



Seattle City Employees' Retirement System

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

Minutes, Thursday, April 8, 2021

Due to the "Healthy Washington, Roadmap to Recovery" order issued by Governor Inslee, the meeting was held remotely.

Board Members Present: Teresa Mosqueda (Chair), Robert Harvey, Jr., Judith Blinder, Sherri Crawford, Glen Lee

SCERS Staff Present: Jeff Davis, Paige Alderete, Jason Malinowski, Nina Melencio, Jill Johnson, George Emerson, Mark Schimizza, Selam Teklemariam

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Tim Morrison (FAS), Tim Allen (Tacoma ERS)

Call to Order

Teresa Mosqueda, 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 March 11, 2021 Retirement Board regular meeting, ratification of Retired Payroll, Office Payroll, and other payments and withdrawals.

The following items represent normal expenses:	
Pension Payroll	\$20,043,430
Office Payroll	\$322,167*
Admin & Investment Expenses	\$1,707,394
Total Expenses – March 2021	\$22,072,992

**includes estimated benefit costs*

Retirements, Withdrawals, Other Payouts – March 2021			
	Count	Monthly Pension	Lump Sum Distribution
Retirements	32	\$84,796.37	\$1,201,039.88
Withdrawals	15	n/a	\$373,281.25

Motion: Upon motion by Sherry Crawford, seconded by Glen Lee, the Board of Administration accepted and approved the Administrative Consent Agenda. The motion passed unanimously (5-0).

Investment Committee Report – March 25, 2021

Jason Malinowski reported on the March 25, 2021 Investment Committee meeting. There were two items on the agenda: Deep Dive of the Public Equity asset class and a Public Equity manager recommendation.

Staff and NEPC recommended an up to \$60 million investment to seed the ABS Japan Strategic Portfolio, a multi-manager strategy that will invest in Japanese specialist equity managers. This represents approximately half of the total allocation to Japan public equity. This investment would be SCERS's second investment with ABS Investment Management.

The Investment Committee approved the recommendation.

Motion: Upon motion by Judith Blinder, seconded by Robert Harvey, Jr., the Board of Administration accepted the Investment Committee's recommendation to invest up to \$60 million in the ABS Japan Strategic Portfolio, pending satisfactory legal review. The motion passed unanimously (5-0).

Administrative Committee Report – March 25, 2021

Jeff Davis reported on the March 25, 2021 Administrative Committee meeting. There were two items on the agenda: Board Self-Evaluation and Executive Director 2020 Evaluation.

The committee discussed the timeline and scope of the board self-evaluation which will be sent out soon to all board members.

Mr. Davis discussed SCERS's accomplishments for 2020 and looking forward to 2021. Staff seamlessly transitioned to working remotely and despite the upheaval of the transition, staff were able to go live with the new member self-service portal and investment returns were in the top third of public pension systems in the 1, 3, 5, 7, and 10-year intervals. Later this year staff will be preparing for the transition to return on-site. A long-term goal is to present members with a more comprehensive view of their own financial picture. SCERS will also be reviewing its pay structure within SCERS to ensure that staff were being compensated appropriately as compared to their peers.

Executive Director Update

Mr. Davis gave an update on the 2021 Active Member Trustee election. The candidacy period opened today and will close on April 22, 2021. Potential candidates may submit materials via email or postal mail.

Mr. Malinowski gave an update on investment team staffing that was finalized after the March Board meeting. Cecelia Chen, Senior Investment Officer, has accepted a senior role with an investment consulting firm and will be relocating to Miami, Florida. This is a wonderful opportunity for Ms. Chen, and we wish her the best.

Councilmember Mosqueda stated that her staff will continue to gather information on what City peers are doing in terms of divestment.

Mr. Davis replied that the conversations on ESG, climate change, and divestment have been productive and informative. Going forward, conversations will be broader and have less of a focus on divestment and rather how do we look at climate change and the impact it can have on SCERS's portfolio.

Adjourn Meeting

CM Mosqueda adjourned the meeting at 10:28 a.m.