

Spokane Employees' Retirement System (SERS)

Board Meeting Minutes

September 2, 2026

The meeting was called to order at 1:01 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, Beau Madsen, Betsy Wilkerson.

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

Guests: Ted Grigsby, Ryan Murphy (Fiduciary Consulting Group) Nicholas Tamparong, Dave Hanshaw.

Online
Guests: Natalie Hilderbrand, Daniel Zapotocky, Joe Ebisa (WithIntelligence).

Betsy Wilkerson arrived at 1:11 p.m.

Fiduciary Consulting Group, 2026 2nd Quarter Investment Performance Report

The Board reviewed Second Quarter 2026 Performance Report. Mr. Grigsby discussed current economic conditions, performance of global and domestic capital markets, and impacts on the portfolio. The Board reviewed broad market results, which were largely positive for the quarter, and the impact of continued uncertainty around interest rates, inflation, labor market conditions, and global events. Portfolio assets ended the quarter at \$393,742,126 while annualized fees were 0.25%.

For the quarter ending June 30, 2026, the SERS portfolio posted a return of -9.2%, outperforming the policy benchmark return of 8.1%. Performance was largely positive across major asset categories, with the largest contributors to the portfolio from Small/Mid Cap Equity and Emerging Markets Equity. Small/Mid Cap Equity returned 17.68%, and Emerging Markets returned 21.03%. The portfolio ended the quarter at \$439,213,151 in total assets.

Ryan Miller, from the OCIO team, provided an update on recent portfolio transactions taken by the team. Mr. Miller noted that alternatives are still well below the target allocation of 30%, however they will continue the pacing strategy to increase the allocation over the next several years and fund additional alternative options as they become available. Two new positions were added to the SERS portfolio, \$3M in Ardian Secondaries Fund IX Infrastructure and \$2.5M in ITE Diversified Transportation Asset Fund.

Investment Policy Statement Review

The Committee engaged in its annual review of the Plan's Investment Policy Statement.

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the Spokane Employees' Retirement System Statement of Investment Policy as presented. The motion passed unanimously.

Minutes of the August 5, 2026 Meeting

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

Director's Report

Service Retirements

Harold E. Walter, age 64 with 17.48 years of service, Option 'ST' effective August 31, 2026.

Maria Carmela C. Hartley, age 50 with 6.75 years of service, Option 'ST' effective September 1, 2026.

Stephen L. Heath, age 50 with 8.43 years of service, Option 'E' effective September 1, 2026.

Richard Czernik moved and Beau Madsen seconded the motion to approve the service retirements as presented on the September Retirement Transaction Report. The motion passed unanimously.

Withdrawals

Lauren A.M. Beattie, in the Legal Department with 7.81 years of service.

Kevin R. Larkin, in the Code Enforcement Department with 0.98 years of service.

Brendan J. Haight, in the Advanced Wastewater Treatment Department with 2.89 years of service.

Sonya R. Tee Claar, Beneficiary Withdrawal.

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

Vesting

Jaime L. Lamanna, in the Police Department with 10.72 years of service.

Deaths

Leuella R. Lenocker, retired effective May 29, 2026, died July 18, 2026, at age 68. No Further Benefits.

Rosemary A. Simpson, retired effective December 21, 2015, died August 4, 2026, at age 95. No Further Benefits.

Linda M. Bruce, retired effective September 3, 1997, died August 8, 2026, at age 79. No Further Benefits.

Allen R. Craft, Sr., retired effective February 6, 2020, died August 22, 2026, at age 70. C-20 Option Continues.

Vesting and death information provided to the Board for review.

Expenditure Summary Report – July 2026

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

Joe Cavanaugh moved and Richard Czernik seconded the motion to approve the July 2026 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – July 2026

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on July 31, 2026, was \$434.7 million with an estimated rate of return of -0.4% for the month.

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.

Other Director Business

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 3.75% effective July 1, 2026. The motion passed unanimously.

VRIP Update

The Board maintains their position to retain legal counsel regarding repayment of the 2024 Voluntary Retirement Incentive Program (VRIP). Tim Szambelan stated that he and Ms. Shisler have found that the outside legal counsel the Board has used in the past has switched firms and follow-up is required regarding the contract and discuss filing the Board's claim.

Mr. Szambelan then shared that staff were able to locate information regarding a VRIP in the 1980's where reimbursement was paid to the Retirement System, as Mr. Cavanaugh had previously mentioned during discussions, and that this finding was shared with City Attorney, Mike Piccolo and City Administrator, Alex Scott.

Ms. Shisler and Mr. Szambelan confirmed that any further information regarding previous VRIPs will be brought to the Board's attention for review.

Matt Boston inquired if the Board has considered any dollar value threshold cap of legal fees and litigation fees that the Board will allow the System to endure while outside legal counsel investigates and pursues the Board's claim. Mr. Cavanaugh confirmed that this has yet to be determined and Mr. Madsen followed up, that the previous discussion he recalled is that the Board would focus on obtaining counsel first to then request an

analysis and discuss expectations.

Mr. Boston referenced the earlier comments that information regarding the VRIP in the 1980's had been found and that he recalled another VRIP mentioned anecdotally, occurring in the mid-2000's among potential others. Mr. Boston then asked if documents regarding other VRIPs between 1982 to 2026 have also been located and will those documents, if found, be referenced by the Board as part of their claim as the VRIP from 1982 appears it will be. Discussion ensued regarding the type of documentation this information may be found in; such as discussed or voted on in board meeting minutes or how previous payouts would be coded in the system.

Jon Barnhart moved and Matt Boston seconded the motion to ask that Retirement Staff continue to dedicate time to search for documentation regarding additional Voluntary Retirement Incentive Programs (VRIP) from 1983-Current and share this information with the Board as any documentation is discovered. The motion passed unanimously.

Other Business

Ms. Shisler shared that the 2025 Spokane Employee's Annual Report formatting is being finalized with the printer.

Jim Tieken opened the floor for public comment. Daniel Zapotocky inquired regarding board meeting packets and how to obtain them now that the SERS website has been updated. Ms. Shisler advised that board meeting packets are available upon request via email and within SharePoint.

Dave Hanshaw stated he is a City employee of 39 years and verbalized his agreement that the Board pursues repayment of the VRIP. Additionally, he shared that he felt that at times, Mr. Boston, "may have his hats confused" on whether his positions during arguments are as the City's Chief Financial Officer or as a SERS Board member.

There being no other business, the meeting adjourned at 2:09 p.m.

/s/

Christine Shisler, Retirement Director