

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

10:00 a.m., Thursday, August 14, 2014
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, August 14, 2014.

Roll Call

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

Members Absent: 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
Martha Lantz, Deputy City Attorney

Presenters: Andrew Junkin, Wilshire Associates
Jason Samansky, Wilshire Associates

Citizen Comments

None.

Consent Agenda

Upon motion by Andy Cherullo, seconded by Jim Curley, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the July 10, 2014 Retirement Board meeting.

Old Business

None.

New Business

Wilshire Presentation

The Retirement Board and Investment Advisory Committee received the Executive Summary – 2nd Quarter 2014 from Wilshire Associates in hard copy.

Andrew Junkin and Jason Samansky presented the Executive Summary of Performance, including a review of the TERS plan asset allocation and investment performance for the quarter ended June 30, 2014.

The Tacoma Employees' Retirement System's rates of return were reported as follows: 4.42% for the Second Quarter, 17.77% for the one-year period, 10.90% for the three-year period, 14.37% for the five-year period, and 7.89% for the ten-year period ended June 30, 2014.

The Executive Summary of Performance for the period ending June 30, 2014 serves as an addendum to the minutes.

Investment Update

Tim Allen presented an update on the 2014 Investment Managers Meeting list. Tim indicated that he will communicate to the Board any material changes that occur at the investment managers. He also reviewed TERS' Securities Lending income year-to-date.

Dashboard – June 30, 2014

The Dashboard Report for June 30, 2014 was reviewed with the Board. The report is provided to the Board twice a year.

Retirement Director's Report

Monica Butler, Retirement Director, reported that the Summary Annual Financial Report (SAFR) was finalized and included in the Board packet. The Board indicated that the SAFR should continue to be distributed to all of the TERS members. It was explained that the Retirement office provides the SAFR to active members upon request and that it is also posted on the TERS website along with the Comprehensive Annual Financial Report (CAFR). It was decided that next year the TERS staff will ensure that members are notified of the SAFR via announcements in the City's employee newsletters and that the SAFR will be available upon request as well as posted on the TERS website. TERS staff will investigate distribution of the most recent SAFR.

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

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Educational Seminars

Wayne Reed indicated an interest in attending the Wilshire Client Conference April 19 - 21, 2015. Upon motion by Bill Gaines, seconded by Andy Cherullo, the Board approved Wayne Reed's attendance.

Retirement Transactions Report – July 2014

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

Additional Topics

Martha Lantz, Deputy City Attorney and assigned counsel for the TERS Board, provided an update to the Board on the pending litigation against TERS by the estate of a deceased member. The parties are currently in an information gathering stage.

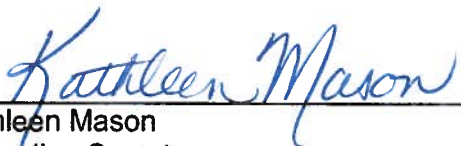
Martha reported that the Washington Supreme Court had ruled that day regarding the issues of gain sharing and COLAs in the PERS systems.

The Board and the Investment Advisory Committee thanked Monica Butler for her dedicated service to TERS, the efficiencies she identified and implemented, and her overall assistance to the Board with policy-making and wished her well on her upcoming retirement.

Monica expressed her appreciation for the opportunity to have worked with the Board and for empowering her in her time with TERS.

Adjourn

Upon motion by Jim Curley, seconded by Andy Cherullo, the meeting was adjourned at 11:21 a.m.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair