

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
December 2, 2020**

The meeting was called to order at 1:02 p.m. via WebEx conference call.

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

Absent: Michael Cathcart, Joe Cavanaugh, and J.D. Morscheck

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

Guests: Jayson Davidson, Brian Loescher, Natalie Hilderbrand, Justin Anderson, Teri Stripes, Shae Blackwell, Lauren Albanese, and Maja Ben

Hyas Group, 2012 3rd Quarter Investment Performance Report

Jayson Davidson and Brian Loescher reviewed the Third Quarter 2020 Performance Report and discussed a very good quarter for equity markets. Most equity categories continued their upwards momentum from the previous quarter. Bond markets were relatively flat as the economic recovery across the world remains fragile and renewed lock downs and restrictions have been implemented as COVID-19 infection rates have increased in a number of countries. While some U.S. market experienced some volatility around the election, it is expected that markets will now react more to the progress on vaccines to control the virus, as well as to the new shape of the U.S. government, and which party will control the senate. The SERS portfolio allocation remains close to policy targets and Hyas Group is not recommending any adjustments at this time.

The following funds remained on watch status: Hotchkis & Wiley High Yield Fund, OrbiMed Partners, Hotchkis and Wiley Diversified Value, and Sterling Mid Cap Value. Each of the watch status funds performed well going into the second half of the year, and the Sterling fund may be eligible for removal from watch at the next meeting. The continuation of Sterling's qualitative watch due a change in fund management personnel will also be considered.

The Rimrock Low Volatility option has suffered from relative performance shortfalls since the end of last year and these shortfalls has moved longer-term performance out of compliance with policy parameters.

Jim Tieken moved and Dean Kiefer seconded the motion to place Rimrock Low Volatility on watch due to longer-term performance being out of compliance with the policy parameters. The motion passed unanimously.

Mr. Davidson noted that the Wells Fargo Small Cap Value Fund was added to the portfolio after the close of the quarter. This fund was selected to replace the Frontier Phocas Small Cap Value option that was terminated and liquidated by the firm managing the product. Proceeds from the liquidation were held in the small cap index category until the Wells

Fargo Fund was added. The Small Cap Value Manager Search Report was originally presented at the Second Quarter meeting. No action was taken to add a small value fund at that meeting, but the Board approved the Wells Fargo funding at its subsequent meeting.

Hyas Group informed the Board of changes to the reporting system used to produce the SERS report. Certain graphics and information components are different as a result of the system changes. Hyas Group continues to work with the reporting company to refine certain aspects and will keep staff and the Board informed as further adjustments are made.

Minutes of the November 4, 2020 Meeting

Jim Tieken moved and Dean Kiefer seconded the motion to approve the minutes of the November 30, 2020 meeting as amended. 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>
David B. Compton	62	11/14/2020	19.9	E
Larry W. Kirkpatrick	58	11/14/2020	12.4	ST
Rebecca L. Riedinger	54	12/01/2020	18.5	ST
Ronald W. Hrycenko	60	01/09/2021	24.1	E
Miriam E. Wilde	64	03/01/2021	13.4	ST

Dean Kiefer moved and Jim Tieken seconded the motion to approve the service retirements as presented on the December Retirement Transaction Report. The motion passed unanimously.

Withdrawals for December 2020

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Mark A. Benjamin	2.4	05/12/2020
Zachariah Q. Wells	0.4	06/30/2020
Wesley C. Crago	0.7	10/02/2020
John M. Franklin	0.4	10/02/2020
Matthew B. Calhoon	11.1	11/06/2020

Jim Tieken moved and Dean Kiefer seconded the motion to approve the requests for withdrawal as presented on the December Retirement Transaction Report. The motion passed unanimously.

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Joyann A. Montgomery	10/30/2015	78	10/15/2020	No Further Benefits
Charles J. Rickerson	01/06/2000	71	11/03/2020	E Option Continues
Julie A. Thompson	10/06/2004	66	11/05/2020	No Further Benefits
Raymond C. Beyer	06/04/1991	91	11/16/2020	No Further Benefits

Death information provided to the Board for review.

Expenditure Summary Report – October 2020

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

Brian Brill moved and Jim Tieken seconded the motion to approve the October 2020 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – October 2020

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on October 31, 2020 was \$301 million with an estimated rate of return of -0.3% 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.

US Bank Retiree Portal

Mr. Tencick shared with the Board the upcoming implementation of an online portal being introduced by US Bank. Through the portal, retirees will be able to retrieve past pay statements and tax documents. Retirees will receive communication from US Bank with login instructions and contact information at US Bank for technical help. Future upgrades would include the ability for retirees to update their address, direct deposit information and tax withholding.

Voluntary Retirement Incentive Program (VRIP)

Mr. Tencick led a presentation on a Voluntary Retirement Incentive Program. Analysis of previous programs and potential impacts was provided. The program is still being designed and the City has agreed to present the program to the Board before it is implemented.

There being no other business, the meeting adjourned at 2:32 p.m.

/s/

Phillip Tencick, Retirement Director