Pension Advisory Committee (PAC)

Quarterly Meeting

Tuesday, July 21, 2026, 2:00 p.m.

City Hall Room 301, 180 Market Street

DRAFT MINUTES

Attendees: Maddi Sousa, Jennifer Sterbank, Larry Scherer, Spencer Baker, Steve Locke, Dan Cappell, Erik Schait, Tim Barritt, John Waite

Absent: Martin Maloney, Brad Dattilio, Jason Morin

1) Welcome & Introductions – Meeting called to order at 2:03 p.m.

2) Additions, deletions, or changes to agenda – None, agenda approved.

3) Approve prior meeting minutes from April 21, 2026 PAC Meeting. – No changes, minutes approved.

4) Received the updated plan document

- The group discussed the changes to the plan document that were approved by City Council. The group discussed the sworn officer, in-services distribution provision that was added, as well as clarified that the "restated" plan document meant that prior amendments were brought into the plan document.

5) SEI Review of Q2 Net Performance Report – Dan Cappell & John Waite

The SEI review included an executive summary, highlighting a strong second quarter, though we are still feeling the effects from 2022. The market value of the plan is set at $56.0 million, which, form an investment standpoint, is a very good experience for the plan. On the fixed income front, the return was muted. Real estate experienced a new market cycle commencing, and all core sectors posted positive returns, led by retail and office. There were no Q2 manager changes.

Summary views indicated that the plan's macro and cross-assets remain constructive overall on the global economy, though inflation is predicted to persist. Equity notes that as the AI theme progresses, old-economy beneficiaries remain in a positive view. Fixed income expects bonds to correlate more with risk assets than in recent decades, limiting their ability to serve as an outright equity hedge.

Funded status noted the actuarial accrued liability (AAL) funded deficit/ratio at 91.5% and outlined a net hurdle of 6.0%. The risk return profile is appropriate, but the plan could consider to start thinking about de-risking the portfolio next year, like Portfolio A. There was consideration to lower discount rate from 7.25 to 7.0m and Jennifer agreed to provide projections for the October meeting.

The portfolio review showed that, for the past five years' values, the plan began at $45.9 million and ended with $55.9 million. Contributions have slowly been coming down, while benefit payments have been increasing. Investment activity has offset this change. Everything is in compliance from an asset allocation standpoint.

Finally, the peer comparison showed that the SBRIP has a very positive investment experience, relative to peers. This includes our risk standpoint, as well as our asset allocation.

6) Other business – no other business.

7) Next scheduled meeting- 10/20/2026 at 2:00 pm

8) Adjourn – meeting was adjourned at 3:04 pm.