

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

The meeting was called to order at 1:05 p.m. in the Council Briefing Center at City Hall.

**Present:** Jim Tieken, Joe Cavanaugh, Richard Czernik, Jon Barnhart, Matt Boston, Brian Brill, Brian Myers

**Absent:** Beau Madsen and Jonathan Bingle

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

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

**Fiduciary Consulting Group, 2025 2<sup>nd</sup> Quarter Investment Performance Report**

Mr. Davidson presented the Second Quarter 2025 Performance Report and discussed general market conditions as well as expectations for the remainder of the year.

The U.S. economy contracted slightly during the quarter as growth was hampered by a surge in imports ahead of anticipated increases in tariffs. GDP is expected to regain its muted, positive momentum as we move through the second half of the year and the tariff picture becomes clearer. May and June labor market conditions remained steady as monthly job additions continue to come in above expectations. The July report offered a bit of a surprise with a below expectations 43,000 jobs added and sharp downward revisions to the May and June reports. June headline inflation came in at 4.1%. Inflation has remained relatively muted through the quarter and into July; but forward-looking expectations show uncertainty as consumers and economists continue to weigh the potential impact of tariffs on overall price levels. After the significant decline following the "Liberation Day" tariff announcements, global markets sharply recovered, posting solid quarterly performance numbers across asset classes. The SERS portfolio performed well relative to the policy benchmark during the quarter, posting a 6.4% three-month return compared to the benchmark's 5.6%.

The portfolio saw strength from several categories with the overall hedge fund category allocation being the most additive to relative performance. Most investment strategies across this category were able to add value, with particular strength coming from the Equity Hedge managers. There were pockets of weakness in the overall portfolio, including Small Cap Value, International Value and the Private Credit strategies as a whole.

Mr. Davidson informed the Board that the Fiduciary Consulting Group at Morgan Stanley will be hosting their Fiduciary Essentials conference in Denver on October 22nd. The conference will feature speakers on a range of retirement plan related topics. Richard Czernik and Ms. Shisler indicated interest in attending the event.

## **Investment Policy Statement Review**

The Board engaged in the annual review of the SERS Investment Policy Statement.

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the Investment Policy Statement as presented. The motion passed unanimously.

The OCIO team will assess whether a change to the Investment Policy target rate of return, increasing it by 25 bps, would necessitate any change to the overall portfolio allocation. Mr. Davidson will report on this assessment at the next quarterly meeting.

## **Minutes of the July 2, 2025 Meeting**

Richard Czernik moved and Jon Barnhart seconded the motion to approve the minutes of the July 2, 2025, meeting as presented. The motion passed unanimously.

## **Director's Report**

### **Service Retirements – August 2025 & September 2025**

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Paul H. Chapin	67	08/02/2025	7.09	E
Kimberly A. Riggs	55	08/02/2025	9.60	E
Richard A. Hanson	62	08/09/2025	23.72	E
Jeffrey A. Beegle	50	09/01/2025	13.34	C-20
Ezra T. Crooks	50	09/01/2025	23.40	ST
David F. Kokot	65	09/03/2025	23.60	D
Troy J. Tipke	63	09/06/2025	33.48	E
Rick L. Kent	68	09/13/2025	7.58	ST
Alice M. Busch	62	09/27/2025	36.10	D
John F. Saywers	64	10/02/2025	13.69	E
Scott J. Smith	62	10/02/2025	15.50	ST
Michael A. Goan	69	10/04/2025	20.06	ST
Eric L. Burch	62	11/01/2025	8.54	ST

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the service retirements as presented on the August 2025 and September 2025 Retirement Transaction Reports. The motion passed unanimously.

### **Withdrawals - August 2025 & September 2025**

<i>Name</i>	<i>Years of Service</i>	<i>Department</i>
Phillipp S. Blinn	2.34	Solid Waste Disposal
Jeff C. Bollinger	3.56	Public Affairs / Communications
Ryan P. Gold	1.58	Police - Records
Jon S. Jordan	1.36	Risk Management
Leonard E. Kransdorf	1.93	Library
Douglas E. McClellan	3.13	Water

Brooklyn L. Russo	2.02	Mayor
Cynthia A. Sager	3.88	Finance
Emily L. Thompson	3.20	Solid Waste Disposal
Nicole A. Vangrimbergen	0.54	Municipal Court

Richard Czernik moved and Jon Barnhart seconded the motion to approve the requests for withdrawal as presented on the August 2025 and September 2025 Retirement Transaction Reports. The motion passed unanimously.

Vesting – August 2025

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Dwayne E. Quintanilla	Combined Communication Center	0.31 (portability)

Deaths – August 2025 & September 2025

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Linda L. Petersen	04/02/1994	81	05/09/2025	No Further Benefits
Katherine S. Knox	10/30/2021	71	06/20/2025	E Option Continues
William N. Ellison	11/02/2011	78	06/24/2025	E Option Continues
Daniel A. Grothe	10/03/1998	77	07/04/2025	No Further Benefits
Susan K. Haight	06/05/2013	76	07/12/2025	No Further Benefits
Verna Deane E. Westby	07/09/2025	95	07/13/2025	No Further Benefits
James V. Gilmore	06/21/2014	76	07/15/2025	No Further Benefits
Kristina M. Jewett	06/24/2019	71	08/02/2025	No Further Benefits

Vesting and death information provided to the Board for review.

Expenditure Summary Report – June 2025 & July 2025

The June 2025 and July 2025 Expenditure Summary Reports were presented to the Board and discussed.

Richard Czernik moved and Matt Boston seconded the motion to approve the June 2025 and July 2025 Expenditure Summary Reports. The motion passed unanimously.

Schedule of Investments – June 2025 & July 2025

The June 2025 and July 2025 investments reports were presented to the Board for review. The estimated market value of the SERS portfolio on June 30, 2025, was \$384.5 million with an estimated rate of return of 3.1% for the month and the estimated market value of the SERS portfolio on July 31, 2025, was \$385.1 million with an estimated rate of return of 0.4% for the month.

### Monthly Cash Reconciliation – July 2025 & August 2025

The July 2025 and August 2025 cash reconciliation reports were presented to provide the Board with additional insight into the ongoing liquidity, transactions, and cash position of the plan.

### Contribution Interest Rate

Ms. Shisler discussed the US Treasury rates used to determine the Plan interest rate on member contributions.

Joe Cavanaugh moved and Richard Czernik seconded the motion to change the contribution interest rate to 4.0% effective July 1, 2025. The motion passed unanimously.

### VRIP Discussion

Jim Tieken shared an update that he spoke with Councilman Dillon and confirmed the VRIP is a priority topic to discuss on their 2026 list of budget priorities concerning repayment to SERS for the unfunded liability caused by the Voluntary Retirement Incentive Program (VRIP) of \$1,471,700.

Joe Cavanaugh moved and Richard Czernik seconded the motion that if a party brings forward a change that will impact SERS, such as a VRIP, that an actuarial study be done of the cost and impact to the Retirement System be brought with the request at the cost of the party requesting the change to the SERS Board to consider any request. Discussion ensued.

Joe Cavanaugh moved and Richard Czernik seconded the motion to end discussion and call the question. The motion passed 5 to 1 with Matt Boston voting nay.

The motion was reintroduced that if a party makes a move that will adversely impact the retirement system, such as the VRIP, that will cause changes in the Retirement System that those parties bring the idea forward for an actuarial study to be done so we have an understanding of the cost and that the SERS Board has an opportunity to weigh in.

The motion passed 6 to 1 with the Board Chair Jim Tieken voting and Matt Boston voting nay

There being no other business, the meeting adjourned at 2:22 p.m.

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**Christine Shisler, Retirement Director**