

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting, 1:00 p.m. December 6, 2023**  
**Council Briefing Center**

**AGENDA**

**Closed Session**

- 1) Disability Retirement
  - Discussion

**Open Session**

- 1) Disability Motion
  - Motion
- 2) Jayson Davidson, Hyas Group
  - a) Third Quarter 2023 Performance Review
    - Information
- 3) Minutes of the November 8, 2023 Meeting
  - Motion
- 4) Director's Report
  - a) Retirements
    - Motion
  - b) Withdrawals
    - Motion
  - c) Vesting
    - Information
  - d) Deaths
    - Information
  - e) Expenditure Summary Report – October 2023
    - Motion
  - f) Schedule of Investments – October 2023
    - Information
  - g) Cash Reconciliation – November 2023
    - Information
  - h) Other Business
- 5) Other Business

Next Meeting – **Wednesday January 3, 2024 at 1:00 p.m.**

**Spokane Employees' Retirement System (SERS)  
Board Meeting Minutes  
November 8, 2023**

The meeting was called to order at 1:00 p.m. and immediately went into closed session. Staff and guests were asked to leave the room.

**Present:** Jim Tieken, Joe Cavanaugh, Richard Czernik, Jonathan Bingle, Brian Brill, Brian Myers

**Staff:** Christine Shisler, Donald Brown, Tim Szambelan

**Guests:** Natalie Hilderbrand, Dave Hanshaw

Jonathan Bingle arrived at 1:05 p.m.

Joe Cavanaugh moved and Richard Czernik seconded the motion to move into open session at 1:48 p.m. The motion passed unanimously.

**Retirement System Makeup**

Joe Cavanaugh moved and Richard Czernik seconded the motion to proceed with the referral of Christine Shisler for the Retirement Director to the Mayor and proceed with reaching an agreement with Hyas Group for an Outside Chief Investment Officer (OCIO) relationship with SERS pending the outcome of questions asked of Hyas Group in executive session. The motion passed unanimously.

**Minutes of the October 4, 2023 Meeting**

Joe Cavanaugh moved and Brian Myers seconded the motion to approve the minutes of the October 4, 2023 meeting as presented. The motion passed unanimously.

**Director's Report**

**Service Retirements**

<b>Name</b>	<b>Age</b>	<b>Retirement Date</b>	<b>Years of Service</b>	<b>Department</b>
Scott A. Lawson	64	10/13/2023	26.0	Street
Gregory S. McCollough	63	01/13/2024	10.1	Advanced Wastewater

Richard Czernik moved and Jonathan Bingle seconded the motion to approve the service retirements as presented on the November Retirement Transaction Report. The motion passed unanimously.

Withdrawals for November 2023

<i>Name</i>	<i>Years of Service</i>	<i>Department</i>
Elias C. Webster	11.8	Solid Waste Disposal
Patrick A. Morris	0.5	Advanced Wastewater
Christine E. Croskey	1.1	Finance
Ryan M. Treffry	10.7	Water
Christopher J. Hedlund	2.4	Solid Waste Management
Douglas T. Leinweber	0.7	Advanced Wastewater
Christopher E. Johnson	1.0	Finance
Jennifer B. Cerecedes	1.7	CD/HS Operations

Richard Czernik moved and Jonathan Bingle seconded the motion to approve the requests for withdrawal as presented on the November Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Daniel Ramos III	Solid Waste Management	8.4

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Ruby P. Seubert	12/01/1994	98	09/10/2023	No Further Benefits
Wallace H. Phillipson	10/15/2022	99	09/24/2023	No Further Benefits
Dan P. Evans	12/02/2008	72	09/30/2023	E Option Continues
Jessie E. Gartz	07/01/1985	89	10/16/2023	No Further Benefits
Michael B. Penkunis	09/11/2018	58	10/23/2023	E Option Continues

Vesting and death information provided to the Board for review.

Expenditure Summary Report – September 2023

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

Richard Czernik moved and Brian Myers seconded the motion to approve the September 2023 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – September 2023

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on October 31, 2023 was \$314.4 million with an estimated rate of return of -4.7% 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

Ms. Shisler updated the Board on the Clerk III hiring process. A candidate has been selected with the start date to be November 13, 2023.

Joe Cavanaugh moved and Jonathon Bingle seconded the motion to adjourn the meeting adjourned 2:01 p.m. The motion passed unanimously.

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**Christine Shisler, Interim Retirement Director**

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## SERS Retirement Transaction Report December 2023

### Retirements

	Name	Age	Retirement Date	Years of Service	Department	Option
1	Lori A. Kinnear	70	12/01/2023	11.8	City Council	ST
2	Barbara K. Fortney	68	12/02/2023	36.5	Police	ST
3	Kelle R. Vigeland	61	01/01/2024	5.4 Portability	Solid Waste Disposal	E
4	Greg S. Edgerton	65	01/05/2024	40.0	Advanced Wastewater Treatment	ST
5	Frederick L. Howell	64	01/06/2024	34.0	Sewer Maintenance	E
6	Lura L. Robson	65	01/20/2024	25.0	Water Advanced	ST
7	Daniel E. Wong	58	01/20/2024	35.5	Wastewater Treatment	E
8	(Changed date) Thomas M. Smith	70	02/03/2024	12.5	Development Services Center	ST
	Retirements YTD	33				
	2022 Total Retirements	81				

### Withdrawals

	Name	Years of Service	Department	Termination Date
1	Jazmyn A. Clark	6.4	Public Defender	07/31/2021
2	Kara A. Odegard	2.6	Council	12/31/2022
3	Jordan R. Baumgartner	0.1	Solid Waste Management	04/03/2023
4	Dakota H. Ralph	2 days	Street	04/03/2023
5	Ted A. Boucher	0.6	Community Justice Services	04/26/2023
6	Kimberly L. Brown	4.4	Police Property	05/16/2023
7	Johnnie L. Perkins	2.3	Mayor	07/13/2023
8	Justin M. Dominguez	4.2	Advanced Wastewater Treatment	07/28/2023
9	Donnley Kiluwe	0.4	Street	09/19/2023
10	Gregory E. Chute	1.6	Streets	11/02/2023

### Vesting

	Name	Department	Years of Service
1	Gao Moua	Library	21.1
2	Andrew C. Johnson	Solid Waste Management	0.2 Portability

### Deaths

	Name	Date Retired	Age	Date of Death	Information
1	Terry L. Dearing	09/03/1997	66	09/16/2023	No Further Benefits

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
2023 EXPENDITURE SUMMARY REPORT  
**October 31, 2023**

	2022 ACTUAL	2023 BUDGET	OCTOBER ACTUAL EXPENDITURES	2023 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
<b>OPERATING EXPENDITURES</b>						
Departmental Salaries	327,889.58	342,544.48	15,416.00	189,991.11	152,553.37	55.5%
Departmental Benefits	97,465.19	95,262.14	4,863.38	52,423.90	42,838.24	55.0%
Reserve for Budget Adjustment	-	10,000.00	-	-	10,000.00	0.0%
Administrative Income	(15,225.22)	(10,000.00)	-	(19,021.94)		
Postage/Supplies/Other	2,332.92	7,250.00	538.16	1,683.18	5,566.82	23.2%
State Audit Charges	14,099.28	-	-	-	-	
Contractual Services	153,666.56	175,000.00	11,587.76	123,336.79	51,663.21	70.5%
Travel	2,256.29	15,000.00	-	7,724.90	7,275.10	51.5%
Registration/Schooling	575.00	16,000.00	-	7,220.00	8,780.00	45.1%
Other Dues/Subscriptions/Membership	1,610.73	2,500.00	-	2,243.00	257.00	89.7%
Other Miscellaneous Charges	3,845.29	5,200.00	699.03	3,082.80	2,117.20	59.3%
Amortization	17,649.00	-	-	11,766.00		
<b>TOTAL OPERATING EXPENDITURES</b>	<b>606,164.62</b>	<b>658,756.62</b>	<b>33,104.33</b>	<b>380,449.74</b>	<b>281,050.94</b>	<b>57.8%</b>
<b>INTERFUND EXPENDITURES</b>						
Interfund - Centralized Purchasing	7,027.44	2,001.00	-	2,001.00	-	100.0%
Interfund - Centralized Accounting	2,737.00	4,912.00	1,228.00	4,912.00	-	100.0%
Interfund - My Spokane	965.83	1,291.00	-	958.75	332.25	74.3%
Interfund - Risk Management	571.00	537.00	-	537.00	-	100.0%
Interfund - Worker's Compensation	123.00	118.00	-	118.00	-	100.0%
Interfund - Reprographics	11,049.94	6,781.00	426.90	7,323.82	(542.82)	108.0%
Interfund - IT	46,111.71	21,884.00	1,824.78	16,439.72	5,444.28	75.1%
Interfund - IT Replacement	3,305.04	2,961.00	246.75	2,220.75	740.25	75.0%
<b>TOTAL INTERFUND EXPENDITURES</b>	<b>71,890.96</b>	<b>40,485.00</b>	<b>3,726.43</b>	<b>34,511.04</b>	<b>5,973.96</b>	<b>85.2%</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>678,055.58</b>	<b>699,241.62</b>	<b>36,830.76</b>	<b>414,960.78</b>	<b>287,024.90</b>	<b>59.3%</b>

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2023 EXPENDITURE SUMMARY REPORT  
**October 31, 2023**

	2022 ACTUAL	2023 BUDGET	OCTOBER ACTUAL EXPENDITURES	2023 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
<b>PENSIONS</b>						
Pensions-Annuity Benefit Payments	32,696,265.95	35,500,000.00	2,820,070.34	27,975,913.68	7,524,086.32	78.8%
Pensions-Disability Payments	114,579.60	135,000.00	9,548.30	95,483.00	39,517.00	70.7%
Pensions-Survivor Annuity Benefits Payments	2,246,951.76	2,500,000.00	205,403.97	1,949,419.66	550,580.34	78.0%
<b>TOTAL PENSIONS</b>	<u>35,057,797.31</u>	<u>38,135,000.00</u>	<u>3,035,022.61</u>	<u>30,020,816.34</u>	<u>8,114,183.66</u>	78.7%
Refunds	1,210,280.26	1,000,000.00	231,145.51	1,145,870.97	(145,870.97)	114.6%
<b>TOTAL EXPENSES</b>	<u><u>36,946,133.15</u></u>	<u><u>39,834,241.62</u></u>	<u><u>3,302,998.88</u></u>	<u><u>31,581,648.09</u></u>	<u><u>8,255,337.59</u></u>	79.3%

<b>INVESTMENT EXPENSE*</b>						
Advisory Technical Service	499,603.98	600,000.00	39,173.16	324,326.32	275,673.68	54.1%

\* 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

October 31, 2023

11/28/2023

	Type		Allocation		
			Target	Current	Diff.
Cash Held by Treasurer	Cash	\$ 248,138			
US Bank	Short-term Inv	1,353,880			
<b>Total Cash</b>		<b>1,602,018</b>	<b>0.0%</b>	<b>0.5%</b>	<b>0.5%</b>
Sterling Capital	Total Return	32,741,601			
Loomis Sayles Core-Plus	Total Return-Mutual Fund	24,075,287			
Fidelity Core	FI - Mutual Fund	-			
<b>Total Total Return</b>		<b>56,816,888</b>	<b>17.0%</b>	<b>18.8%</b>	<b>1.8%</b>
BlackRock	High Yield - Mutual Fund	5,997,833			
Hotchkis & Wiley	High Yield - Mutual Fund	15,551,983			
<b>Total High Yield</b>		<b>21,549,816</b>	<b>8.0%</b>	<b>7.1%</b>	<b>-0.9%</b>
Post Limited Term High Yield	Ltd Partnership	333,550	est hold back		
PIMCO Dynamic	Absolute Return	5,661,704			
Rimrock Low Volatility	Ltd Partnership	530,389	est hold back		
Polar	LLC	9,038,521			
<b>Total Absolute Return</b>		<b>15,564,164</b>	<b>5.0%</b>	<b>5.1%</b>	<b>0.1%</b>
<b>Total Capital Preservation</b>		<b>95,532,886</b>	<b>30.0%</b>	<b>31.6%</b>	<b>1.6%</b>
Hotchkis & Wiley	LC Value - Mutual Fund	9,524,492			
Fidelity S&P 500 Index	LC Core - Mutual Fund	31,077,377			
MFS Growth	LC Growth - Mutual Fund	9,674,013			
<b>Total US Large Cap</b>		<b>50,275,882</b>	<b>16.0%</b>	<b>16.6%</b>	<b>0.6%</b>
Sterling	MC Value	479,609			
Fidelity MC Index	MC Core - Mutual Fund	2,712,813			
Westfield MC Growth	MC Growth	4,795,563			
Fidelity SC Index	SC Core - Mutual Fund	445,449			
Champlain	SC Core	7,457,452			
Bridge City	SC Growth	6,726,230			
Allspring (FKA: Wells Fargo)	SC Value - Mutual fund	-			
<b>Total US Small/Mid Cap</b>		<b>22,617,116</b>	<b>8.0%</b>	<b>7.5%</b>	<b>-0.5%</b>
<b>Total US Equities</b>		<b>72,892,998</b>	<b>24.0%</b>	<b>24.1%</b>	<b>0.1%</b>
Artisan	SMID Value - Mutual Fund	19,305,309			
Euro Pacific	LC Blend - Mutual Fund	13,140,364			
Fidelity International	LC Index - Mutual Fund	-			
<b>Total International Large Cap</b>		<b>32,445,673</b>	<b>10.0%</b>	<b>10.7%</b>	<b>0.7%</b>
Trivalent	SC Value - Mutual Fund	14,411,043			
<b>Total International Small/Mid</b>		<b>14,411,043</b>	<b>5.0%</b>	<b>4.8%</b>	<b>-0.2%</b>
Vanguard EM Index	EM - Mutual Fund	6,024,582			
ABS Emerging Markets	Ltd Partnership	9,155,262			
<b>Total Emerging Markets</b>		<b>15,179,844</b>	<b>5.0%</b>	<b>5.0%</b>	<b>0.0%</b>
<b>Total International Equities</b>		<b>62,036,560</b>	<b>20.0%</b>	<b>20.5%</b>	<b>0.5%</b>
Weatherlow Offshore	Ltd Partnership	20,833,942			
Royalty Opportunities I	Ltd Partnership	730,034			
Royalty Opportunities II	Ltd Partnership	244,487			
<b>Total Long Biased</b>		<b>21,808,463</b>	<b>9.0%</b>	<b>7.2%</b>	<b>-1.8%</b>
Metropolitan Real Estate Partners	Ltd Partnership	-			
Morrison Street Fund VI	LP	628,405			
Morrison Street Fund VII	LP	1,603,950			
Morrison Street Income Fund	LP	2,521,589			
Morgan Stanley Prime	LLC	7,820,668			
Principal (REITs)	REITs	6,659,583			
<b>Total Real Estate</b>		<b>19,234,195</b>	<b>7.0%</b>	<b>6.4%</b>	<b>-0.6%</b>
Contrarian Capital Fund I	Ltd Partnership	10,989,818			
Beach Point	Ltd Partnership	14,169,127			
<b>Total Private Credit</b>		<b>25,158,945</b>	<b>8.0%</b>	<b>8.3%</b>	<b>0.3%</b>
Contrarian EM Credit	LLC	6,111,938			
OrbiMed II	Ltd Partnership	-			
<b>Total Master Ltd Partnerships</b>		<b>6,111,938</b>	<b>2.0%</b>	<b>2.0%</b>	<b>0.0%</b>
<b>Total Cash and Investments</b>		<b>\$ 302,775,985</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>
	Monthly Contributions	2,089,105			
	Monthly Pension	\$ (3,266,168)			
	As of September 30, 2023	<b>\$ 314,441,078</b>			
	Estimated Rate of Return	-3.3%			



## SERS Cash Reconciliation-November 2023

Date	Transactions	Sources	Uses	Balance
<b>10/31/2023</b>	<b>Ending Balance</b>			<b>\$ 1,338,838.49</b>
11/1/2023	Interest	15,041.43		1,353,879.92
11/2/2023	Redeposit of Pension Check	1,353.78		1,355,233.70
11/2/2023	Reissue of Pension Check		(1,353.78)	1,353,879.92
11/2/2023	transfer from 7752	54,300.98		1,408,180.90
11/2/2023	transfer from 7767	33,681.46		1,441,862.36
11/6/2023	Payroll Contributions	1,042,793.84		2,484,656.20
11/13/2023	Redeposit of Pension Check	4,190.25		2,488,846.45
11/13/2023	Reissue of Pension Check		(4,190.25)	2,484,656.20
11/20/2023	Payroll Contributions	1,060,729.42		3,545,385.62
11/27/2023	transfer from 7752 reversal		(54,300.98)	3,491,084.64
11/29/2023	Redeposit of Lump Sum Check	20,625.75		3,511,710.39
11/29/2023	Reissue of Lump Sum Check		(20,625.75)	3,491,084.64
11/30/2023	November Pension Payment		(3,227,213.98)	263,870.66
11/30/2023	Retiree Medical Premiums	30,379.43		294,250.09
11/30/2023	Retiree Medical Premiums Wired to City			294,250.09
<b>11/30/2023</b>	<b>Ending Balance</b>			<b>294,250.09</b>
<b>Upcoming</b>				
12/15/2023	Morrison Street VII Capital Call		(780,000.00)	