

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

1:00 p.m., Thursday, July 10, 2014  
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, July 10, 2014.

**Roll Call**

Members Present: Mayor Marilyn Strickland, Sam Benscoter, Andy Cherullo, Jim Curley, Matthew Hedges, John O'Loughlin and Wayne Reed

Members Absent: Gordon Cavanaugh, Bill Gaines and Tansy Hayward

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  
Margith Baker, HR Analyst

**Citizen Comments**

None.

**Consent Agenda**

Upon motion by Jim Curley, seconded by Andy Cherullo, the Retirement Board moved to adopt the Consent Agenda and approved the drafted minutes of the June 16, 2014 Retirement Board meeting.

**Change Order of Business**

The Mayor announced a change to the order of business by moving Old Business - Investment Update to the end of the agenda items and moving to New Business – Actuarial and Audit Services Contract.

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New Business

### **Actuarial and Audit Services Contract**

The Retirement Director reported to the Board on the Selection Advisory Committee's (SAC) interview process with three finalist candidates. The SAC recommended that TERS engage Milliman to provide actuarial and audit services.

Upon motion by John O'Loughlin, seconded by Andy Cherullo, the Board authorized TERS staff to enter into contract negotiations with Milliman for actuarial and audit services. The proposed contract will be for three years with two possible 1-year extensions.

### **Potential Litigation against TERS by deceased member estate**

Martha Lantz, Deputy City Attorney and assigned counsel for the TERS Board, provided information to the Board regarding the reason for and the scope of potential litigation against TERS. The case has been assigned to Margaret Elofson, one of the City's litigation attorneys.

### **Personnel Issues**

#### ***Closed Session***

Upon motion by Sam Benscoter, seconded by John O'Loughlin, the Board moved to Closed Session for New Business – Personnel Issues, not to exceed 15 minutes. TERS staff was excused from the meeting for the duration of the Closed Session.

#### ***Resume the Order of Business – reconvened at 1:55 p.m.***

Andy Cherullo reminded the Board of the upcoming retirement of the current Retirement Director, Monica Butler. He announced that her last actual day in the office would be August 14, 2014.

Upon motion by John O'Loughlin, seconded by Matthew Hedges, the Board appointed Tim Allen, Interim Retirement Director effective August 15, 2014 to include an increase in salary reflective of the Retirement Director title, until a new Director was hired.

Andy also asked the Board to consider an executive search for the recruitment of a retirement director replacement.

Upon motion by Jim Curley, seconded by Andy Cherullo, the Board approved the contract with CPS HR Recruiting for recruitment services.

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New Business

**Personnel Issues continued**

The motion was restated:

Upon motion by Sam Benscoter, seconded by Matthew Hedges, the Board authorized the City of Tacoma to enter into a contract with CPS HR Recruiting for recruitment services on behalf of TERS.

Margith Baker, HR Analyst, reported to the Board that CPS HR Recruiting consultants had been chosen for their reasonable fees, professional and friendly manner, and expertise in the recruitment field. Margith informed the Board that Human Resources would be leading the executive recruitment process on behalf of the Board. It was requested by HR and approved by the Mayor that TERS staff, Kathleen Mason, would assist with the coordination of the process with the Board, HR and the consultant. The first step is to schedule one-on-one meetings with the Board and the recruitment consultant.

**Old Business**

**Investment Update**

Tim Allen provided the Board with an investment update on TERS investments in Master Limited Partnerships, and the conversion to Global Equity assignments from the existing passive and non-passive equity mandates.

**Retirement Director's Report**

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

**Good of the Order**

**Retirement Transactions Report – May 2014**

The Retirement Transactions Report – June 2014 was provided to the Board.

**TERS Comprehensive Annual Financial Report (CAFR) 2013**

The CAFR 2013 was distributed to the Board in the Board packet.

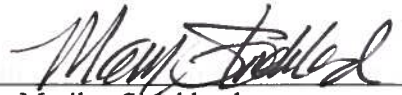
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**Adjourn**

Upon motion by Andy Cherullo, seconded by Matthew Hedges, the meeting was adjourned at 2:22 p.m.



Kathleen Mason  
Recording Secretary



Mayor Marilyn Strickland  
Board Chair