

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

1:00 p.m., Thursday, October 10, 2013
Tacoma Public Utilities
Administration Building North
Conference Room LT1
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, October 10, 2013.

Roll Call

Members Present: Mayor Marilyn Strickland, Sam Bencoter, Gordon Cavanaugh, Andy Cherullo, Jim Curley, Bill Gaines, Tansy Hayward, Matthew Hedges, John O'Loughlin and Wayne Reed

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
Trina Ealey, TERS staff
Linh Nguyen, TERS staff
Linda Parks, City of Tacoma
Susan Ramirez, City of Tacoma
Chris Morrison, Tacoma Pierce County Health Dept.

Presenters: Mark Olleman, Milliman
Daniel Wade, Milliman

Citizen Comments

None.

Consent Agenda

Upon motion by Andy Cherullo, seconded by Bill Gaines, the Retirement Board moved to adopt the Consent Agenda and approved the drafted minutes of the September 12, 2013 Retirement Board meeting.

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Old Business

Investments

Tim Allen presented a brief summary on the status of the investment of funds.

Tim also made the following announcements:

- Alex Browning and Julia Bonafede of Wilshire Associates would be at the November Board meeting to provide an in-depth analysis of TERS' investments.
- Tim will email the information and the website link to the Board regarding an 8-week online class called *The Finance of Retirement & Pensions*, offered by the Stanford Graduate Business School. The instructor is Stanford Graduate professor, Joshua Rauh. Tim indicated he has signed up for the class.

Milliman Presentation GASB 67/68

The GASB 67 and 68 – The New World of Public Pension Plan Accounting was distributed to the Retirement Board prior to the meeting in the Board packet. At the meeting, Mark Olleman and Daniel Wade, Milliman actuaries, reviewed the handout with the Board and provided an overview of GASB 67 and 68 and implications for TERS. Mark noted this was largely an informational presentation for the Board, although there would be a few follow up items, specifically: 1) the Board will need to set an "actuarially determined contribution", which could be the same as the rate set in the TMC and 2) the City will need to determine if TERS is a Single Employer or Cost Sharing plan.

ESG Policy

The Retirement Director provided the Board with draft policy and procedures for consideration of Environmental, Social and Governance (ESG) investing proposals. Monica indicated that she had used the City of Seattle's policy as a starting point, and received input from Martha Lantz, Deputy City Attorney; Tim Allen, Retirement Chief Investment Officer; and Andrew Junkin of Wilshire. At the meeting the Board was provided a revised draft (which incorporated a Board Member's suggestions) for consideration. A few additional edits were added by Board members during the discussion.

Upon motion by Bill Gaines, seconded by John O'Loughlin, the Board moved to approve the policy and procedures for ESG investing proposals.

Staff will provide the Board with a finalized copy of the policy and procedures to include the additions requested by the Board.

Retirement Director's Report

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

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Good of the Order

2014 Retirement Board Meeting Calendar

The Board was provided a copy of the 2014 Retirement Board Meeting Calendar. Monica indicated that Kathleen will send out meeting invitations to the Board to get the dates on their calendars.

Retirement Transactions Report – September 2013

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

Sustainability

Board members were asked if they would like to extend the meeting to view an online documentary, *Pension Plan Evolution – A New Financial Reality*, co-produced by the Ontario Teachers' Pension Plan and Cormana Productions in 2013.

There was not a quorum of members who could stay to view the video, so the video was shown after the meeting was adjourned.

Adjourn

Upon motion by Jim Curley, seconded by Gordon Cavanaugh, the meeting was adjourned.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair