

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
December 3, 2025

The meeting was called to order at 1:02 p.m. in the Council Briefing Center at City Hall.

Present: Jim Tieken, Joe Cavanaugh, Richard Czernik, Jon Barnhart, Matt Boston, Brian Brill, Beau Madsen, Jonathan Bingle.

Absent: Brian Myers

Staff: Christine Shisler, Donald Brown, Lisa Dyson, Jon Abt, Tim Szambelan

Guests: Jayson Davidson (Fiduciary Consulting Group), Dave Hanshaw, Natalie Hilderbrand, Daniel Zapotocky, Jamie Hall, Joe Ebisa (WithIntelligence)

Third Quarter 2025 Performance Review

Mr. Davidson reviewed the Third Quarter 2025 Performance Report and the Board discussed what have been our primary areas of U.S. economic focus over the last several quarters: Growth, Employment, and Inflation. The economy expanded at a 3.8% annualized rate in the Second Quarter and is expected to moderate over the balance of 2025. The labor market showed signs of weakness during the Third Quarter with measures of unemployment increasing in July and August. With this labor market weakness in focus, the Fed lowered interest rates at its September and October meetings. The prospects for an additional cut in December will remain highly data dependent. While inflation increased over the Third Quarter, the aforementioned labor market conditions have taken over as the Fed's primary concern. Both domestic and international equity markets posted impressive quarterly returns with small capitalization stocks leading core domestic markets and emerging markets topping the international arena. The SERS portfolio had a small performance premium vs. the policy benchmark for the quarter, posting a 4.6% return to the benchmark's 4.5%.

On the traditional side, the portfolio's relative returns were buoyed by its core fixed managers, in particular. Mr. Davidson also noted that active equity managers, in traditional U.S. and International markets, lagged benchmarks, almost universally, and the SERS' managers did not escape this. We continue to see strength in relative performance across our broader alternatives' exposure. For the Hedge Fund's category, we saw strength from Absolute Return Managers and Equity Hedge Managers across most strategies. Exposure in Private Equity, Real Estate and Private Credit was also additive to relative performance this quarter. Additionally, Mr. Davidson informed that the portfolio held an elevated cash position at quarter-end, due to a rather large redemption that came through on September 30th. Most of the excess cash had been deployed as of October 1st.

Mr. Davidson informed the Board that Robyn Moss, from the OCIO team, has a schedule conflict and will not be able to attend the March 2026 meeting. She will be at the June meeting. The Fiduciary Consulting Group will also look to schedule her to attend the September meeting next year.

The Board engaged in a discussion regarding portfolio models that might achieve a higher 7.75% expected return. The Fiduciary Consulting Group modeled scenarios with 80-90% equity relative to the Fund's current 75% equity target. While we noted scenarios that do achieve the higher expected returns, they do so by increasing alternatives exposure primarily. This was a discussion item only, and no action was taken. It was requested that The Fiduciary Consulting Group provide the comprehensive list of expected returns Morgan Stanley's GIMA uses to facilitate these asset class studies.

Mr. Davidson will provide additional information regarding the fees associated with certain alternative investments and whether any apply a hurdle rate before the 20% of profits payment is activated.

Minutes of the November 5, 2025 Meeting

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the minutes of the November 5, 2025, meeting as presented. The motion passed unanimously.

Director's Report

Service Retirements

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Ivan J. Costich	50	11/22/2025	25.12	E
Erin A. Jacobson	50	12/01/2025	7.12	ST
Diane M. Reynolds	88	12/02/2025	35.60	ST
Kelly L. Thomas	61	01/03/2026	15.39	ST
Dana Dalrymple	57	01/17/2026	29.51	ST
Kenneth M. Freeman	69	02/03/2026	19.5	E

Richard Czernik moved and Jonathan Bingle seconded the motion to approve the service retirements as presented on the December Retirement Transaction Report. The motion passed unanimously.

Withdrawals

<i>Name</i>	<i>Years of Service</i>	<i>Department</i>
Erin A. Haugen	2.14	Finance
Lara J. Connelly	5.46	Municipal Court
Katie L. Schmeer	0.54	Community Justice Services

Joe Cavanaugh moved and Jonathan Bingle seconded the motion to approve the requests for withdrawal as presented on the December Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Melissa L. Morrison	CD/HS Operations	2.56 Portability

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Anita C. Condon	5/31/1995	79	10/20/2025	No Further Benefits
Charles J. Edwards	1/9/2000	87	10/28/2025	No Further Benefits
Joe E. Sproul	9/2/1994	94	11/16/2025	No Further Benefits
Colleen A. Bosch	11/27/2010	97	11/24/2025	No Further Benefits

Vesting and death information provided to the Board for review.

Expenditure Summary Report – October 2025

The Expenditure Summary Report was presented to the Board and discussed.

Jonathan Bingle moved and Jon Barnhart seconded the motion to approve the October 2025 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – October 2025

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on October 31, 2025, was \$409.5 million with an estimated rate of return of 1.3% for the month.

Monthly Cash Reconciliation

The November cash reconciliation report was presented to provide the Board with additional insight into the ongoing liquidity, transactions, and cash position of the plan.

Board Member Election - Myers

Joe Cavanaugh moved and Jon Barnhart seconded the motion to reelect Brian Myers for the Board Appointee position. The motion passed unanimously.

VRIP Update

Jim Tieken shared an update that he is currently scheduling meetings with the City Council President and the Administration to further discuss repaying SERS for the unfunded liability caused by the Voluntary Retirement Incentive Program (VRIP) of \$1,471,700.

Other Business

Board Chair Jim Tieken opened the floor for public comment, reading one posted during Mr. Davidson's presentation, with no additional comments provided.

The Board members and Jonathan Bingle shared some parting words regarding Mr. Bingle's service on the SERS Board before his upcoming departure.

There being no other business, the meeting adjourned at 2:12 p.m.

/s/

Christine Shisler, Retirement Director