

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting Minutes**  
**March 5, 2025**

The meeting was called to order at 1:04 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, and Jonathan Bingle

**Absent:** Brian Myers

**Staff:** Christine Shisler, Donald Brown, Lisa Dyson, and Tim Szambelan

**Guests:** Jayson Davidson, Tom Breaden, Robyn Moss, Dave Hanshaw, Natalie Hilderbrand, Daniel Zapotocky, and Corin Morse

**Hyas Group, 4th Quarter Investment Performance Report**

Mr. Davidson presented the Fourth Quarter 2024 Performance Report. Thematically, the economy and market have not changed significantly from the prior quarter. US growth has been resilient. Even with a slight slowdown in the quarter, GDP is estimated to come in at 2.5% for the year. Monthly jobs numbers support expectations for a continuation of, what has been, a strong job market; and inflation, while not falling to outright comfortable levels, has remained in check. The Federal Reserve opted to cut rates by .25% at their November and December meetings but held rates in January. Expectations for the number and magnitude of cuts have been reduced significantly for 2025. The markets will be digesting the impact, if any, of new Trump administration policies. Focus on tariffs, decreased regulation, and increased federal spending will be most acute. In this backdrop, the portfolio's market value declined for the quarter, posting a negative 0.7% return. Performance, however, was still able to outpace the -1.4% of the policy benchmark. The full calendar year's performance was more encouraging with the portfolio's return of 10% besting the policy by 2.0%. Most investment categories were additive to relative performance during the quarter. Larger premiums came from the portfolio's investments in Emerging Markets and Alternative investments broadly. Within Alternatives, Hedge Funds and Master Limited Partnerships posted particularly notable relative performance numbers.

Robyn Moss informed the Board that most of the portfolio transition activity for the Fourth Quarter focused on transforming the alternative investment segment of the portfolio. She provided the Board with rationale and expectations for some of the investments made in that segment. The majority of the other asset categories were transformed during the Second and Third Quarters of last year.

Richard Czernik moved and Beau Madsen seconded the motion to amend the agenda to add custodial services provided by Morgan Stanley as a topic for discussion. The motion passed unanimously.

The Board more formally addressed the prospect of moving SERS to Morgan Stanley provided custodial services and Mr. Davidson shared a Hyas Group prepared memorandum on the topic. While such a change could result in reduced custodial fees, it may come at the expense of more expensive investment alternatives and a less institutional level of support.

Richard Czernik moved and Joe Cavanaugh seconded the motion to maintain US Bank for custodial services. Discussion ensued, and the motion passed unanimously.

**Minutes of the February 5, 2025 Meeting**

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the minutes of the February 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>
Duane L. Pen	63	03/08/2025	32.1	ST

Richard Czernik moved and Joe Cavanaugh seconded the motion to approve the service retirements as presented on the March Retirement Transaction Report. The motion passed unanimously.

**Withdrawals**

<i>Name</i>	<i>Years of Service</i>	<i>Department</i>
Stephanie A. Zimmerman	0.5	Council
Jennifer Hammond	6.4	Police - Administration
Douglas Scotberg	0.9	Accounting
Foster Newberg	2.9	Solid Waste Disposal
Kearney S. Jordan	0.7	Parks & Recreation

Richard Czernik moved and Brian Brill seconded the motion to approve the requests for withdrawal as presented on the March Retirement Transaction Report. The motion passed unanimously.

### Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Evelyn L. Maly	07/15/2017	96	01/29/2025	No Further Benefits
Shawn C. Gurske	11/07/2009	65	02/10/2025	No Further Benefits
Janice M. Benson	09/20/2019	78	02/13/2025	No Further Benefits
Kevin R. Holm	06/08/2013	75	02/19/2025	No Further Benefits

Death information provided to the Board for review.

### Monthly Cash Reconciliation

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

### Upcoming Board Election – Czernik

Richard Czernik's SERS Board position is up for election, with his term ending July 6, 2025. Mr. Czernik has indicated he will be running for re-election. The deadline for nominations to be filed is 5:00 p.m. on Tuesday, April 8, 2025.

The recently created employee SERS Board position currently filled by Jon Barnhart is also up for election. Mr. Barnhart has indicated he will be running for re-election. The deadline for nominations to be filed is 5:00 p.m. on Tuesday, April 8, 2025

### Other Business

Ms. Shisler asked the board regarding an additional educational opportunity; an Investments Institute conference hosted by International Foundation of Employee Benefit Plans.

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve registration, travel, and accommodation costs for sending Ms. Shisler to the conference. The motion passed unanimously.

Ms. Shisler updated the Board on the Accountant hiring process. A candidate has been selected with the start date to be March 17, 2025. Ms. Shisler requested to send the Accountant to a Public Pension 101 conference being offered by P2F2 in June.

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve registration, travel, and accommodation costs to send the new hire to the conference. The motion passed unanimously.

Ms. Shisler reminded the Board that SageView will be attending the April meeting remotely to provide an update on the VRIP costs.

There being no other business, the meeting adjourned at 1:57 p.m.

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**Christine Shisler, Retirement Director**