



Seattle Retirement

Seattle City Employees' Retirement System

Board of Administration Meeting
Pacific Building, 720 3rd Avenue, Suite 900, Seattle, WA
(206) 386-1293

Minutes, Thursday, January 9, 2025

Board Members Present: Dan Strauss (Chair), Judith Blinder, Maria Coe, Sherri Crawford, Joseph Hoffman, Jamie Carnell, Kimberly Loving

SCERS Staff Present: Jeff Davis, Paige Alderete, Jason Malinowski, Nina Melencio, Ronda Iriarte, Mark Schimizza, George Emerson,

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Kevin Balaod (With.Intelligence), Alexandria Zhang (CBO), Bill Schrier (ARSCE), Andrew Robinson (FAS), Edie Jorgensen (ARSCE), Elizabeth Paschke (ARSCE)

Call to Order

Dan Strauss, Chair, called the meeting to order at 10:00 am.

Mr. Strauss asked for a moment of silence for the National Day of Remembrance for former president Jimmy Carter.

Public Comment

There was no public comment.

Administrative Consent Agenda

Provided in the Retirement Board Packet were the minutes from the December 12, 2024 Retirement board regular meeting, ratification of Retired Payroll, Office Payroll, and other payments and withdrawals.

The following items represent normal expenses:	
Pension Payroll	\$23,733,770.08
Office Payroll*	306,375.69
Admin Expenses	255,291.35
Investment Expenses	2,385,207.89
Total Expenses – December 2024	\$26,680,645.01

*Includes estimated benefit costs

Retirements, Withdrawals, Other Payouts – December 2024			
	Count	Monthly Pension	Lump Sum Distribution
Retirements	12	\$31,739.95	\$564,606.19
Withdrawals	34	n/a	\$1,237,586.74

Motion: Upon motion by Dan Strauss, seconded by Maria Coe, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed (5-0-1, with Dan Strauss abstaining).

SCERS/Deferred Compensation Overhead Allocation Methodology

Paige Alderete reviewed the City Council Ordinance 127132 that was approved in 2024 and authorized the transfer of the administration of the City of Seattle Voluntary Deferred Compensation Plan (DCP) from the Seattle Department of Human Resources to Seattle Retirement. This ordinance maintains that both SCERS and the DCP will continue to report to their separate, independent oversight boards and will have separate funding and financial reporting. One exception is that the SCERS Board of Administration is authorized to approve reasonable allocations of expenses for the joint administration of the Deferred Compensation Plan and Trust.

Ms. Alderete reviewed staff's proposed methodology to allocate SCERS's overhead costs to the Deferred Compensation Plan. The overhead costs include a proportional allocation of the office rental costs and a small number of management hours and support staff hours from SCERS's accounting and information technology divisions. The proposed monthly overhead allocation for 2025 is \$4,924 which will be recorded monthly then billed to and reimbursed quarterly by the DCP Plan Administrator.

(10:05 am – Kimberly Loving joined the meeting)

Because of the way the City budgets and allocates central overhead costs, Seattle Human Resources (SHR) will still receive the DCP's portion of the citywide allocation for 2025-2026. SCERS staff are coordinating with SHR in capturing and billing those costs. Ms. Crawford confirmed that central cost allocations are established in the first quarter and the City does not revisit these allocations until the next budget cycle.

Mr. Strauss stated that he has a strict policy that he will not vote on things he has not been briefed on. He will be abstaining from voting at today's meeting.

Ms. Carnell asked if implementing SCERS's proposed overhead allocation justifies the cost. Ms. Alderete replied that SCERS is a fiduciary fund and there needs to be clear division of expenses. SCERS funds cannot be used to support the DCP and SCERS's auditors will be reviewing this. Mr. Monaco confirmed that SCERS is held in trust so there needs to be a reasonable account for expenses.

Ms. Loving stated that the methodology Ms. Alderete reviewed mirrors what SHR did internally. SHR is here to be a partner, and she expects this alignment between SCERS and DCP will bring improvements for members.

Motion: Upon motion by Dan Strauss, seconded by Maria Coe, the Board of Administration accepted and approved the Seattle City Employees' Retirement System/Deferred Compensation Program overhead allocation methodology as presented by staff and authorized by City of Seattle Ordinance 127132. The motion passed (6-0-1 with Dan Strauss abstaining).

Executive Director Update

Jeff Davis reviewed upcoming agenda items in future meetings. At the January Investment Committee meeting, staff will review the results of the investment consultant evaluation and report on the 2025 investment outlook and capital market assumptions. At the January Administrative Committee meeting, there will be a deep dive into member communications and the results of the 2024 Retired and Active Member Satisfaction survey. At the February Board meeting staff will review the 2024 SCERS Progress Report.

Good of the Order

There was nothing for the good of the order.

Executive Session

The Board of Administration entered executive session beginning 10:17 am for up to 90 minutes to consider entry into a lease for Seattle Retirement operations.

The Board entered regular session at 10:43 am.

Ms. Coe appreciated staff's diligence on this matter.

Motion: Upon motion by Dan Strauss, seconded by Sherri Crawford, the Board of Administration authorized the Executive Director to conduct negotiations with 901 5th Avenue for a lease for Seattle Retirement's operations following the termination of its existing lease at the Pacific Building as of August 31, 2026. The motion passed unanimously (7-0).

Adjourn Meeting

Mr. Strauss adjourned the meeting at 10:46 am.