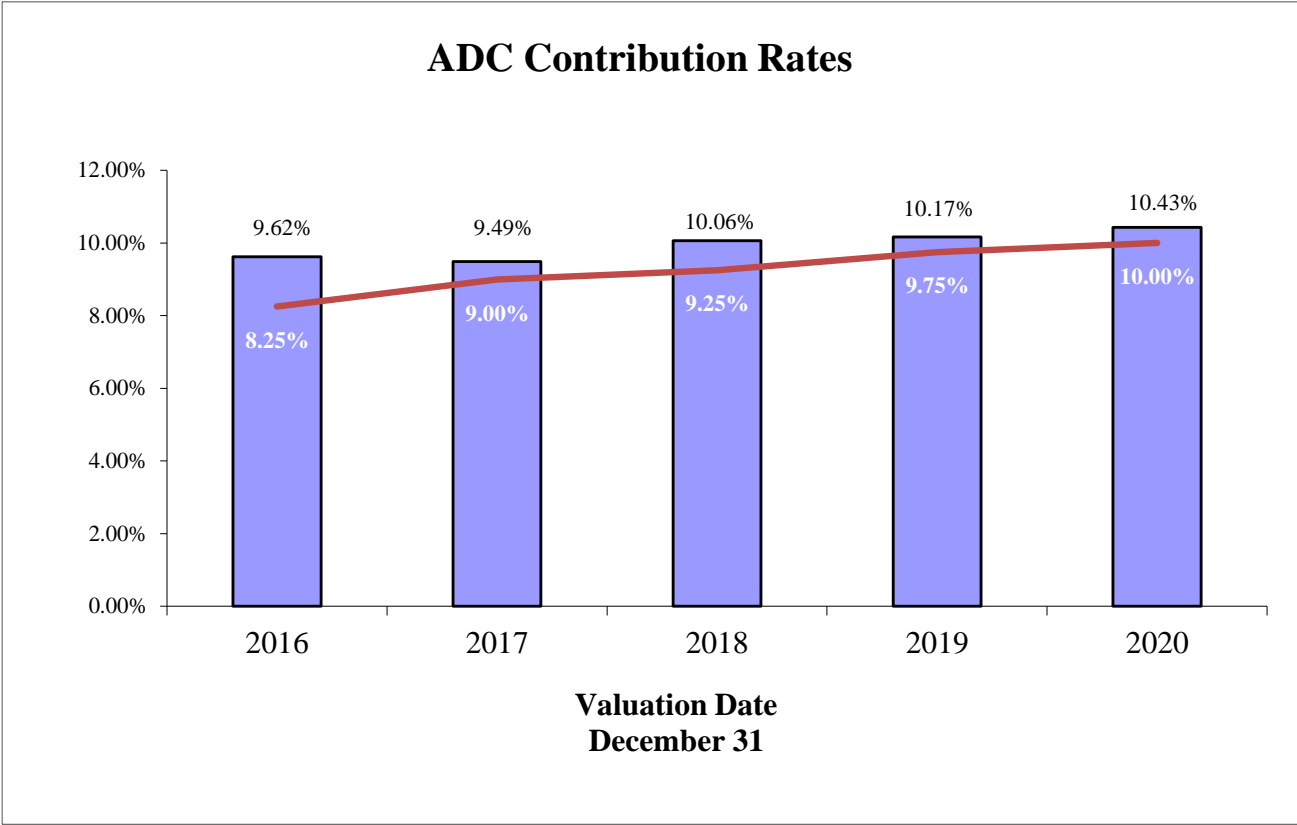
# Funded Status Glide Path

## Based on Actuarial Value of Assets



- » At the November 2012 meeting, the Board voted to adopt a glide path strategy to monitor the funded status (based on actuarial asset value) versus a target based to ensure the funded status does not stray more than 10% above or below the target from year to year
- » The chart above indicates the actuarial funded status has strayed from target as of 12/31/20 but is still within the +/- 10% range
- » The GASB 67 funded status was not reported back in 2012; it is much more volatile because market value fluctuations are not smoothed

# Contribution Rates



Employer and Employee Contribution Rates increased to 10% in December 2020

# Contribution Rates



- » The ADC, including employee and City contributions, is a total of 20.43% of pay.
- » Currently, both the City and employees are contributing 10% of pay to SERS. This is a combined total contribution rate of 20% which is less than the ADC.
  - Recent labor agreements allow for annual increases of up to 1% of pay by both the employee and the City if approved by the Retirement Board and the City Council
  - A rate of 10.25% by employees and the City would satisfy the ADC
  - The Board needs to decide when the ADC rate has changed enough to initiate a formal request for an increase in contribution rates keeping in mind that a failure to increase rates when warranted might eventually lead to the use of a blended discount rate for GASB 67/68 reporting.

# Schedule of Contributions

## GASB 67/68 Schedule



<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Percentage Contributed</u>
12/31/2012	8,325,936	6,937,750	1,388,186	89,519,355	7.75%
12/31/2013	8,237,317	6,715,376	1,521,941	86,650,013	7.75%
12/31/2014	8,292,066	6,822,279	1,469,787	86,139,886	7.92%
12/31/2015	9,069,276	7,398,945	1,670,331	89,684,182	8.25%
12/31/2016	9,853,762	7,586,362	2,267,400	91,955,903	8.25%
12/31/2017	9,765,949	8,113,319	1,652,630	98,343,261	8.25%
12/31/2018	10,044,342	9,187,420	856,922	102,082,444	9.00%
12/31/2019	11,078,489	9,824,717	1,253,772	106,213,157	9.25%
12/31/2020	11,527,854	10,659,281	868,573	109,325,959	9.75%

# Funded Status Projections



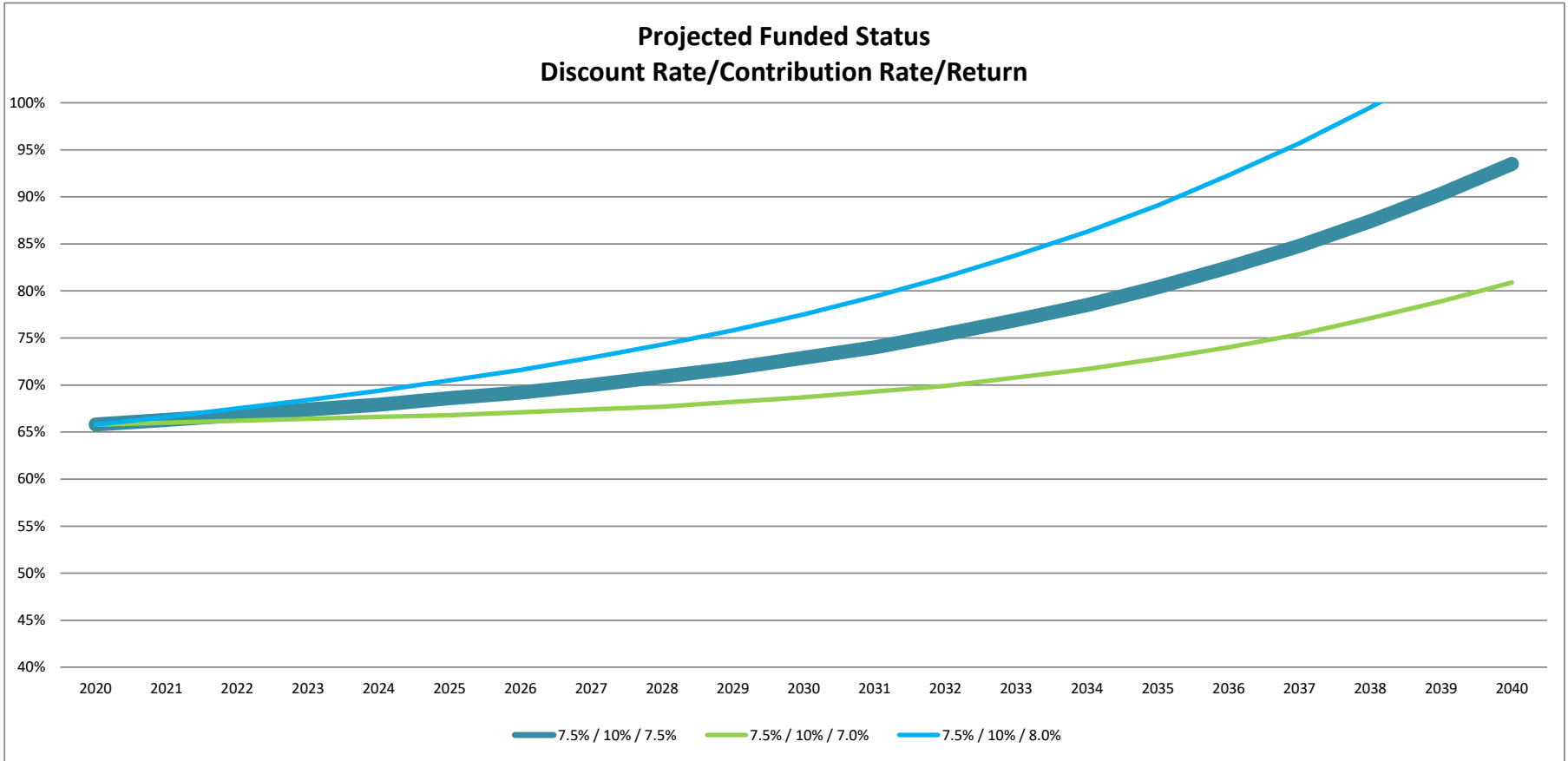
- » Active membership assumed to remain level in the future
  - Assumes new employees will be hired to replace retiring or otherwise terminating employees
  - New hires have same profile as average new hires during the past year
  - We believe this is a better projection for understanding the potential long-term health of the plan
- » Assumptions
  - Discount rates
    - » 7.50% (used to determined the ADC and current GASB 67/68 reporting)
  - Contribution rates
    - » 10% City and employee contribution rates as well as 10.25%
  - 7.50% annual return +/- 50bps
  - All other actuarial assumptions realized

# Funded Status Projections

## Current Contribution Rates (10%)



**Projected Funded Status**  
**Discount Rate/Contribution Rate/Return**



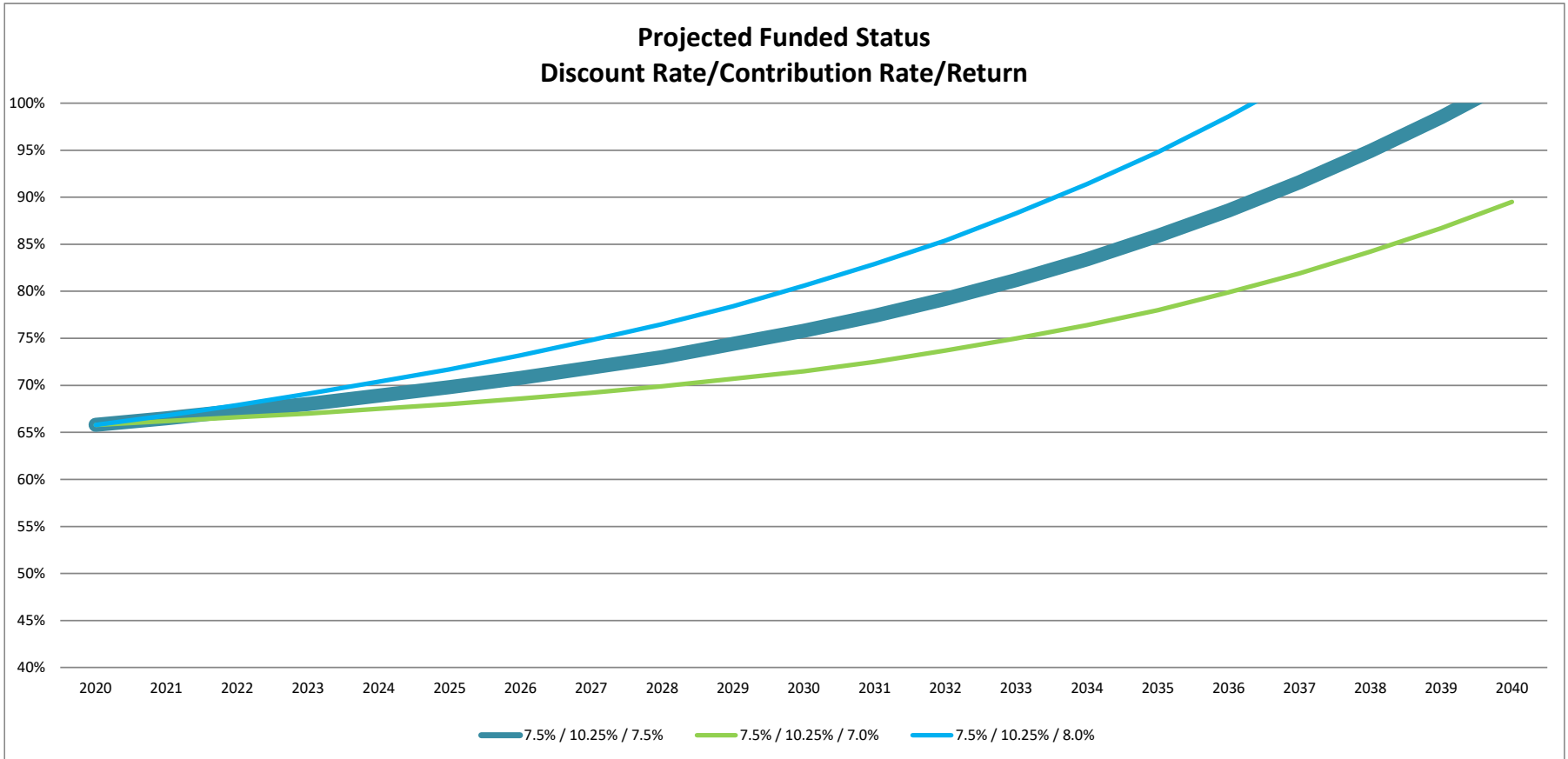


# Funded Status Projections

## Contribution Rates 10.25%



**Projected Funded Status**  
**Discount Rate/Contribution Rate/Return**



# Ad-Hoc Increase



- » The funded status is less than 90%, therefore an ad-hoc increase should not be granted based on the Board policy

# Appendix



# Demographics



	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Number of Members:			
Retirees	1,328	1,284	44
Beneficiaries	168	165	3
Disabled	8	8	0
Terminated Vested	78	64	14
Portables	53	55	(2)
Active	1,464	1,499	(35)
Total Members	3,099	3,075	24
Projected Compensation for Coming Year	112,984,469	111,746,539	1,237,930
Average Compensation for Coming Year	77,175	74,547	2,628
Average Age (Active Members)	47.33	47.26	0.07
Average Service (Active Members)	11.15	11.11	0.04
Annual Retirement Allowance	32,477,722	30,465,677	2,012,045
Average Annual Retirement Allowance	21,594	20,910	684
Average Monthly Retirement Allowance	1,800	1,743	57

# Actuarial Asset Value Used to determine the ADC

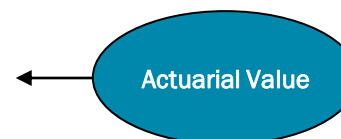


1. Total Market Value of Net Assets, 12/31/2019	317,542,366
2. Expected Return for Plan Year	23,395,558
3. Actual Return for Plan Year	33,795,088
4. Total Market Value of Net Assets, 12/31/2020	339,928,008
5. Determination of Deferred Gain (Loss)	



<u>Fiscal Year</u>	<u>Actual vs. Expected Return</u>	<u>Amount Recognized This Year</u>	<u>Portion Deferred</u>	<u>Deferred Amount</u>
2020	10,399,530	2,079,906	4/5	8,319,624
2019	29,674,372	5,934,874	3/5	17,804,623
2018	(41,457,145)	(8,291,429)	2/5	(16,582,858)
2017	22,719,457	4,543,891	1/5	4,543,891
2016	(3,186,861)	(637,372)	0/5	0
Total	18,149,353	3,629,870		14,085,280

6. Preliminary Smoothed Fair Value of Net Assets (4. - 5.)	325,842,728
7. Ratio of Preliminary Smoothed Fair Value to Market Value	95.86%
8. Smoothed Fair Value of Net Assets (6., but not less than 90% nor more than 110% of 4.)	325,842,728
9. Ratio of Smoothed Fair Value to Market Value	95.86%
10. Approximate Rate of Return on Smoothed Fair Value of Net Assets	8.87%



# Contribution Rate - Net of Employee Contributions

City and Employee Contribution Rates are Currently 10%



1. Actuarially Determined Employer Contribution Amount		
a. Normal Cost	(943,370)	
b. Amortization Charges	12,718,873	
c. Total		11,775,503
2. Actuarially Determined Employer Contribution Rate		
a. Normal Cost	-0.83%	
b. Amortization Charges	11.26%	
c. Total		10.43%
3. Projected Pay for the Upcoming Year		112,984,469

Note:  
Total ADC  
including  
member  
contributions is  
20.43%

# Measures of Risk



- » Risk may be broadly defined as the chance an outcome or result will differ from the expected outcome or result. In the context of defined benefit pension plans risk is the potential for the future financial condition of the plan to deviate from that expected due to future actual experience different from assumed or expected experience. Some of the more significant risks are described below. Please let us know if you would like us to quantify or model these risks or any others in more detail.
- **Investment risk** is the risk that actual investment returns differ from the assumed rate of return. Investment returns can be very volatile. Even if the assumed rate of return is realized over the long term, this volatility can lead to significant swings in the plan's funded status and contribution requirement from year to year. Furthermore, there is the risk that the assumed rate of return may not be realized.
  - **Interest rate risk** is the risk that future interest rates differ from expected interest rates. The interest rate is used to discount future expected benefit payments in order to determine a plan's liability as of the measurement date. Higher interest rates result in lower liabilities and lower interest rates result in higher liabilities.
  - **Asset/Liability mismatch risk** is the risk that changes in future asset values are not matched by changes in the value of plan liabilities. Both assets and liabilities are sensitive to interest rates however the same change in interest rates may have differing impact on assets versus liabilities both in terms of direction and magnitude. Matching the duration of interest rate sensitive assets in the plan's portfolio with the duration of the plan's liabilities (see Interest Rate Risk above) is a method that can be employed to protect the plan's funded status from interest rate fluctuations.
  - **Longevity risk** is the risk that mortality experience will be different than expected. Since the plan is not large enough to have credible mortality experience, standard tables are used. The standard tables are comprised of "base rates" and a mortality improvement projection scale which anticipates continued improvement in mortality in the future. If plan participants live longer than expected, the cost of providing lifetime benefits increases and vice versa.
  - **Contribution risk** is the risk that required contributions as determined by the actuary are not made.

# Other Maturity Measures



- » Plan maturity measures are ratios intended to measure the maturity level of a plan. As a plan becomes more mature contribution requirements become more sensitive to investment volatility and more conservative investment strategies may be considered if volatility is a concern.
  - Ratio of retired life liability to total liability: .60
    - » A high ratio of retired life liability to total liability indicates a larger proportion of the liability is due to "fixed" benefit amounts. As a result, attempts to mitigate fluctuating contribution requirements through plan amendments affecting future benefit accruals will have less of an impact.
  - Ratio of net cash flow to market value of assets: (.03)
    - » Net cash flow represents contributions received for the year less benefit payments and expenses. Investment income is excluded. A large negative ratio indicates a significant percentage of the assumed rate of return must be realized to cover the annual cash outflow.
  - Ratio of benefit payments to contributions: 1.51
    - » A high ratio of benefit payments to contributions indicates the extent to which investment return is relied upon to improve the funded status and reduce future costs. A fully funded plan would expect benefit payments to equal or exceed contributions.



**Spokane Employees' Retirement System (SERS)**  
**Board Meeting Minutes**  
**April 7, 2021**

The regular monthly meeting was called to order at 1:00 p.m. via WebEx conference call.

**Present:** Mike Coster, Jim Tieken, Joe Cavanaugh, Michael Cathcart, Dean Kiefer, Brian Brill, and J.D. Morscheck

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

**Guests:** Randall Dervishi, Coleen Shefferly, Rebecca Wagner, Teresa Collins, Richard Czernik, Teri Stripes, Judy Bell, Robert Parker, Lauren Albenese, Cyril Espanol, and Ryan Estalilla

**AudioNet Voluntary Hearing Aid Benefit Presentation**

Ms. Shefferly, Mr. Dervishi, and Ms. Wagner led a slide show presentation on the AudioNet Voluntary Hearing Aid Benefit that is being offered to active employees.

Dean Kiefer moved and Jim Tieken seconded the motion to present the benefit to the retirees. The motion passed unanimously.

**Minutes of the March 3, 2021 Meeting**

Joe Cavanaugh moved and Jim Tieken seconded the motion to approve the minutes of the March 3, 2021 meeting as amended.

**Director's Report**

**Service Retirements**

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Patrick E. Wise	58	03/01/2021	14.8	E
Robert J. Womochil	68	03/01/2021	22.3	D
Rodney W. Geiger	62	04/03/2021	30.4	E
Lars H. Hendron	62	04/03/2021	29.7	D
Melissa K. Wittstruck	62	04/06/2021	6.3	C-10

Joe Cavanaugh moved and Dean Kiefer seconded the motion to approve the service retirements as amended on the April Retirement Transaction Report. The motion passed unanimously.

**Withdrawals for March 2021**

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
-------------	-------------------------	-------------------------

Anna L. Everano	5.3	10/01/2020
Wade C. Owens	0.9	11/12/2020
Jeremiah M. Jones	3.1	01/28/2021
Alex J. Russell	6.1	02/01/2021
Sarah C. Winger	7.2	02/13/2021

Jim Tieken moved and Joe Cavanaugh seconded the motion to approve the request for withdrawals as presented on the April Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Christopher D. Galbreath	Solid Waste Disposal	14.6

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Barbara J. Mihalchean	09/30/1996	79	02/08/2021	No Further Benefits
Michael R. Masingale	09/27/2014	64	03/04/2021	No Further Benefits
John A. Walters	07/07/2018	66	03/05/2021	E Option Continues

Vesting and death information provided to the Board for review.

Expenditure Summary Report – February 2021

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

Dean Kiefer moved and Joe Cavanaugh seconded the motion to approve the February 2021 Expenditure Summary Reports. The motion passed unanimously.

Schedule of Investments – February 2021

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on February 28, 2021 was \$348 million with an estimated monthly rate of return of 3.2%.

Monthly Cash Reconciliation

The monthly cash reconciliation report for March 2021 was presented to provide the Board with additional insight into the ongoing liquidity and cash position of the plan.

**Board Member Search Survey**

Mr. Tencick received only a couple responses to the Board Member Search survey. He will resend the survey and present the results at the May Board meeting.

**Beneficiary Designation Plan Amendments**

Mr. Tencick presented the proposed ordinance amendment regarding beneficiaries. This proposed change clarifies the beneficiary designation process.

Joe Cavanaugh moved and Jim Tieken seconded the motion to accept the recommended changes. The motion passed unanimously.

**Possible Litigation – Closed Session**

The Board moved into closed session at 1:54 p.m. to discuss possible litigation.

Dean Kiefer exited the meeting at 1:58 p.m.

There being no other business, the meeting adjourned at 1:59 p.m.

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**Phillip Tencick, Retirement Director**

DRAFT

## SERS Retirement Transaction Report

### May 2021

#### *Retirements*

	<b>Name</b>	<b>Age</b>	<b>Retirement Date</b>	<b>Years of Service</b>	<b>Department</b>	<b>Option</b>
1	Daniel K. Cotter	52	04/21/2021	13.0	Water	ST
2	Thomas M. Echelbarger	64	04/29/2021	10.5	Sewer Maintenance	ST
3	Cynthia A. Davis	50	05/01/2021	4.6	Arena Management	ST
4	Randall W. Nelson	62	05/22/2021	20.7	Parks & Recreation	E
5	Anne M. Rorholm	50	06/01/2021	6.2	Economic Development	E
6	Christy R. Craver	62	06/03/2021	18.0	Water	D
	Retirements YTD	23				
	2020 Total Retirements	74				

#### *Withdrawals*

	<b>Name</b>	<b>Years of Service</b>	<b>Department</b>	<b>Termination Date</b>
1	Lindsay J. Stores	1.6	Police	03/02/2021

#### *Vesting*

	<b>Name</b>	<b>Department</b>	<b>Years of Service</b>
1	Heather J. Newell	CD/HS Operations	0.6 Portable

#### *Deaths*

	<b>Name</b>	<b>Date Retired</b>	<b>Age</b>	<b>Date of Death</b>	<b>Information</b>
1	Helen Stentz	01/19/1978	100	02/03/2019	No Further Benefits
2	Virginia A. Butts	01/02/2019	77	03/27/2021	No Further Benefits
3	Opal M. Abitz	11/02/2002	92	04/03/2021	No Further Benefits
4	Fred A. Shiosaki	09/01/1989	96	04/10/2021	No Further Benefits
5	Harry W. Colwell	02/04/1991	84	04/13/2021	E Option Continues
6	Jennifer S. Grimes	05/10/2014	66	04/17/2021	No Further Benefits

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2021 EXPENDITURE SUMMARY REPORT  
**MARCH 31, 2021**

	2020 ACTUAL	2021 BUDGET	MARCH ACTUAL EXPENDITURES	2021 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
<b>OPERATING EXPENDITURES</b>						
Departmental Salaries	315,165.09	313,354.00	22,984.00	64,935.64	248,418.36	20.7%
Departmental Benefits	85,294.40	89,760.00	6,955.53	20,142.58	69,617.42	22.4%
Reserve for Budget Adjustment	-	10,000.00	-	-	10,000.00	0.0%
Administrative Income	(16,886.25)	(10,000.00)	(4,943.42)	(4,943.42)		
Postage/Supplies/Other	3,997.66	5,200.00	802.35	856.84	4,343.16	16.5%
State Audit Charges	12,990.88	15,000.00	148.78	705.75	14,294.25	4.7%
Contractual Services	142,161.60	175,000.00	13,731.00	13,731.00	161,269.00	7.8%
Travel	109.09	15,000.00	-	-	15,000.00	0.0%
Registration/Schooling	5,995.00	16,000.00	-	-	16,000.00	0.0%
Other Dues/Subscriptions/Membership	1,752.80	2,500.00	160.00	360.00	2,140.00	14.4%
Other Miscellaneous Charges	1,179.23	2,200.00	1,118.08	1,228.08	971.92	55.8%
Amortization	17,649.00	-	-	-	-	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>569,408.50</b>	<b>634,014.00</b>	<b>40,956.32</b>	<b>97,016.47</b>	<b>542,054.11</b>	<b>15.3%</b>
<b>INTERFUND EXPENDITURES</b>						
Interfund - Office Performance Mgmt Services	389.00	-	-	-	-	
Interfund - Centralized Purchasing	448.85	5,000.00	-	92.25	4,907.75	1.8%
Interfund - Centralized Accounting	1,377.27	1,764.00	-	441.00	1,323.00	25.0%
Interfund - Risk Management	293.00	607.00	-	151.75	455.25	25.0%
Interfund - Worker's Compensation	134.00	134.00	-	33.50	100.50	25.0%
Interfund - Reprographics	5,043.80	9,412.00	-	2,353.00	7,059.00	25.0%
Interfund - IT	39,242.59	39,237.00	3,271.41	6,543.48	32,693.52	16.7%
Interfund - IT Replacement	1,827.00	3,003.00	250.25	500.50	2,502.50	16.7%
Interfund - My Spokane	970.64	756.00	-	178.59	577.41	23.6%
<b>TOTAL INTERFUND EXPENDITURES</b>	<b>49,726.15</b>	<b>59,913.00</b>	<b>3,521.66</b>	<b>10,294.07</b>	<b>49,618.93</b>	<b>17.2%</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>619,134.65</b>	<b>693,927.00</b>	<b>44,477.98</b>	<b>107,310.54</b>	<b>591,673.04</b>	<b>15.5%</b>

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2021 EXPENDITURE SUMMARY REPORT  
**MARCH 31, 2021**

	2020 ACTUAL	2021 BUDGET	MARCH ACTUAL EXPENDITURES	2021 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
<b>PENSIONS</b>						
Pensions-Annuity Benefit Payments	29,378,701.18	31,500,000.00	2,547,309.96	7,618,154.54	23,881,845.46	24.2%
Pensions-Disability Payments	114,579.60	135,000.00	9,548.30	28,644.90	106,355.10	21.2%
Pensions-Survivor Annuity Benefits Payments	2,101,833.92	2,500,000.00	182,768.50	539,880.95	1,960,119.05	21.6%
<b>TOTAL PENSIONS</b>	<u>31,595,114.70</u>	<u>34,135,000.00</u>	<u>2,739,626.76</u>	<u>8,186,680.39</u>	<u>25,948,319.61</u>	24.0%
Refunds	513,758.34	1,000,000.00	98,143.83	164,845.84	835,154.16	16.5%
<b>TOTAL EXPENSES</b>	<u><u>32,728,007.69</u></u>	<u><u>35,828,927.00</u></u>	<u><u>2,882,248.57</u></u>	<u><u>8,458,836.77</u></u>	<u><u>27,375,146.81</u></u>	23.6%
<b>INVESTMENT EXPENSE*</b>						
Advisory Technical Service	449,834.07	550,000.00	-	14,591.87	535,408.13	2.7%

\* investment expenses are netted against investment income in the statement of changes of plan net assets to arrive at a net investment income amount.

SERS Schedule of Cash and Investments  
March 31, 2021

4/27/2021

	Type		Allocation		
			Target	Current	Diff.
Cash Held by Treasurer	Cash	\$ 87,629			
US Bank	Short-term Inv	1,016,152			
<b>Total Cash</b>		<b>1,103,781</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.3%</b>
Sterling Capital	Total Return	26,979,152			
<b>Total Total Return</b>		<b>26,979,152</b>	<b>10.0%</b>	<b>7.6%</b>	<b>-2.4%</b>
Hotchkis & Wiley	High Yield - Mutual Fund	16,033,635			
<b>Total High Yield</b>		<b>16,033,635</b>	<b>5.0%</b>	<b>4.5%</b>	<b>-0.5%</b>
PIMCO Dynamic	Absolute Return	7,000,000			
Polar	LLC	8,765,009			
Post Limited Term High Yield	Ltd Partnership	6,792,307			
Rimrock Low Volatility	Ltd Partnership	10,268,089			
<b>Total Absolute Return</b>		<b>32,825,405</b>	<b>8.0%</b>	<b>9.3%</b>	<b>1.3%</b>
<b>Total Capital Preservation</b>		<b>76,941,973</b>	<b>23.0%</b>	<b>21.8%</b>	<b>-1.2%</b>
Hotchkis & Wiley	LC Value - Mutual Fund	17,571,097			
MFS Growth	LC Growth - Mutual Fund	15,641,809			
Fidelity S&P 500 Index	LC Core - Mutual Fund	38,843,714			
<b>Total US Large Cap</b>		<b>72,056,620</b>	<b>21.0%</b>	<b>20.4%</b>	<b>-0.6%</b>
Sterling	MC Value	6,306,963			
Westfield MC Growth	MC Growth	5,314,908			
Fidelity MC Index	MC Core - Mutual Fund	5,536,755			
Champlain	SC Core	9,027,893			
Bridge City	SC Growth	8,354,759			
Wells Fargo	SC Value - Mutual fund	5,406,055			
Fidelity SC Index	SC Core - Mutual Fund	573,677			
<b>Total US Small/Mid Cap</b>		<b>40,521,010</b>	<b>11.0%</b>	<b>11.5%</b>	<b>0.5%</b>
<b>Total US Equities</b>		<b>112,577,630</b>	<b>32.0%</b>	<b>31.9%</b>	<b>-0.1%</b>
Artisan	SMID Value - Mutual Fund	27,234,490			
Euro Pacific	LC Blend - Mutual Fund	24,688,650			
Fidelity International	LC Index - Mutual Fund	-			
<b>Total International Large Cap</b>		<b>51,923,140</b>	<b>15.0%</b>	<b>14.7%</b>	<b>-0.3%</b>
Trivalent	SC Value - Mutual Fund	13,971,892			
<b>Total International Small/Mid</b>		<b>13,971,892</b>	<b>4.0%</b>	<b>4.0%</b>	<b>0.0%</b>
Vanguard EM Index	EM - Mutual Fund	557,960			
ABS Emerging Markets	Ltd Partnership	11,661,211			
<b>Total Emerging Markets</b>		<b>12,219,171</b>	<b>3.0%</b>	<b>3.5%</b>	<b>0.5%</b>
<b>Total International Equities</b>		<b>78,114,203</b>	<b>22.0%</b>	<b>22.1%</b>	<b>0.1%</b>
Weatherlow Offshore	Ltd Partnership	21,761,552			
Royalty Opportunities I	Ltd Partnership	1,256,821			
Royalty Opportunities II	Ltd Partnership	992,870			
<b>Total Long Biased</b>		<b>24,011,243</b>	<b>7.0%</b>	<b>6.8%</b>	<b>-0.2%</b>
Metropolitan Real Estate Partners	Ltd Partnership	134,890			
Morrison Street Fund V	LP	740,909			
Morrison Street Fund VI	LP	2,213,125			
Morrison Street Debt Opportunities	LP	2,998,211			
Morgan Stanley Prime	LLC	7,343,871			
Principal (REITs)	REITs	15,041,783			
<b>Total Real Estate</b>		<b>28,472,789</b>	<b>9.0%</b>	<b>8.1%</b>	<b>-0.9%</b>
Contrarian Capital Fund I	Ltd Partnership	9,049,903			
Beach Point	Ltd Partnership	13,244,298			
<b>Total Opportunistic Credit</b>		<b>22,294,201</b>	<b>7.0%</b>	<b>6.3%</b>	<b>-0.7%</b>
Contrarian EM Credit	LLC	4,834,634			
OrbiMed II	Ltd Partnership	5,870,303			
<b>Total Special Opportunities</b>		<b>10,704,937</b>	<b>0.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Total Cash and Investments</b>		<b>\$ 353,116,976</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>
	Monthly Contributions	2,502,258			
	Monthly Pension	\$ (2,838,862)			
	As of February 28, 2021	<b>\$ 348,083,746</b>			
	Estimated Rate of Return	1.5%			
<b>Abs. Return and Total Return FI Equity and Special Situations</b>	Thesis 2017.1	<b>59,804,557</b>	<b>18.0%</b>	<b>16.9%</b>	<b>-1.1%</b>
	Thesis 2017.3	<b>201,396,770</b>	<b>54.0%</b>	<b>57.0%</b>	<b>3.0%</b>

## Cash Recon - Apr

Date	Transactions	Sources	Uses	Balance
<b>4/1/2021</b>	<b>Beginning Balance</b>			<b>1,016,140.43</b>
4/1/2021	Interest	11.71		<b>1,016,152.14</b>
4/7/2021	Return/Reissue Payment	616.43	(616.43)	<b>1,016,152.14</b>
4/8/2021	Returned Payment	460.73		<b>1,016,612.87</b>
4/12/2021	Payroll Contributions	831,737.12		<b>1,848,349.99</b>
4/15/2021	Returned Payment	3,186.30		<b>1,851,536.29</b>
4/16/2021	Distribution - Morrison Street V	26,053.40		<b>1,877,589.69</b>
4/16/2021	Distribution - Morrison Street VI	42,235.94		<b>1,919,825.63</b>
4/16/2021	Reissue Payment		(2,775.16)	<b>1,917,050.47</b>
4/26/2021	Payroll Contributions	831,857.78		<b>2,748,908.25</b>
4/27/2021	Returned Payments	10,596.79		<b>2,759,505.04</b>
4/28/2021	Trust Fees		(26,043.83)	<b>2,733,461.21</b>
<b>4/28/2021</b>	<b>Ending Balance</b>	<b>1,746,756.20</b>	<b>(29,435.42)</b>	<b>2,733,461.21</b>
	<u>Upcoming</u>			
4/29/2021	Cash Transfer - Sterling FI	40,000.00		
4/30/2021	April Pension Payments		(2,760,994.59)	