

**Regular Meeting
Board of Administration
Tacoma Employees' Retirement System**

1:00 p.m., Thursday, March 14, 2013
Tacoma Public Utilities
Administration Building North
Conference Room LT1 (307A)
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Mayor Marilyn Strickland, Chair of the Retirement Board, called the meeting to order on Thursday, March 14, 2013.

Roll Call

Members Present: Mayor Marilyn Strickland, Sam Benscoter, Gordon Cavanaugh, Andy Cherullo, Jim Curley, Tansy Hayward, Alice Phillips, Wayne Reed and Chris Webster

Members Absent: Bill Gaines

Others Present: Monica Butler, Retirement Director
Tim Allen, Assistant Retirement Director
Kathleen Mason, Recording Secretary
Martha Lantz, Deputy City Attorney
Catherine Marx, TERS Financial Supervisor

Mayor Strickland welcomed Andy Cherullo, the new City's new Finance Director, to the TERS Board of Administration. Per the Mayor's request, all present introduced themselves to Andy.

Citizen Comments

None.

Consent Agenda

Upon motion by Chris Webster, seconded by Gordon Cavanaugh, the Retirement Board moved to adopt the Consent Agenda and approved the drafted minutes of the February 14, 2013 Retirement Board meeting.

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Old Business

Investment Update

Tim Allen, Retirement CIO, informed the Board that David Braman, Managing Director, will be retiring from Pantheon. While this is certainly a loss, the firm has adequate staffing so that this is not a cause for concern.

Citizen Board Member

Tansy Hayward, on behalf of the Executive Committee, reported back to the Board on the recruitment plan for the Citizen Board Member. The Executive Committee recommended that the Board recruit a Board member with either an interest or expertise in financial investments, but not employed in a firm/role that would introduce a conflict of interest. Tansy indicated that the City has a very robust ethics code which the Citizen Board member would need to follow. Staff will add an addendum to the application which would include the opportunity for the candidate to provide information on their level of expertise and interest as well as any potential or perceived conflicts of interest.

The Executive Committee will review the candidates and narrow the list down for the full Board's consideration. Ideally, the Executive Committee will choose two potential candidates for final consideration at the May Board meeting so that the Citizen Member can attend and be appointed at the June Board meeting.

The recruitment plan would be largely handled through the City Clerk's office and include the following:

- Announcement, position description and application will be posted on the City's website, and sent to appropriate City groups (e.g., Boards and Commissions)
- Staff will request the announcement be posted by the Seattle Chartered Financial Analyst (CFA) Society
- Chris Webster and Tansy Hayward will plan to attend the Community Council meeting

New Business

Budget Report

Catherine Marx provided the Board with a Budget Status Report for the period ending 12/31/2012 explaining the variances between the actual vs. budgeted amounts.

Retirement Director EDPR

Tansy Hayward indicated that the Executive Committee had reviewed the Retirement Director's EDPR and was ready to continue the evaluation process with the full Board. Tansy proposed that the Board move into closed session to review the Retirement Director's EDPR.

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New Business continued

Retirement Director EDPR

Upon motion by Jim Curley, seconded by Chris Webster, the Board moved into closed session at 1:22 p.m.

The Chair reconvened to Board meeting to regular session at 2:12 p.m.

Tansy Hayward stated that there were several discussion questions on the EDPR and that the Board wanted to be sure that the Retirement Director continues to feel satisfied and engaged in her work. The Retirement Director indicated that she was satisfied and that the review was fair. In terms of engagement, Monica suggested that she would like to provide a self-evaluation survey to the Board. This will also give the Board members an opportunity to suggest items they would like the Retirement Director to be focusing on. The survey could be conducted anonymously using Survey Monkey.

Upon motion by Chris Webster, seconded by Jim Curley, the Board moved to approve the EDPR for the Retirement Director.

Retirement Director's Report

The Retirement Director's report serves as an addendum to the minutes.

There was discussion on the number of Retirement Board meetings and the potential of canceling some of them if there is a lack of agenda items. Board members indicated that it is appropriate to cancel meetings if there is no business that needs their attention.

Monica reported that the cost of living adjustment (COLA) letter from Milliman had just been received. There will be a COLA increase of 2.125% in 2013 for members who retired on or before July 1, 2012. The Milliman letter will be included in the April Board packet.

Monica reported that the Board Election is being conducted for the Employee Representative member and that there are two candidates.

Good of the Order

Retirement System Quarterly Update

On a quarterly basis Mayor Marilyn Strickland, Board Chair, provides a TERS report to the City Council members. A copy of the memo dated February 15, 2013 was distributed to the Board.

Retirement Transactions Report – February 2013

The Retirement Transactions Report – February 2013 was provided to the Board.

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Adjourn

Mayor Strickland adjourned the meeting at 2:30 p.m.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair