

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting, 1:00 p.m. July 7, 2021**  
**City Hall, Council Briefing Center**

**AGENDA**

- 1) Minutes of the June 2, 2021 Meeting
  - Motion
  
- 2) Director's Report
  - a) Retirements
    - Motion
  - b) Withdrawals
    - Motion
  - c) Vesting
    - Information
  - d) Deaths
    - Information
  - e) Expenditure Summary Report – May 2021
    - Motion
  - f) Schedule of Investments – May 2021
    - Information
  - g) Cash Reconciliation – June 2021
    - Information
  - h) Other Business
  
- 3) Contribution Interest Rates
  - Motion
  
- 4) Other Business
  - a) 2<sup>nd</sup> Half 2021 Board Agenda
    - Information
  
- 5) Next Meeting – **Wednesday, August 4<sup>th</sup> at 1:00 p.m.**

If you would prefer to attend the meeting via conference call, please use the login information below:

<https://spokanecity.webex.com/spokanecity/j.php?MTID=m7977735d9f9a5f80e81cfbc55300190b>

Meeting dial-in number: 1-408-418-9388  
Meeting number (access code): 146 368 7928

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting Minutes**  
**June 2, 2021**

The meeting was called to order at 1:02 p.m. via WebEx conference call.

**Present:** Mike Coster, Jim Tieken, Joe Cavanaugh, Dean Kiefer, Brian Brill, and J.D. Morscheck

**Absent:** Michael Cathcart

**Staff:** Phill Tencick, Christine Shisler, Donald Brown, and Tim Szambelan

**Guests:** Jayson Davidson, Brian Loescher, Tammy Erickson, Ashlee Lent, Natalie Hilderbrand, Teri Stripes,

The meeting was called to order at 1:02 p.m. via WebEx conference call and immediately went into closed session.

The meeting convened to open session at 1:16 p.m.

**Litigation Update**

Joe Cavanaugh moved and Brian Brill seconded the motion to approve the proposed settlement, providing an indemnification letter for taxes related to the distribution and to pay her current attorney's fees of \$8,433. The motion passed unanimously.

**Hyas Group, 2021 1<sup>st</sup> Quarter Investment Performance Report**

Mr. Davidson reviewed the First Quarter 2021 Performance Report and discussed global market activity through the end of the first quarter. Equity markets continue their strong, upward trajectory, with Small Cap stocks standing out with exceptional absolute performance numbers. Intermediate term bonds associated with the Barclay's Aggregate backtracked as interest rates ticked up on the prospect of robust economic activity and, perhaps, higher inflation. The SERS portfolio's strong performance relative to policy and peers continued as the portfolio posted a 4.7% return vs. the policy's 4.4% during the quarter. This return number represents a 4<sup>th</sup> percentile ranking versus peers. Again, category allocations remain close to policy targets with no expectation to deviate meaningfully from these targets.

The following funds were on watch status as of quarter-end: Hotchkis & Wiley High Yield, OrbiMed Partners, Hotchkis and Wiley Diversified Value, Rimrock Low Volatility, Wells Fargo Small Cap Value and Bridge City Small Cap Growth. While the Rimrock product underperformed the category's policy benchmark, it added value versus the US Aggregate Bond Index. Both Hotchkis & Wiley Products and Bridge City posted strong relative numbers for the quarter with the Hotchkis & Wiley Large Cap Value Fund, and

the Bridge City Small Cap Growth Fund moving back into policy compliance at quarter-end. OrbiMed Partners, after a very good 2020, has lagged its MSCI World Healthcare benchmark significantly this year. The Wells Fargo Small Cap Value Fund is on watch for qualitative reasons related to an ownership change for the Wells Fargo Asset Management Unit. Hyas Group did not recommending any changes in watch status.

Hyas Group informed the Board that the PIMCO Dynamic Bond Fund that was approved for addition at the last meeting, was added to the portfolio in March and the allocation is reflected in the report. Mr. Davidson also noted that MFS has announced a price reduction for the CIT version of its MFS Growth product. While Hyas generally favors lower cost CIT vehicles when they are available, in this case the performance and volatility metrics still favor the R6 share class of the mutual fund offered in the SERS portfolio.

**Moss Adams, December 31, 2020 Audit Report**

Moss Adams presented the 2020 SERS independent audit report. The auditors explained how they test critical areas such as the investment assets, investment income, contributions, benefit payments and participant data. Moss Adams issued an unqualified (clean) opinion. They had no negative comments or areas of concern in the management letter, which reflects the continuing diligence of staff.

**Minutes of the May 4, 2021 Meeting**

Brian Brill moved and Dean Kiefer seconded the motion to approve the minutes of the May 4, 2021 special 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> |
|----------------------|------------|------------------------|-------------------------|---------------|
| Harlon Betts Jr.     | 64         | 04/25/2021             | 27.0                    | ST            |
| Philip S. Soran      | 76         | 06/01/2021             | 47.0                    | E             |
| Janet K. Cline       | 61         | 06/02/2021             | 13.8                    | E             |
| Randall E. Kueter    | 65         | 06/03/2021             | 7.3                     | ST            |
| Ellie D. Lundberg    | 51         | 06/07/2021             | 22.2                    | ST            |
| Sondra L. Kintner    | 75         | 06/11/2021             | 18.4                    | ST            |
| William R. Peacock   | 66         | 06/11/2021             | 33.1                    | E             |
| Sandra G. Johnson    | 63         | 07/06/2020             | 9.5                     | E             |
| Jeffery B. Benefield | 64         | 07/10/2021             | 38.2                    | E             |
| Jeffrey W. Jordan    | 66         | 08/03/2021             | 16.0                    | E             |
| Michael E. Lavelle   | 65         | 08/07/2021             | 35.2                    | E             |

Joe Cavanaugh moved and Brian Brill seconded the motion to approve the service retirements as presented on the June Retirement Transaction Report. The motion passed unanimously.

Withdrawals for June 2021

| <i>Name</i>         | <i>Years of Service</i> | <i>Termination Date</i> |
|---------------------|-------------------------|-------------------------|
| Jennifer L. Jackson | 3.0                     | 09/27/2019              |
| Travis W. Hanson    | 0.4                     | 04/09/2021              |

Dean Kiefer moved and Joe Cavanaugh seconded the motion to approve the requests for withdrawal as presented on the June Retirement Transaction Report. The motion passed unanimously.

Vesting

| <i>Name</i>      | <i>Department</i>        | <i>Years of Service</i> |
|------------------|--------------------------|-------------------------|
| Scott M. Simmons | Public Works & Utilities | 7.2                     |

Deaths

| <i>Name</i>          | <i>Date Retired</i> | <i>Age</i> | <i>Date of Death</i> | <i>Information</i>  |
|----------------------|---------------------|------------|----------------------|---------------------|
| Frances S. Hendricks | 10/07/1991          | 96         | 04/22/2021           | No Further Benefits |
| J.D. Evans           | 02/21/1979          | 95         | 05/06/2021           | No Further Benefits |
| Evan B. Bowden       | 03/06/2021          | 64         | 05/16/2021           | No Further Benefits |
| Michael J. Brewer    | 01/01/1998          | 93         | 05/20/2021           | E Option Continues  |

Vesting and death information provided to the Board for review.

Expenditure Summary Report – April 2021

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

Joe Cavanaugh moved and Brian Brill seconded the motion to approve the April 2021 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – April 2021

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on April 30, 2020 was \$363.7 million with an estimated rate of return of 3.3% 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.

**Future Meeting Discussion**

Mr. Tencick asked the Board their preference about the upcoming Board meetings in person vs. continuing to meet electronically. The Board's preference was to resume meeting in person as soon as possible per City direction.

**Upcoming Board Election (Jim Ticken's term)**

Mr. Tencick reminded the Board that the election had been delayed from earlier in the year. Notice is expected to be sent out July 15, 2021 with nominations due August 10, 2021. The election is expected to be held on the second Tuesday of September.

There being no other business, the meeting adjourned at 2:57 p.m.

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**Phillip Tencick, Retirement Director**

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## SERS Retirement Transaction Report

### July 2021

#### *Retirements*

|   | <b>Name</b>              | <b>Age</b> | <b>Retirement Date</b> | <b>Years of Service</b> | <b>Department</b>             | <b>Option</b> |
|---|--------------------------|------------|------------------------|-------------------------|-------------------------------|---------------|
| 1 | Laura A. Lok             | 55         | 06/17/2021             | 24.5                    | Public Defenders              | E             |
| 2 | George J. Hakala         | 52         | 07/02/2021             | 15.8                    | Advanced Wastewater Treatment | B             |
| 3 | Christopher D. Galbreath | 50         | 08/01/2021             | 14.6                    | Solid Waste Disposal          | C-10          |
|   | Retirements YTD          | 40         |                        |                         |                               |               |
|   | 2020 Total Retirements   | 74         |                        |                         |                               |               |

#### *Withdrawals*

|   | <b>Name</b>     | <b>Years of Service</b> | <b>Department</b>    | <b>Termination Date</b> |
|---|-----------------|-------------------------|----------------------|-------------------------|
| 1 | Daniel W. Green | 3.1                     | Solid Waste Disposal | 05/06/2021              |

#### *Vesting*

|   | <b>Name</b>       | <b>Department</b>      | <b>Years of Service</b> |
|---|-------------------|------------------------|-------------------------|
| 1 | Eric L. Burch     | Information Technology | 8.5                     |
| 2 | Philip F. Messick | Engineering Services   | 8.5                     |
| 3 | Timothy J. Sigler | CD/HS Operations       | 7.0                     |

#### *Deaths*

|   | <b>Name</b>        | <b>Date Retired</b> | <b>Age</b> | <b>Date of Death</b> | <b>Information</b>  |
|---|--------------------|---------------------|------------|----------------------|---------------------|
| 1 | Nadyne H. Davis    | 06/11/2019          | 84         | 05/19/2021           | No Further Benefits |
| 2 | Crystal G. Panasta | 07/21/1997          | 73         | 05/23/2021           | No Further Benefits |
| 3 | Ruth G. Cummings   | 11/04/2017          | 100        | 06/08/2021           | No Further Benefits |
| 4 | Helen A. Bonser    | 11/03/1992          | 78         | 06/11/2021           | No Further Benefits |
| 5 | Richard A. Ervin   | 02/03/2009          | 70         | 06/13/2021           | No Further Benefits |
| 6 | Dorothy M. Webster | 01/17/2012          | 73         | 06/15/2021           | No Further Benefits |

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2021 EXPENDITURE SUMMARY REPORT  
**MAY 31, 2021**

|  | 2020<br>ACTUAL    | 2021<br>BUDGET    | MAY ACTUAL<br>EXPENDITURES | 2021<br>ACTUAL YTD<br>EXPENDITURES | VARIANCE          | PERCENTAGE<br>USED |
|--|-------------------|-------------------|----------------------------|------------------------------------|-------------------|--------------------|
| <b>OPERATING EXPENDITURES</b>                |                   |                   |                            |                                    |                   |                    |
| Departmental Salaries                        | 315,165.09        | 313,354.00        | 22,992.01                  | 110,913.40                         | 202,440.60        | 35.4%              |
| Departmental Benefits                        | 85,294.40         | 89,760.00         | 6,955.81                   | 34,054.21                          | 55,705.79         | 37.9%              |
| Reserve for Budget Adjustment                | -                 | 10,000.00         | -                          | -                                  | 10,000.00         | 0.0%               |
| Administrative Income                        | (16,886.25)       | (10,000.00)       | -                          | (4,943.42)                         |                   |                    |
| Postage/Supplies/Other                       | 3,997.66          | 5,200.00          | 499.73                     | 1,447.22                           | 3,752.78          | 27.8%              |
| State Audit Charges                          | 12,990.88         | 15,000.00         | 158.32                     | 934.65                             | 14,065.35         | 6.2%               |
| Contractual Services                         | 142,161.60        | 175,000.00        | -                          | 69,516.97                          | 105,483.03        | 39.7%              |
| Travel                                       | 109.09            | 15,000.00         | -                          | -                                  | 15,000.00         | 0.0%               |
| Registration/Schooling                       | 5,995.00          | 16,000.00         | -                          | -                                  | 16,000.00         | 0.0%               |
| Other Dues/Subscriptions/Membership          | 1,752.80          | 2,500.00          | 701.40                     | 1,061.40                           | 1,438.60          | 42.5%              |
| Other Miscellaneous Charges                  | 1,179.23          | 2,200.00          | 55.00                      | 1,338.27                           | 861.73            | 60.8%              |
| Amortization                                 | 17,649.00         | -                 | -                          | -                                  | -                 |                    |
| <b>TOTAL OPERATING EXPENDITURES</b>          | <b>569,408.50</b> | <b>634,014.00</b> | <b>31,362.27</b>           | <b>214,322.70</b>                  | <b>424,747.88</b> | <b>33.8%</b>       |
| <b>INTERFUND EXPENDITURES</b>                |                   |                   |                            |                                    |                   |                    |
| Interfund - Office Performance Mgmt Services | 389.00            | -                 | -                          | -                                  | -                 | 0.0%               |
| Interfund - Centralized Purchasing           | 448.85            | 5,000.00          | -                          | 184.50                             | 4,815.50          | 3.7%               |
| Interfund - Centralized Accounting           | 1,377.27          | 1,764.00          | -                          | 882.00                             | 882.00            | 50.0%              |
| Interfund - Risk Management                  | 293.00            | 607.00            | 151.75                     | 303.50                             | 303.50            | 50.0%              |
| Interfund - Worker's Compensation            | 134.00            | 134.00            | 33.50                      | 67.00                              | 67.00             | 50.0%              |
| Interfund - Reprographics                    | 5,043.80          | 9,412.00          | -                          | 2,353.00                           | 7,059.00          | 25.0%              |
| Interfund - IT                               | 39,242.59         | 39,237.00         | 3,271.57                   | 13,086.62                          | 26,150.38         | 33.4%              |
| Interfund - IT Replacement                   | 1,827.00          | 3,003.00          | 250.25                     | 1,001.00                           | 2,002.00          | 33.3%              |
| Interfund - My Spokane                       | 970.64            | 756.00            | 178.59                     | 357.18                             | 398.82            | 47.2%              |
| <b>TOTAL INTERFUND EXPENDITURES</b>          | <b>49,726.15</b>  | <b>59,913.00</b>  | <b>3,885.66</b>            | <b>18,234.80</b>                   | <b>41,678.20</b>  | <b>30.4%</b>       |
| <b>TOTAL ADMINISTRATIVE EXPENDITURES</b>     | <b>619,134.65</b> | <b>693,927.00</b> | <b>35,247.93</b>           | <b>232,557.50</b>                  | <b>466,426.08</b> | <b>33.5%</b>       |

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2021 EXPENDITURE SUMMARY REPORT  
**MAY 31, 2021**

|   | 2020<br>ACTUAL              | 2021<br>BUDGET              | MAY ACTUAL<br>EXPENDITURES | 2021<br>ACTUAL YTD<br>EXPENDITURES | VARIANCE                    | PERCENTAGE<br>USED |
|---|-----------------------------|-----------------------------|----------------------------|------------------------------------|-----------------------------|--------------------|
| <b>PENSIONS</b>                             |                             |                             |                            |                                    |                             |                    |
| Pensions-Annuity Benefit Payments           | 29,378,701.18               | 31,500,000.00               | 2,574,258.93               | 12,758,365.88                      | 18,741,634.12               | 40.5%              |
| Pensions-Disability Payments                | 114,579.60                  | 135,000.00                  | 9,548.30                   | 47,741.50                          | 87,258.50                   | 35.4%              |
| Pensions-Survivor Annuity Benefits Payments | 2,101,833.92                | 2,500,000.00                | 179,769.51                 | 895,453.72                         | 1,604,546.28                | 35.8%              |
| <b>TOTAL PENSIONS</b>                       | <u>31,595,114.70</u>        | <u>34,135,000.00</u>        | <u>2,763,576.74</u>        | <u>13,701,561.10</u>               | <u>20,433,438.90</u>        | 40.1%              |
| Refunds                                     | 513,758.34                  | 1,000,000.00                | 24,392.95                  | 196,346.95                         | 803,653.05                  | 19.6%              |
| <b>TOTAL EXPENSES</b>                       | <u><u>32,728,007.69</u></u> | <u><u>35,828,927.00</u></u> | <u><u>2,823,217.62</u></u> | <u><u>14,130,465.55</u></u>        | <u><u>21,703,518.03</u></u> | 39.4%              |
| <b>INVESTMENT EXPENSE*</b>                  |                             |                             |                            |                                    |                             |                    |
| Advisory Technical Service                  | 449,834.07                  | 550,000.00                  | 101,678.25                 | 173,148.00                         | 376,852.00                  | 31.5%              |

\* investment expenses are netted against investment income in the statement of changes of plan net assets to arrive at a net investment income amount.



SERS Schedule of Cash and Investments  
May 31, 2021

| 6/25/2021                              | Type                                 |                       | Allocation    |               |              |
|--|--------------------------------------|-----------------------|---------------|---------------|--------------|
|  |                                      |                       | Target        | Current       | Diff.        |
| Cash Held by Treasurer                 | Cash                                 | \$ 195,021            |               |               |              |
| US Bank                                | Short-term Inv                       | 56,105                |               |               |              |
|  | <b>Total Cash</b>                    | <b>251,126</b>        | <b>0.0%</b>   | <b>0.1%</b>   | <b>0.1%</b>  |
| Sterling Capital                       | Total Return                         | 27,318,112            |               |               |              |
|  | <b>Total Total Return</b>            | <b>27,318,112</b>     | <b>10.0%</b>  | <b>7.4%</b>   | <b>-2.6%</b> |
| Hotchkis & Wiley                       | High Yield - Mutual Fund             | 16,298,420            |               |               |              |
|  | <b>Total High Yield</b>              | <b>16,298,420</b>     | <b>5.0%</b>   | <b>4.4%</b>   | <b>-0.6%</b> |
| PIMCO Dynamic                          | Absolute Return                      | 7,034,917             |               |               |              |
| Polar                                  | LLC                                  | 8,664,984             |               |               |              |
| Post Limited Term High Yield           | Ltd Partnership                      | 6,852,195             |               |               |              |
| Rimrock Low Volatility                 | Ltd Partnership                      | 10,424,438            |               |               |              |
|  | <b>Total Absolute Return</b>         | <b>32,976,534</b>     | <b>8.0%</b>   | <b>9.0%</b>   | <b>1.0%</b>  |
| <b>Total Capital Preservation</b>      |                                      | <b>76,844,192</b>     | <b>23.0%</b>  | <b>20.9%</b>  | <b>-2.1%</b> |
| Hotchkis & Wiley                       | LC Value - Mutual Fund               | 17,797,343            |               |               |              |
| MFS Growth                             | LC Growth - Mutual Fund              | 16,692,392            |               |               |              |
| Fidelity S&P 500 Index                 | LC Core - Mutual Fund                | 41,202,093            |               |               |              |
|  | <b>Total US Large Cap</b>            | <b>75,691,828</b>     | <b>21.0%</b>  | <b>20.6%</b>  | <b>-0.4%</b> |
| Sterling                               | MC Value                             | 6,700,860             |               |               |              |
| Westfield MC Growth                    | MC Growth                            | 5,658,345             |               |               |              |
| Fidelity MC Index                      | MC Core - Mutual Fund                | 5,866,572             |               |               |              |
| Champlain                              | SC Core                              | 9,286,167             |               |               |              |
| Bridge City                            | SC Growth                            | 8,481,300             |               |               |              |
| Wells Fargo                            | SC Value - Mutual fund               | 5,680,644             |               |               |              |
| Fidelity SC Index                      | SC Core - Mutual Fund                | 586,919               |               |               |              |
|  | <b>Total US Small/Mid Cap</b>        | <b>42,260,807</b>     | <b>11.0%</b>  | <b>11.5%</b>  | <b>0.5%</b>  |
| <b>Total US Equities</b>               |                                      | <b>117,952,635</b>    | <b>32.0%</b>  | <b>32.1%</b>  | <b>0.1%</b>  |
| Artisan                                | SMID Value - Mutual Fund             | 29,308,118            |               |               |              |
| Euro Pacific                           | LC Blend - Mutual Fund               | 26,334,560            |               |               |              |
| Fidelity International                 | LC Index - Mutual Fund               | -                     |               |               |              |
|  | <b>Total International Large Cap</b> | <b>55,642,678</b>     | <b>15.0%</b>  | <b>15.2%</b>  | <b>0.2%</b>  |
| Trivalent                              | SC Value - Mutual Fund               | 15,027,146            |               |               |              |
|  | <b>Total International Small/Mid</b> | <b>15,027,146</b>     | <b>4.0%</b>   | <b>4.1%</b>   | <b>0.1%</b>  |
| Vanguard EM Index                      | EM - Mutual Fund                     | 578,409               |               |               |              |
| ABS Emerging Markets                   | Ltd Partnership                      | 12,385,983            |               |               |              |
|  | <b>Total Emerging Markets</b>        | <b>12,964,392</b>     | <b>3.0%</b>   | <b>3.5%</b>   | <b>0.5%</b>  |
| <b>Total International Equities</b>    |                                      | <b>83,634,216</b>     | <b>22.0%</b>  | <b>22.8%</b>  | <b>0.8%</b>  |
| Weatherlow Offshore                    | Ltd Partnership                      | 22,392,773            |               |               |              |
| Royalty Opportunities I                | Ltd Partnership                      | 1,743,800             |               |               |              |
| Royalty Opportunities II               | Ltd Partnership                      | 919,875               |               |               |              |
|  | <b>Total Long Biased</b>             | <b>25,056,448</b>     | <b>7.0%</b>   | <b>6.8%</b>   | <b>-0.2%</b> |
| Metropolitan Real Estate Partners      | Ltd Partnership                      | 134,126               |               |               |              |
| Morrison Street Fund V                 | LP                                   | 740,909               |               |               |              |
| Morrison Street Fund VI                | LP                                   | 2,213,125             |               |               |              |
| Morrison Street Debt Opportunities     | LP                                   | 2,933,314             |               |               |              |
| Morgan Stanley Prime                   | LLC                                  | 7,343,871             |               |               |              |
| Principal (REITs)                      | REITs                                | 16,388,348            |               |               |              |
|  | <b>Total Real Estate</b>             | <b>29,753,693</b>     | <b>9.0%</b>   | <b>8.1%</b>   | <b>-0.9%</b> |
| Contrarian Capital Fund I              | Ltd Partnership                      | 9,660,324             |               |               |              |
| Beach Point                            | Ltd Partnership                      | 13,456,228            |               |               |              |
|  | <b>Total Opportunistic Credit</b>    | <b>23,116,552</b>     | <b>7.0%</b>   | <b>6.3%</b>   | <b>-0.7%</b> |
| Contrarian EM Credit                   | LLC                                  | 5,521,197             |               |               |              |
| OrbiMed II                             | Ltd Partnership                      | 5,367,659             |               |               |              |
|  | <b>Total Special Opportunities</b>   | <b>10,888,856</b>     | <b>0.0%</b>   | <b>3.0%</b>   | <b>3.0%</b>  |
| <b>Total Cash and Investments</b>      |                                      | <b>\$ 367,246,592</b> | <b>100.0%</b> | <b>100.0%</b> | <b>0.0%</b>  |
|  | Monthly Contributions                | 1,680,536             |               |               |              |
|  | Monthly Pension                      | \$ (2,787,970)        |               |               |              |
|  | As of April 30, 2021                 | <b>\$ 363,199,585</b> |               |               |              |
|  | Estimated Rate of Return             | 1.4%                  |               |               |              |
| <b>Abs. Return and Total Return FI</b> | Thesis 2017.1                        | <b>60,294,646</b>     | <b>18.0%</b>  | <b>16.4%</b>  | <b>-1.6%</b> |
| <b>Equity and Special Situations</b>   | Thesis 2017.3                        | <b>212,475,707</b>    | <b>54.0%</b>  | <b>57.9%</b>  | <b>3.9%</b>  |

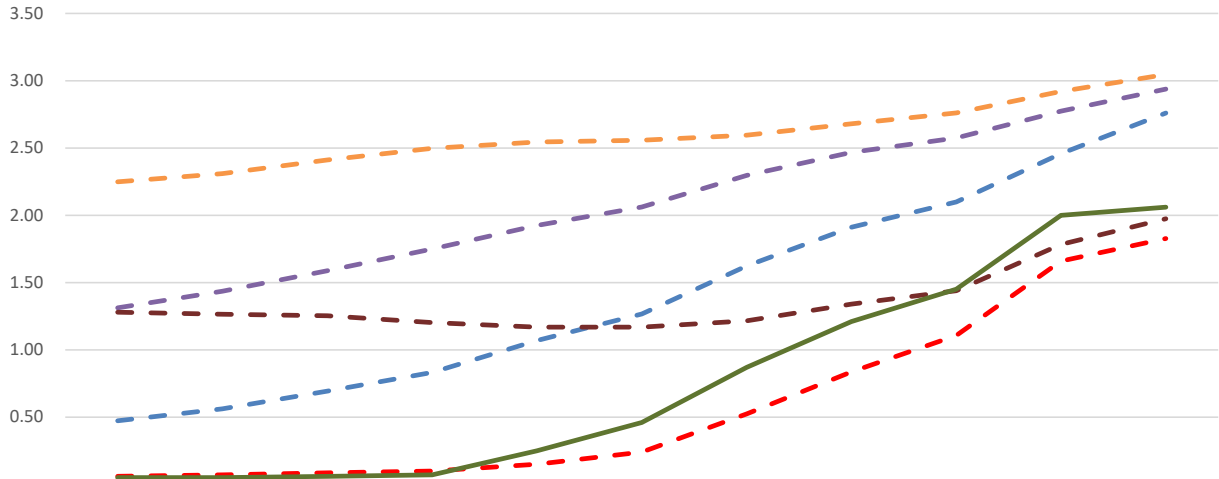
## Cash Recon - Jun

| <u>Date</u>      | <u>Transactions</u>                     | <u>Sources</u>      | <u>Uses</u>           | <u>Balance</u>      |
|------------------|---|---------------------|-----------------------|---------------------|
| <b>5/26/2021</b> | <b>Beginning Balance</b>                |                     |                       | <b>1,510,907.53</b> |
| 5/28/2021        | Sale - Hotchkis & Wiley Large Cap Value | 1,300,000.00        |                       | <b>2,810,907.53</b> |
| 5/28/2021        | May Pension Payments                    |                     | (2,787,969.69)        | <b>22,937.84</b>    |
| 6/1/2021         | Interest                                | 5.02                |                       | <b>22,942.86</b>    |
| 6/3/2021         | Return/Reissue Payment                  | 461.55              | (267.99)              | <b>23,136.42</b>    |
| 6/7/2021         | Return/Reissue Payment                  | 209.22              | (134.98)              | <b>23,210.66</b>    |
| 6/7/2021         | Payroll Contributions                   | 837,373.54          |                       | <b>860,584.20</b>   |
| 6/10/2021        | Return/Reissue Payment                  | 1,621.60            | (1,118.68)            | <b>861,087.12</b>   |
| 6/17/2021        | Return/Reissue Payment                  | 441.70              | (441.70)              | <b>861,087.12</b>   |
| 6/21/2021        | Payroll Contributions                   | 849,241.72          |                       | <b>1,710,328.84</b> |
| 6/21/2021        | Distribution - Royalty Opps II          | 129,987.68          |                       | <b>1,840,316.52</b> |
| 6/25/2021        | Payroll Contributions                   | 400,000.00          |                       | <b>2,240,316.52</b> |
| 6/29/2021        | Distribution - Morgan Stanley PRIME     | 72,245.38           |                       | <b>2,312,561.90</b> |
| 6/29/2021        | Distribution - Royalty Opps             | 50,652.95           |                       | <b>2,363,214.85</b> |
| 6/30/2021        | Sale - Fidelity Mid Cap Index           | 650,000.00          |                       | <b>3,013,214.85</b> |
| 6/30/2021        | June Pension Payments                   | (2,860,303.02)      |                       | <b>152,911.83</b>   |
| <b>6/30/2021</b> | <b>Ending Balance</b>                   | <b>1,431,937.34</b> | <b>(2,789,933.04)</b> | <b>152,911.83</b>   |
|                  | <u>Upcoming</u>                         |                     |                       |                     |
| 7/6/2021         | Payroll Contributions                   | 850,000.00          |                       |                     |

# Contribution Interest Rate Analysis

|                    | 05/06 | 06/07  | 07/08 | 08/09 | 09/10 | 10/11  | 11/12 | 12/13  | 13/14  | 14/15 | 15/16  | 16/17 | 17/18 | 18/19 | 19/20  | 20/21  |
|--------------------|-------|--------|-------|-------|-------|--------|-------|--------|--------|-------|--------|-------|-------|-------|--------|--------|
| Plan Interest Rate | 7.00% | 5.00%  | 5.00% | 5.00% | 5.00% | 4.00%  | 4.00% | 3.25%  | 2.50%  | 2.50% | 1.50%  | 1.50% | 2.25% | 2.50% | 1.25%  | 0.50%  |
| Change             |       | -2.00% | 0.00% | 0.00% | 0.00% | -1.00% | 0.00% | -0.75% | -0.75% | 0.00% | -1.00% | 0.00% | 0.75% | 0.25% | -1.25% | -0.75% |

### Treasury Yield Curve



|                 | 1 Mo | 3 Mo | 6 Mo | 1 Yr | 2 Yr | 3 Yr | 5 Yr | 7 Yr | 10 Yr | 20 Yr | 30 Yr |
|-----------------|------|------|------|------|------|------|------|------|-------|-------|-------|
| 2016/17 Average | 0.47 | 0.56 | 0.69 | 0.83 | 1.07 | 1.27 | 1.62 | 1.91 | 2.10  | 2.46  | 2.76  |
| 2017/18 Average | 1.31 | 1.44 | 1.59 | 1.75 | 1.92 | 2.06 | 2.30 | 2.47 | 2.57  | 2.77  | 2.94  |
| 2018/19 Average | 2.25 | 2.31 | 2.41 | 2.50 | 2.54 | 2.56 | 2.59 | 2.68 | 2.76  | 2.92  | 3.05  |
| 2019/20 Average | 1.28 | 1.26 | 1.25 | 1.20 | 1.17 | 1.17 | 1.21 | 1.34 | 1.44  | 1.78  | 1.97  |
| 2020/21 Average | 0.06 | 0.07 | 0.09 | 0.10 | 0.15 | 0.24 | 0.52 | 0.84 | 1.11  | 1.66  | 1.83  |
| 6/30/2021       | 0.05 | 0.05 | 0.06 | 0.07 | 0.25 | 0.46 | 0.87 | 1.21 | 1.45  | 2     | 2.06  |

### 5-yr US Treasury Rates

