



# Seattle City Employees' Retirement System

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

## Minutes, Thursday, March 14, 2024

**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, Leola Ross, Mengfei Cao, Nina Melencio, George Emerson, Michiko Togashi, Mark Schimizza, Selam Teklemariam, Katie Lac

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Cyril Espanol (Journalist), "Venessa", Edie Jorgensen (ARSCE), Kate Hoffman (LEG), Elizabeth Paschke (ARSCE)

### 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

The following items represent normal expenses:	
Pension Payroll	\$23,531,737.58
Office Payroll*	230,081.86
Admin Expenses	730,639.10
Investment Expenses	556,465.77
<b>Total Expenses – February 2024</b>	<b>\$25,050,400.61</b>

*\*Includes estimated benefit costs*

<b>Retirements, Withdrawals, Other Payouts – February 2024</b>			
	<b>Count</b>	<b>Monthly Pension</b>	<b>Lump Sum Distribution</b>
Retirements	23	\$63,260.97	\$1,498,738.15
Withdrawals	32	n/a	\$1,000,112.62

**Motion:** Upon motion by Joseph Hoffman, seconded by Maria Coe, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed unanimously (6-0).

### **ESG Semi-Annual Update - Staff**

Leola Ross presented the semi-annual Environmental, Social, and Governance (ESG) update which included updates on SCERS's climate and diversity, equity, and inclusion (DEI) positive action strategies.

#### ***(10:02 am – Sherri Crawford arrived at the meeting)***

Dr. Ross provided an update on the climate positive action strategy. Staff continues to actively engage with multiple companies, including Southern Company and Paccar. Several asset managers left or otherwise altered their involvement with the Climate Action 100+ collective engagement in February 2024. Staff is meeting with SCERS's investment managers who left Climate Action 100+, including BlackRock, PIMCO, and JP Morgan, to understand their motivation and how they will engage with companies separate from the collective. The U.S. Securities and Exchange Commission adopted rules requiring companies to report climate-related risks. SCERS had provided comments to the SEC in June 2022 in support of its proposal for improved climate disclosure.

Mr. Malinowski provided an update on the DEI positive action strategy. SCERS joined the Thirty Percent Coalition and the Institutional Allocators for Diversity, Equity, & Inclusion (IADEI). The Thirty Percent Coalition works to increase gender, racial, and ethnic diversity on board and in senior leadership across the United States. IADEI seeks to drive DEI within institutional investment teams and portfolios and across the investment management industry. Mr. Malinowski began participating in the Investment Diversity Advisory Council's mentorship program where senior investment professionals are paired with mid-career professionals from historically underrepresented groups.

Staff attended and presented at several ESG industry conferences during Q4 2023 and Q1 2024.

### **Investment Committee Report – February 29, 2024**

Mr. Malinowski reported on the February 29, 2024 Investment Committee meeting. The committee members were joined by the Investment Advisory Committee (IAC). The IAC shared their annual report for 2023, which included strategic guidance and recommendations for 2024.

NEPC reviewed the portfolio's performance through December 31, 2023. The portfolio returned 11.5% for 2023, which was in line with the strategic policy benchmark.

### **Administrative Committee Report – February 29, 2024**

Paige Alderette reported on the February 29, 2024 Administrative Committee meeting.

The committee worked to finalize the annual board self-evaluation questions. It has been streamlined to make it more concise.

The enhanced benefit estimate tool is now available in the Member Self-Service Portal for active and deferred members. The previous tool only provided an unmodified benefit amount. The enhanced tool now includes most benefit options, portability, and adding a spouse's date of birth which would make the estimate more accurate.

### **Executive Director Update**

Mr. Davis reported that there will be a trustee election this year for an active member seat currently held by Ms. Crawford. A notice of election will be posted on SCERS's webpage after the Board meeting, on the MSS Portal, and on member statements. The notice will also be posted in the Daily Journal of Commerce.

Due to some conflicts with Mr. Strauss's schedule, Mr. Davis asked if Investment Committee and Administrative Committee chairs were amenable to start the Investment Committee at 11:00 am rather than noon; and Administrative Committee at 1:00 pm rather than 2:00 pm. Ms. Crawford, chair of the Investment Committee, and Ms. Blinder, chair of the Administrative Committee, were fine with the time change.

Mr. Strauss stated that he wants to bring different cultural norms from his other committees to the Board of Administration meetings.

- Board members attending virtually are asked to raise their hand if you would like to speak,
- There will be a roll call at the beginning of agenda, and
- If board members are already downtown, Mr. Strauss encourages them to attend the meeting in person.

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

The Board entered into Closed session for Quasi-judicial Matter and Potential Litigation at 11:06 am for approximately 30 minutes to review a Disability Retirement Application.

The Board returned to public session at 11:20 am.

**Motion:** Upon motion by Joseph Hoffman, seconded by Jamie Carnell, the Board of Administration affirmed the conclusion of the independent medical examination and did not approve the retirement disability application of Marc Troy. The motion passed 6-0-1 with Mr. Strauss abstaining.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Board of Administration voted to adjourn the meeting at 11:23 am. The motion passed unanimously (7-0).