

Spokane Employees' Retirement System (SERS)
Board Meeting, 1:00 p.m. December 4, 2024
Council Briefing Center

AGENDA

- 1) Jayson Davidson, Hyas Group
 - a) Third Quarter 2024 Performance Review
 - Information
- 2) Minutes of the November 6, 2024 Meeting
 - Motion
- 3) Director's Report
 - a) Retirements
 - Motion
 - b) Withdrawals
 - Motion
 - c) Deaths
 - Information
 - d) Vesting
 - Information
 - e) Expenditure Summary Report – October 2024
 - Motion
 - f) Schedule of Investments – October 2024
 - Information
 - g) Cash Reconciliation – November 2024
 - Information
 - h) Other Business
- 4) Open Meetings Act
 - Information
- 5) Library VRIP
 - Motion
- 6) Other Business

Next Meeting – **Wednesday February 5, 2025 at 1:00 p.m.**

To join the meeting using Microsoft Teams:

+1 323-618-1887 / Phone conference ID: 102 500 705#

cityofspokane@m.webex.com / Video ID: 114 128 312 8

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
November 6, 2024**

The regular meeting was called to order at 1:00 p.m.

Present: Jim Tieken, Joe Cavanaugh, Richard Czernik, Brian Brill, Jonathan Bingle, Matt Boston, and Beau Madsen

Absent: Brian Myers

Staff: Christine Shisler, Donald Brown, and Tim Szambelan

Guests: Natalie Hilderbrand, Dave Hanshaw, and Jon Barnhart

Jonathan Bingle joined the meeting via telephone at 1:12 p.m.

Minutes of the October 2, 2024 Meeting

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the minutes of the October 2, 2024 meeting as presented. The motion passed unanimously.

Director's Report

Service Retirements

Name	Age	Retirement Date	Years of Service	Department
Leslie I. Baker	70	11/05/2024	12.6	Police Records
William L. Downs	67	02/01/2025	26.3	Water

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

Withdrawals for November 2024

Name	Years of Service	Department
Anthony M. Kavere	0.1	Street
Derek L. Gildersleeve	0.5	Water
Jaclyn B. Treat	0.3	Human Resources
Jamie M. Wiggins	3.0	EMS Fund
Michael B. Light	1.2	Parks & Recreation
Alexia A. Palafox	1.0	Parks & Recreation
Irina S. Ilina	0.2	Police - Radio
John T. Davis	1.1	Golf

Russell R. McKinley	1.9	Solid Waste Management
Wyatt E. Barnett	2.9	Sewer Maintenance
Adam G. Schooley	1.2	CD/HS Operations

Richard Czernik moved and Beau Madsen seconded the motion to approve the requests for withdrawal as presented on the November 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>
Richard L. Combs	11/14/1998	82	10/12/2024	E Option Continues
Donald C. Cummings	09/26/1991	83	10/21/2024	No Further Benefits

Death information provided to the Board for review.

Expenditure Summary Report – September 2024

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

Richard Czernik moved and Beau Madsen seconded the motion to approve the September 2024 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – September 2024

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on September 30, 2024 was \$366.3 million with an estimated rate of return of -0.1% 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 Voluntary Retirement Incentive Program (VRIP) that was offered to M & P members. Eleven out of twelve applications had been approved by the City. Discussion ensued about the effect to the System.

Joe Cavanaugh moved and Richard Czernik seconded the motion to have SageView perform a study on the effect to the System. The motion passed unanimously.

Other Business

Ms. Shisler brought up the topic of open meetings and offering a dial-in option for those unable to attend in person. Mr. Szambelan will research the open meetings act and options for public comment and will bring further information to the Board at the next meeting.

Ms. Shisler asked the Board their desire regarding moving the January Board meeting since the date falls on New Years Day.

Brian Brill moved and Richard Czernik seconded the motion to cancel the regularly schedule January 2025 Board meeting. The motion passed unanimously. Beau Madsen asked for the Schedule of Investment to still be distributed.

Joe Cavanaugh asked for notice of the vacant employee Board position be sent out to all employees requesting anyone interested to serve on the Board submit their name and a brief bio by December 1, 2024. Ms. Shisler will work with City Clerks' Office to send notice.

Richard Czernik moved seconded the motion to adjourn the meeting adjourned 1:34 p.m. The motion passed unanimously.

Christine Shisler, Retirement Director

SERS Retirement Transaction Report
December 2024

Retirements

	Name	Age	Retirement Date	Years of Service	Department	Option
1	Mary F. Chavez-Muramatsu	62	12/03/2024	17.9	Legal	D
2	Leonard S. Davis	70	12/03/2024	24.0	Accounting	E
3	William L. Downs (Changed Date)	67	02/05/2025	26.3	Water	E
4	Robert J. Forsyth	58	12/03/2024	31.9	IT	ST
5	Patricia H. Kells	65	12/03/2024	30.1	Development Services Center	ST
6	Michael D. Lowdon	62	12/03/2024	30.8	Sewer Maintenance	ST
7	Daniel E. Martin	60	02/07/2025	32.1	Streets	ST
8	Kimberly K. Orlob	52	12/03/2024	24.2	Accounting	ST
9	Robert (Larry) Pratt	56	12/03/2024	10.0	Solid Waste Disposal	E
10	Tonya M. Reiss	52	12/03/2024	27.3	Water	E
11	Mark M. Serbousek	65	12/03/2024	31.5	Engineering Services	ST
12	Lisa K. Smith	63	12/03/2024	21.6	Police - IT	E
13	Laura C. Thurston	61	12/03/2024	29.8	EMS	D
	Retirements YTD	65				
	2023 Total Retirements	36				

Withdrawals

	Name	Department	Years of Service	Termination Date
1	Jeff C. Humphrey	Public Affairs / Communications	4.86	07/19/2024
2	Bethiah R. Streeter	Library	2.18	07/19/2024
3	Sarah E. Marin	Police Radio	4.33	07/20/2024
4	Isaac M. Fling	Water	0.89	08/07/2024
5	Dustin A. Howie	Public Defender	5.36	08/30/2024
6	John R. Kennedy	Development Services Center	0.64	08/30/2024

Vesting

	Name	Department	Years of Service
1	Aaron J. Champagne	Parks and Recreation	17.1
2	Angelica Vazquez Meliton	Advanced Wastewater Treatment	3.0

Deaths

	Name	Age	Retirement Date	Date of Death	Department	Information
1	Patricia E. Marx	80	10/14/1998	10/04/2024	Affirmative Action	No Further Benefits
2	George G. Robb Jr	76	3/20/2020	11/22/2024	Advanced Wastewater Treatment	E Option Continues

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100
 2024 EXPENDITURE SUMMARY REPORT
 October 31, 2024

	2023 ACTUAL	2024 BUDGET	OCTOBER ACTUAL EXPENDITURES	2024 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
OPERATING EXPENDITURES						
Departmental Salaries	307,703.65	387,148.00	20,837.61	210,565.80	176,582.20	54.4%
Departmental Benefits	67,758.43	132,492.64	6,937.42	69,392.76	63,099.88	52.4%
Reserve for Budget Adjustment	-	10,000.00	-	-	10,000.00	
Administrative Income	(24,435.76)	(30,000.00)	-	(23,180.52)		
Postage/Supplies/Other	2,197.21	7,250.00	73.38	2,913.55	4,336.45	40.2%
State Audit Charges					-	
Contractual Services	136,457.84	175,000.00	11,727.91	128,388.92	46,611.08	73.4%
Travel	9,218.13	15,000.00	-	5,347.11	9,652.89	35.6%
Registration/Schooling	7,220.00	16,000.00	-	13,225.00	2,775.00	82.7%
Other Dues/Subscriptions/Membership	2,393.80	3,000.00	-	1,785.54	1,214.46	59.5%
Other Miscellaneous Charges	3,252.72	5,200.00	174.23	2,543.64	2,656.36	48.9%
Amortization	17,649.00	-	-	13,236.75	(13,236.75)	
TOTAL OPERATING EXPENDITURES	529,415.02	721,090.64	39,750.55	424,218.55	303,691.57	58.8%
INTERFUND EXPENDITURES						
Interfund - Centralized Purchasing	1,745.00	-	-	-	-	
Interfund - Centralized Accounting	3,624.66	-	-	-	-	
Interfund - My Spokane	958.00	-	-	-	-	
Interfund - Risk Management	537.00	-	-	-	-	
Interfund - Worker's Compensation	118.00	-	-	-	-	
Interfund - Reprographics	11,855.52	-	1,307.41	7,501.07	(7,501.07)	
Interfund - IT	21,287.52	-	-	-	-	
Interfund - IT Replacement	2,961.00	-	-	-	-	
TOTAL INTERFUND EXPENDITURES	43,086.70	-	1,307.41	7,501.07	(7,501.07)	
TOTAL ADMINISTRATIVE EXPENDITURES	572,501.72	721,090.64	41,057.96	431,719.62	296,190.50	59.9%

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100
 2024 EXPENDITURE SUMMARY REPORT
 October 31, 2024

	2023 ACTUAL	2024 BUDGET	OCTOBER ACTUAL EXPENDITURES	2024 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
PENSIONS						
Pensions-Annuity Benefit Payments	33,622,179.79	36,000,000.00	2,974,225.20	29,142,568.24	6,857,431.76	81.0%
Pensions-Disability Payments	109,613.46	135,000.00	8,115.76	81,157.60	53,842.40	60.1%
Pensions-Survivor Annuity Benefits Payments	2,356,445.04	2,500,000.00	212,058.14	2,085,058.63	414,941.37	83.4%
TOTAL PENSIONS	<u>36,088,238.29</u>	<u>38,635,000.00</u>	<u>3,194,399.10</u>	<u>31,308,784.47</u>	<u>7,326,215.53</u>	81.0%
Refunds	1,378,165.86	1,250,000.00	88,776.11	761,071.43	488,928.57	60.9%
TOTAL EXPENSES	<u><u>38,038,905.87</u></u>	<u><u>40,606,090.64</u></u>	<u><u>3,324,233.17</u></u>	<u><u>32,501,575.52</u></u>	<u><u>8,111,334.60</u></u>	80.0%

INVESTMENT EXPENSE*						
Advisory Technical Service	465,177.91	600,000.00	119,484.56	361,580.22	238,419.78	60.3%

* 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, 2024

11/26/2024	Type		Allocation		
			Target	Current	Diff.
Cash Held by Treasurer	Cash	\$ 75,716			
US Bank	Short-term Inv	9,858,135			
Total Cash		9,933,851	0.0%	2.7%	2.7%
Loomis Sayles Core-Plus	Core Fixed Income - CIT	32,571,626			
Segall Bryant Core	Core Fixed Income - SMA	38,571,557			
Sterling Core Fixed Income	Core Fixed Income - SMA	-			
PIMCO Dynamic Bond	Core Fixed Income - Mutual Fund	-			
Total Total Return		71,143,183	17.0%	19.4%	2.4%
BlackRock	High Yield - Mutual Fund	13			
BlackRock	High Yield - CIT	6,500,000			
Hotchkis & Wiley	High Yield - Mutual Fund	16,807,874			
Total High Yield		23,307,887	8.0%	6.3%	-1.7%
Total Fixed Income		104,384,921	25.0%	28.4%	3.4%
Hotchkis & Wiley	LC Value - Mutual Fund	-			
Fidelity S&P 500 Index	LC Core - Mutual Fund	-			
MFS Growth	LC Growth - Mutual Fund	-			
Boston Partners Large Cap Value	LC Value - SMA	5,157,192			
SSGA S&P 500 Index	LC Core - CIT	41,737,063			
Columbia Dividend Income	LC Value - SMA	5,133,784			
SSGA Russell 1000 Growth Index	LC Growth - CIT	13,647,410			
Total US Large Cap		65,675,449	16.0%	17.9%	1.9%
Fidelity MC Index	MC Core - Mutual Fund	-			
Earnest Partners S/M Core Equity	MC Core - SMA	5,882,845			
Allspring Special SCV CIT	SC Value - CIT	6,825,743			
SSGA Russell 2500 Index Strat	SC Core - CIT	18,523,067			
Bridge City	SC Growth - SMA	-			
Champlain	SC Core - CIT	-			
Sterling Mid Cap Value	MC Value - SMA	-			
Total US Small/Mid Cap		31,231,655	9.0%	8.5%	-0.5%
Total US Equities		96,907,104	25.0%	26.4%	1.4%
Artisan Intl	SMID Value - Mutual Fund	17,087,462			
American Funds Euro Pacific	LC Blend - Mutual Fund	16,231,353			
Trivalent	SC Value - Mutual Fund	-			
Victory Trivalent Intl Sml	SC Value - CIT	10,183,957			
SSGA MSCI EAFE Index	LC Blend - CIT	11,018,806			
Total International Developed		54,521,578	15.0%	14.8%	-0.2%
Vanguard EM Index	EM - Mutual Fund	-			
ABS Emerging Markets	Ltd Partnership	-			
GQG Partners Emerging Markets	EM - CIT	5,000,000			
SSGA MSCI Emerging Markets	EM - CIT	11,816,240			
Total Emerging Markets		16,816,240	5.0%	4.6%	-0.4%
Total International Equities		71,337,818	20.0%	19.4%	-0.6%
Total Equities		168,244,922	45.0%	46%	1%
Millennium International, Ltd	LLC	-			
World Quant GEAE	LLC	5,000,000			
Polar	LLC	10,380,742			
Weatherlow Offshore	Ltd Partnership	24,510,609			
Beach Point	Ltd Partnership	13,853,593			
Contrarian Capital Fund I	Ltd Partnership	1,952,520			
Contrarian EM Credit	LLC	-			
Total Hedge Funds		55,697,464	14.0%	15.2%	1.2%
Morrison Street Fund VI	LP	5,971,495			
Morrison Street Fund VII	LP	3,961,669			
Morrison Street Income Fund	LP	2,461,526			
Morgan Stanley Prime	LLC	7,127,143			
Principal (REITs)	REITs	8,806,456			
Total Real Estate		28,328,289	8.0%	7.7%	-0.3%
Royalty Opportunities I	Ltd Partnership	462,875			
Royalty Opportunities II	Ltd Partnership	92,802			
Atalaya Special Opp Fund	Ltd Partnership	1,963,216			
Apollo Debt Solutions BDC	Ltd Partnership	-			
Total Private Credit		2,518,893	3.0%	0.7%	-2.3%
Tortoise Energy Infrastructure	Total Return - Mutual Fund	8,316,276			
Total MLP		8,316,276	2.0%	2.3%	0.3%
Total Private Equity		-	3.0%	0.0%	-3.0%
Total Alternatives		94,860,922	30.0%		
Total Cash and Investments		\$ 367,490,765	100.0%	100.0%	0.0%
	Monthly Contributions	2,336,830			
	Monthly Pension	\$ (3,283,175)			
	As of September 30, 2024	\$ 366,544,420			
	Estimated Rate of Return	0.5%			

SERS Cash Reconciliation-November 2024

Date	Transactions	Sources	Uses	Balance
10/30/2024	Ending Balance			\$ 13,122,903.58
10/31/2024	October Pension Payments		(3,283,175.21)	9,839,728.37
10/31/2024	Retiree Medical Premiums	24,149.65		9,863,878.02
10/31/2024	Retiree Medical Premiums Wired to City		(24,149.65)	9,839,728.37
11/1/2024	Interest	18,406.65		9,858,135.02
11/4/2024	Payroll Contributions	1,179,924.64		11,038,059.66
11/6/2024	Redeposit of Pension Check	703.71		11,038,763.37
11/6/2024	Reissue of Pension Check		(703.71)	11,038,059.66
11/8/2024	Redeposit of Pension Check	4,131.13		11,042,190.79
11/12/2024	Reissue of Pension Check		(4,131.13)	11,038,059.66
11/12/2024	transfer to Morrison Street VII		(563,582.46)	10,474,477.20
11/18/2024	Payroll Contributions	1,196,818.30		11,671,295.50
11/20/2024	transfer to Appollo Debt Solutions		(4,000,000.00)	7,671,295.50
11/26/2024	Ending Balance			7,671,295.50
Upcoming				
11/29/2024	November Pension Payments		(3,390,653.61)	