

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
March 4, 2026

The meeting was called to order at 1:07 p.m. in the Council Briefing Center at City Hall.

Present: Jim Tieken, Joe Cavanaugh, Richard Czernik, Jon Barnhart, Matt Boston, Brian Myers, Beau Madsen, Betsy Wilkerson.

Absent: Brian Brill

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)

Betsy Wilkerson arrived at 1:10pm

Fiduciary Consulting Group, 4th Quarter Investment Performance Report
2025 4th Quarter Performance Report.

Mr. Davidson presented the Fourth Quarter 2025 Performance Report, and the Board discussed key economic, labor and policy related statistics impacting market performance. The U.S. economy continues to show strength in a post-tariff related environment, where Artificial Intelligence investment and consumer spending resilience powered GDP to 4.3% in the Third Quarter. The Fiduciary Consulting Group is expecting growth to slow in the Fourth Quarter, as a government shutdown and more muted trade impact are included in calculations. Inflation, while still above Federal Reserve (FED) policy targets, has remained in check, and the FED cut interest rates by .25% in the last three rate-setting meetings of the year. Rate cut expectations for the first half of this year are low, and the FED did not take any action at the January meeting. FED focus appears to have shifted to the labor market, prompting the aforementioned rate cuts, and the Fiduciary Consulting Group expects to see more softness in the labor market during the first half of 2026. World equity and fixed income markets are responding well to the strong U.S. economic back drop and expectations for a new Artificial Intelligence related world. The SERS portfolio posted a return of 2.0% for the quarter, slightly lagging the policy benchmark's 2.3%.

For the portfolio at large, there were pockets of strength and weakness in almost every asset category. The largest detractors from total return came from Small/Mid Cap Equity on the traditional side, and from the Master Limited Partnerships on the non-traditional side. Both active Small/Mid managers underperformed benchmarks considerably and, in the lone MLP strategy, Tortoise Energy Infra Total Return, missed its mark by 4.17%. The Fixed Income portion of the portfolio provided returns in line with the category benchmark, where taxable and high yield managers performed as in line with expectations. The primary bright spot for the quarter came from our Hedge Fund allocations in the Absolute Return and Equity Hedge sub-categories.

Mr. Davidson informed the Board that OCIO's investment activity during the quarter consisted of a \$2 million investment in the Carlyle Alpinvest Private Markets Fund which will represent a core holding in the Build out of SERS's private equity allocation. Additionally, \$5 million was placed in the Garda Fixed Income Relative Value Opportunity Fund. This investment continues to bring the portfolio closer to target weight for the overall alternatives' asset category. OCIO is expecting to make an adjustment in the Emerging Markets asset class, removing the GQG Partners Emerging Markets strategy and transferring assets to the SSGI MSCI Emerging Markets Index holding. The team is also evaluating alternatives in private real estate that may replace the portfolio's existing REIT exposure.

Investment Policy Statement Review

As a carryover from last quarter's meeting item related to higher allocations that might produce a higher expected return, Mr. Davidson provided the Board with a comprehensive list of expected returns that Morgan Stanley's GIMA uses to facilitate asset allocation studies. The Board discussed the frequency in which the projections are updated and whether Morgan Stanley is still comfortable with the SERS portfolio target allocations given the firm's return expectations. Mr. Davidson will provide a more formal response from the OCIO group relative to current allocation targets.

Beau Madsen moved and Matt Boston seconded the motion to approve reviewing alternative asset allocations with the OCIO at the June Board meeting. Discussion ensued and Beau Madsen withdrew his motion.

Fee and Hurdle Rate

Mr. Davidson provided a summary of the SERS portfolio's Hedge Fund and Private Equity liquidity restrictions and fee structures in response to a request at the prior quarter's meeting. No additional discussion ensued.

Minutes of the February 4, 2026 Meeting

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the minutes of the February 4, 2026 meeting as presented affirming all the motions from the February 4, 2026 meeting. 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>
Ricky D. Russell	60	03/03/2026	15.03	ST
Ronald L. Van Curler	63	03/08/2026	25.23	C-20
Rodney A. Mann	58	03/13/2026	33.05	E
David A. Santorsola	64	03/14/2026	30.51	E
Anthony V. Patano	64	04/02/2026	16.07	E
Evariste Mulindangwe	67	04/04/2026	21.36	D

Joe Cavanaugh moved and Richard Czernik 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 Service</i>	<i>of</i>	<i>Department</i>
Adam J. Lewis	0.77		Police Records
Nicole T. Montano	0.30		Municipal Court
Jesse R. Siemers	2.80		Advanced Wastewater
Johann Joseph	0.74		My Spokane
Jacob L. Friend	2.30		Advanced Wastewater
Amy M. Lugo	2.39		Human Resources
Aaron B. Watts	1.9		Police
Timothy R. Nash	7.02		Development Services Center

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

Vesting

<i>Name</i>	<i>Department</i>	<i>Years Service</i>	<i>of</i>
Kimberlee R.J. McIntyre	Hearing Examiner	6.89-	Portability
Anne N. Raven	EMS	2.41-	Portability
Kristen Zimmer	Water & Hydroelectric Services	10.35	

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date Death</i>	<i>of</i>	<i>Information</i>
Patricia G. Hall	7/21/2012	74	01/19/2026		E Option Continues
Donald O. Johnson	5/5/2001	88	01/28/2026		No Further Benefits
Roger A. Wolcott	6/1/2024	74	01/25/2026		No Further Benefits
Michael L. Henry	6/23/2006	69	02/02/2026		No Further Benefits
Burton Ronald Curry	4/2/2005	84	02/13/2026		E Option Continues

Vesting and death information provided to the Board for review.

Monthly Cash Reconciliation

The February 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 - Cavanaugh

Joe Cavanaugh's SERS Board position is up for election. SERS elections are handled by the City Clerk's office.

VRIP Update

Jim Ticken shared an update regarding the unfunded liability caused by the Voluntary Retirement Incentive Program (VRIP). At this time, a repayment is still not currently in place and there has been no additional communication from the Administration. Jim Ticken stated he will reach out to follow up on behalf of the Board. Council President Betsy Wilkerson confirmed the VRIP is noted as a priority item in Council discussion.

Other Business

Jim Ticken then opened the floor for public comment, with no public comments provided.

Richard Czernik moved to adjourn the meeting.

There being no other business, the meeting adjourned at 2:21 p.m.

/s/

Christine Shisler, Retirement Director