

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

1:00 p.m., Thursday, June 13, 2013  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Call to Order**

Mayor Marilyn Strickland, Chair of the Retirement Board, called the meeting to order on Thursday, June 13, 2013.

**Roll Call**

Members Present: Mayor Marilyn Strickland, Sam Bencoter, Gordon Cavanaugh, Andy Cherullo, Jim Curley, John O'Loughlin, Wayne Reed and Chris Webster

Members Absent: Bill Gaines and Tansy Hayward

Investment Advisory Committee Present: Dr. Alva Butcher, Joseph Cook and Dr. Lynda Livingston

Investment Advisory Committee Absent: Dr. Kevin Boeh

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

Presenters: Joe Simmons, Washington State Auditor's Office  
Timothy Atwill, Parametric  
Rodrigo Soto, Eaton Vance  
David Plecha, Dimensional Fund Advisors  
Joseph Young, Dimensional Fund Advisors

**Citizen Comments**

None.

Regular Meeting  
Board of Administration  
Tacoma Employees' Retirement System  
1:00 p.m., June 13, 2013

## **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 May 9, 2013 Retirement Board meeting.

## **Change the Order of Business**

Board Chair, Mayor Strickland, suspended the rules to change the order of business to New Business 6A, Exit Interview-Washington State Auditor.

## **New Business**

### **Exit Interview – Washington State Auditor**

The Washington State Assistant Audit Manager, Joe Simmons, was in attendance to present the Exit Conference for the 2012 Tacoma Employees' Retirement System's audit. The Washington State Auditor's Office Exit Conference report, dated June 13, 2013, was distributed to the Retirement Board in the Board Packet prior to the meeting.

It was noted in the Independent Auditor's Report, dated June 13, 2013, that the Tacoma Employees' Retirement System had received an unmodified audit opinion for calendar year 2012. There were no audit recommendations.

## **Old Business**

### **Investment Update**

Tim Allen reported that there had been a fee revision with Prudential (TERS' emerging market debt manager) that will save the system a few thousand dollars annually.

Tim also mentioned that an existing TERS manager (INTECH) was coming in later in the month to make an informational presentation on low volatility equity strategies. Board members would be invited to attend.

Tim explained to the Board that he would introduce two presenters on commodities investing. The TERS staff and Wilshire had selected these two managers to present to the Board and that there would be a discussion period following the presentation. Tim indicated that it was likely that a formal recommendation would be made at the August Board meeting.

## **New Business**

### **Commodities Investment Manager Presentation**

Rodrigo Soto, Eaton Vance Vice President and Timothy Atwill, Parametric Managing Director were the first presenters.

Regular Meeting  
Board of Administration  
Tacoma Employees' Retirement System  
1:00 p.m., June 13, 2013

## **New Business**

### **Commodities Investment Manager Presentation continued**

David Plecha, Senior Portfolio Manager & Vice President and Joseph Young, Vice President of Dimensional Fund Advisors were the next presenters.

A short de-briefing followed the presentations. No recommendations were made. TERS staff will revisit this topic at the August Board meeting.

### **Retirement Director's Report**

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

Monica indicated that the July Board meeting did not have agenda topics requiring Board action and suggested that the July Board meeting be canceled. The Board concurred.

Monica reported that the TERS office has been collecting data on deaths in WA from the State Health department to supplement the current death audit process. Three previously unreported deaths have been identified so far. One of the notifications led to the discovery of an overpayment by TERS of approximately \$33K, which staff is working to collect.

### **Good of the Order**

#### **Farewell to Chris Webster**

Chris Webster, Citizen Representative for the Retired Board since 2003, expressed his happiness in the progress that the Board had made over the years. Mayor Strickland expressed gratitude and appreciation for Chris' contributions and efforts as a Board member.

#### **Mayor's Quarterly Update to City Council**

On a quarterly basis Mayor Marilyn Strickland, Board Chair, provides a TERS report to the City Council members. A copy of the memo dated May 10, 2013 was distributed to the Board.

#### **Retirement Transactions Report – May 2013**

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

#### **Board Member Conference Attendance**

Jim Curley provided the Board a handout with a brief summary of his attendance at the NCPERS conference that was held in Honolulu, HI, May 18-22, 2013. Jim indicated that the conference information can also be provided to the Board electronically. Jim highly recommended the next conference to the Board and TERS staff.

#### **Additional Topics**

Upon motion by Jim Curley, seconded by Chris Webster, the Board appointed Sam Bencoter as First Vice Chair of the Board.

Regular Meeting  
Board of Administration  
Tacoma Employees' Retirement System  
1:00 p.m., June 13, 2013

**Good of the Order**

**Additional Topics continued**

It was noted that Jim Curley is the Second Vice Chair of the Board.

**Adjourn**

Mayor Marilyn Strickland, Board Chair, adjourned the meeting 3:20 p.m.

  
Kathleen Mason  
Recording Secretary

  
Mayor Marilyn Strickland  
Board Chair