



Seattle Retirement

Seattle City Employees' Retirement System

Minutes, Thursday, February 13, 2025

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

SCERS Staff Present: Jeff Davis, Paige Alderete, Jason Malinowski, Leola Ross, Nina Melencio, Ronda Iriarte, Mengfei Cao, George Emerson

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Elizabeth Paschke (ARSCE), Joe Ebisa (With.Intelligence), Andrew Robinson (FAS), Bill Schrier (ARSCE), Martha Burke

Call to Order

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

Public Comment

There was no public comment.

Administrative Consent Agenda

Provided in the Retirement Board Packet were the minutes from the January 9, 2025 Retirement Board regular meeting, ratification of Retired Payroll, Office Payroll, and other payments and withdrawals.

The following items represent normal expenses:	
Pension Payroll	\$23,547,878.23
Office Payroll*	518,665.52
Admin Expenses	619,618.52
Investment Expenses	**
Total Expenses – January 2025	\$24,686,162.27

*Includes estimated benefit costs

**Negative Investment Management fee is excluded since it is a Year-End accrual reversal

Retirements, Withdrawals, Other Payouts – January 2025			
	Count	Monthly Pension	Lump Sum Distribution
Retirements	21	\$68,907.84	\$958,180.83
Withdrawals	26	n/a	\$1,030,696.21

Motion: Upon motion by Dan Strauss, seconded by Sherri Crawford, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed unanimously (7-0).

2024 SCERS Progress Report

Jeff Davis, Jason Malinowski, and Paige Alderete presented the 2024 SCERS Progress Report and reviewed 2024's key initiatives; assessed progress on strategic goals; and discussed planned initiatives for 2025. The report has been reformatted and revamped; the structure follows the strategic plan and how staff are meeting the goals of SCERS.

In 2024, staff conducted RFP processes for general investment consultant, auditing consultant, and actuarial consultant. The Board chose to retain the incumbent for each RFP: NEPC for the general investment consultant, CliftonLarsonAllen for the auditing consultant, and Milliman for the actuarial consultant. Other highlights from 2024 include: the consolidation of Seattle Retirement that will house SCERS and the Deferred Compensation Plan starting January 1, 2025; implementing phase 1 of a call center to improve transparency and customer service; completing a cyber security risk assessment; receiving an unmodified/clean opinion for the 2023 audit; and engaging in the City's new Workday implementation.

Mr. Malinowski and Ms. Alderete reviewed each of the strategic goals including the objectives and current status.

Ms. Crawford asked about historical contribution rates. The average employee contribution rate has been declining over time as there are fewer Plan 1 members who pay a fixed 10.03% and more Plan 2 members who pay a fixed 7.0%.

Mr. Strauss asked who decides the employer contribution rate and who sets the strategic policy benchmark. Mr. Davis replied that the SCERS Board recommends the employer contribution rate to the City based on Milliman's annual valuation report. The City ultimately determines the contribution rate. Mr. Malinowski replied that the strategic policy benchmark is based on the strategic asset allocation adopted by the Board..

2025 Key Initiatives include: relocating SCERS's offices by the lease expiration to achieve efficiencies and improvements; beginning the upgrade to SCERS's pension administration system ; improving membership experience, including expanding call center functionality; fully integrating SCERS's expanded investment toolkit; and achieving an unmodified/clean opinion on the 2024 audit.

The Board recognized Jason Malinowski who was named to Markets Group's Elite Institutional CIO list of 100 industry-leading chief investment officers across public pension funds, endowments, foundations, and corporate pension funds.

Investment Committee Report – January 30, 2025

Mr. Malinowski reported on the January 30, 2025 Investment Committee meeting. Mr. Malinowski briefly reviewed the results from the annual investment consultant evaluation. There were high response rates and strong marks across the board as was the case in prior years. NEPC reported on their 2025 Investment Outlook and Capital Market Assumptions.

Administrative Committee Report – January 30, 2025

Ms. Alderete reported on the January 30, 2025 Administrative Committee meeting. Three items were covered during the meeting: deep dive member communications, 2024 operations statistics, and the Investment Advisory Committee Charter review.

The Member Communications Deep Dive included the results of the 2024 Member Satisfaction Survey which was sent to a significantly larger pool of members than in previous years. Overall, satisfaction continues to increase for both active and retired members. For both groups, the biggest area for SCERS to improve continues to be the speed and responsiveness in addressing service requests.

Staff amended the form that the IAC members sign upon appointment or reappointment. There is a Washington state law requirement that IAC members can not be employed by investment firms that the fund does business with. IAC members also need to disclose if they have a potential or perceived conflict.

Motion: Upon motion by Dan Strauss, seconded by Sherri Crawford, the Board of Administration accepted the Administrative Committee's recommendation to approve the revised Investment Advisory Committee Charter. The motion passed unanimously (7-0).

Executive Director Update

Jeff Davis reviewed upcoming agenda items in future meetings. At the February Investment Committee meeting, the annual Investment Advisory Committee Report and staff's response will be presented as well as the annual 2024 Investment Review and planning for 2025. NEPC will present the fourth quarter performance report. At the February Administrative Committee, the 2024 Board Self-Evaluation survey and 2024 Executive Director evaluation timeline will be reviewed. The committee will also review the Conflicts of Interest policy for reaffirmation. At the March Board of Administration meeting, staff will present the ESG Semi-Annual Report and the proposed lease for 901 Fifth Avenue.

SCERS has an active member trustee election this year for Maria Coe's seat. The application period will be in April and the election will be held in May.

Closed Session for Quasi-judicial Matter and Potential Litigation – Review of Disability Retirement Application

The Board entered closed session for approximately 30 minutes to discuss a quasi-judicial matter and actual or pending litigation with legal counsel at 11:13 am.

The Board entered regular session at 11:35 am.

Motion: Upon motion by Dan Strauss, seconded by Jamie Carnell, the Board of Administration voted to refer Lowrie Longacre's disability retirement application for further medical review to fully address all issues raised in the October 2024 appeal. The motion passed unanimously (7-0).

Good of the Order

There was nothing for the good of the order.

Adjourn Meeting

The meeting was adjourned at 11:37 am.