



Seattle Retirement

Seattle City Employees' Retirement System

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

Minutes, February 12, 2026

Board Members Present: Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Dwight Dively, Dan Strauss

Staff Members Present: Jeff Davis, Jason Malinowski, Leola Ross, Nina Melencio, George Emerson, William Kee,

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Nick Collier (Milliman), Julie Smith (Milliman), Bill Schrier (ARSCE), Joe Ebisa (With Intelligence), Rob Kozlowski, Martha Burke (ARSCE), Alexandra Zhang (CBO), Lindsay Saeinni (Fin News),

Call to Order

Sherri Crawford, Chair, called the meeting to order at 10:01 am.

Public Comment

There was public comment from Bill Schrier of ARSCE. Mr. Schrier wanted to thank Jeff Davis for providing information on the calculation of benefits for part-time versus full-time people.

Administrative Consent Agenda

Provided in the Retirement Board packet were the minutes from the December 11, 2025 Retirement board regular meeting, ratification of Retired Payroll, office Payroll, and other payments and withdrawals.

The following items represent normal expenses:	
Pension Payroll	\$24,643,580.29
Office Payroll*	677,867.07
Admin Expenses	846,823.60
Investment Expenses	2,187,716.94
Total Expenses – December 2025	\$28,355,987.90



Pension Payroll	\$24,433,605.39
Office Payroll*	495,366.63
Admin Expenses	226,133.87
Investment Expenses	0
Total Expenses – January 2026	\$25,155,105.89

*Includes estimated benefit costs

Retirements, Withdrawals, Other Payouts – December 2025			
	Count	Monthly Pension	Lump Sum Distribution
Retirements	18	\$46,831.12	\$350,092.36
Withdrawals	27	n/a	\$673,612.87

Retirements, Withdrawals, Other Payouts – January 2026			
	Count	Monthly Pension	Lump Sum Distribution
Retirements	15	\$60,828.42	\$261,416.89
Withdrawals	15	n/a	\$751,439.00

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

Experience Study (Preliminary Assumptions Review) - Milliman

Nick Collier and Julie Smith of Milliman discussed the upcoming experience study, initial proposed changes to SCERS's economic assumptions, and answered questions from Board members. The experience study is conducted every four years, is industry best practice, and helps SCERS ensure that it stays on track to meet its funding goals.

The Board will adopt the assumptions at the March 12, 2026 meeting and will recommend an employer contribution rate at the June 11, 2026 meeting.

Milliman's preliminary recommendations include:

- Maintain the investment return assumption of 6.75%
- Maintain the inflation assumption of 2.60%
- Maintain payroll growth of 0.25%
- Maintain wage growth of 3.35%

(10:11 a.m. - Dan Strauss arrived at meeting)

Over a 10-year time horizon, expected investment returns are less than the current 6.75% assumption, but they are greater over a longer period. Milliman's expected return over 20 years is 7.0%. The average of NEPC's 10-year and 30-year expected return is 6.8%. The trend of public pensions lowering the investment return assumptions has continued. The average assumption for large systems (funds of over \$1 billion) is now less than 7.0%. Recent experience studies for

many systems have shown expected returns greater than the system assumption; however, most systems have retained their current assumption.

Milliman also recommended moving to a layered amortization with 20-year layers. The move would result in:

- Improved stability of employer contribution rate
- Better compliance with Actuarial Standards
- Increased consistency with industry guidance on funding policies
- No initial impact on Funding Ratio
- No impact on member contribution rates

The way to understand the concept of layered amortization is to think of it like having a home loan and adding on a home equity loan. The original home loan (which is the current unfunded liability) will still be paid off in 2043, as previously committed. Future experiences (both losses and gains) are like a home equity loan with their own set timeframe to be paid off (20 years). Years with investment gain and investment loss will net each other out. This approach provides a smoother rate pattern, and the fund still makes progress on paying off the unfunded liability.

The Board asked to see other scenarios at the next presentation.

2025 SCERS Progress Report

Jeff Davis and Jason Malinowski presented the 2025 SCERS Progress Report and reviewed 2025's key initiatives; assessed progress on strategic goals; and discussed planned initiatives for 2025. The structure follows the strategic plan and how staff are meeting the goals of SCERS.

In 2025, staff negotiated and began planning the relocation of the SCERS office. Staff re-imaged the Annual Report to focus on clarity and appeal. The Investment Team recruited and onboard a new member of the Investment Advisory Committee and developed reference materials for the Investment Committee, including a glossary of key investment terms and portfolio reference sheet. Other highlights from 2025 included: receiving an unmodified/clean opinion for the 2024 audit; recalculating hundreds of benefits to incorporate the City's retroactive salary adjustments; and negotiating and finalizing multiple contracts required for the V3locity system upgrade project.

Mr. Davis and Mr. Malinowski reviewed each of the strategic goals including the objectives and current status. The fund is at 76% actuarial funded status as of January 1, 2025.

Ms. Crawford noticed that service credit purchases are taking a long time and asked if there was a way to point members towards the portal to get some sense of how much it would cost. Mr. Davis replied that a service credit purchase is more complex and requires more research. Staff are going to look at the ability of members to do their own calculation on the website for service credit purchase. After members receive the service credit purchase estimate and see how much it would cost, they often choose not to proceed.

The Investment Advisory Committee recommended that SCERS formalize succession plans for key roles. Staff have included that in SCERS's 2026 workplan.

The member services team will develop educational videos and re-imagine SCERS's website to increase members' access to information and comprehension. The IT and Member Services team will continue to implement the V3locity pension system upgrade. The investment team will conduct a follow-up evaluation of Hightower Advisor's 2024 acquisition of NEPC; complete the integration of SCERS's expanded toolkit; and continue advancement of the ESG program.

Employee service milestones, professional development, and industry awards were recognized.

Mr. Strauss congratulated SCERS and thanked them for their work.

Investment Committee Report – January 29, 2026

Dr. Leola Ross reported on the January 29, 2026 Investment Committee meeting. Agenda items included the results of the 2025 Investment Consultant Evaluation, an Infrastructure Manager Recommitment, and the Investment Outlook and Capital Market Assumptions,

The Investment Committee approved staff's recommendation to commit up to \$20M to Stonepeak Opportunities Fund IILP. NEPC concurred with staff's.

Motion: Upon motion by Sherri Crawford, seconded by Joseph Hoffman, the Board of Administration accepted the Investment Committee's recommendation to commit up to \$20 million to Stonepeak Opportunities Fund II, pending satisfactory legal review. The motion passed unanimously (6-0).

Administrative Committee Report – January 29, 2026

Mr. Davis reported on the January 29, 2026 Administrative Committee meeting. Agenda items include a Deep Dive in Member Communications, Q4 2025 Operations Statistics, and the results of the 2025-member satisfaction survey.

The general takeaway from the member satisfaction survey is that both active and retired members are generally satisfied. Speed and responsiveness are areas that the member services team will continue to work on. Members appreciate the assistance and information they get when they are able to connect with staff.

The Administrative Committee recommended that the Board reaffirm the Executive Director Evaluation and Compensation Charter.

Motion: Upon motion by Sherri Crawford, seconded by Joseph Hoffman, the Board of Administration accepted the Administrative Committee's recommendation to reaffirm the Executive Director Evaluation and Compensation Charter. The motion passed unanimously (6-0).

Executive Director Update

Mr. Davis notified the Board that SCERS will have an election for the retired trustee position. Applications will be accepted April 9 through 23, 2026 and voting will be May 12 to June 1, 2026. Members will be notified of the election through SCERS's website, the Member Self-Service portal, a broadcast email from the City, and retired members will receive postcards.

Mr. 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 2025 Investment Review and planning for 2026. NEPC will present the fourth quarter performance report. At the February Administrative Committee, the 2025 Executive Director evaluation timeline will be reviewed. The committee will also review the Investment Advisory Committee's recommendation for meeting frequency.

At the March Board meeting, Milliman will continue the conversation with the Board on the Experience Study.

Good of the Order

Judith Blinder notified the Board that she will not run for re-election for the retired Trustee position.

Adjourn Meeting

Motion: Upon motion by Sherri Crawford, seconded by Maria Coe, the Board of Administration voted to adjourn the meeting at 11:19 am. The motion passed unanimously (6-0).