

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

10:00 a.m., Thursday, November 13, 2014
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Sam Bencoter, Vice Chair of the Retirement Board, called the meeting to order on Thursday, November 13, 2014.

Roll Call

Members Present: Sam Bencoter, Gordon Cavanaugh, Andy Cherullo, Jim Curley, Bill Gaines, Matthew Hedges, John O'Loughlin, Wayne Reed and Tadd Wille

Members Absent: Mayor Marilyn Strickland

Investment Advisory Committee Present: Dr. Kevin Boeh, Joseph Cook and Dr. Lynda Livingston

Investment Advisory Committee Absent: Dr. Alva Butcher

Others Present: Tim Allen, Interim Retirement Director
Kathleen Mason, Recording Secretary
Catherine Marx, TERS Financial Supervisor
Martha Lantz, Deputy City Attorney
Andrew Michels, TERS Retiree

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

Citizen Comments

None.

Consent Agenda

Upon motion by Andy Cherullo, seconded by Bill Gaines, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the September 11, 2014 Retirement Board meeting.

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Old Business

Investment Update

Tim Allen reported on the CEM Benchmarking annual survey/report on defined benefit plans. TERS participates in the survey by providing data contained in the 2013 TERS CAFR. The analysis within the CEM Benchmarking report is one of the only sources for peer-relative cost and asset allocation comparisons among defined benefit plans.

Also reviewed with the Board was the Wellington Management Company report on TERS Risk and Scenario Analysis.

Tim reported on the status of the Private Equity Separate Account–RFI indicating that it is expected that finalists will be invited to present at the February 12, 2015 Board meeting. In the meantime, TERS staff and Wilshire will conduct on-site due diligence visits to the finalist candidates.

Change the Order of Business

Upon motion by John O'Loughlin, seconded by Jim Curley, the Board approved adjusting the agenda to move Old Business Item B – Executive Session-Personnel Issue to after the Wilshire presentation break to accommodate Wilshire's schedule.

New Business

Wilshire Presentation

The Retirement Board and Investment Advisory Committee received the Executive Summary – 3rd 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 September 30, 2014.

The Tacoma Employees' Retirement System's rates of return were reported as follows: -0.99% for the Third Quarter 2014, 11.53% for the trailing one-year period, 14.26% for the trailing three-year period, 11.10% for the trailing five-year period, and 7.70% for the trailing ten-year period ended September 30, 2014. It was noted that the negative return for the 3rd quarter was due in part to this being the first full quarter of reporting for the revised Global Equity mandates and includes some level of transaction costs for effecting the change.

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

Old Business

Personnel Issue – Executive Session

At 11:30 a.m., upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Retirement Board moved to go into Executive Session for 15 minutes to conduct the Personnel Issue.

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Old Business - continued

Personnel Issue – Executive Session

The session was extended at 11:45 a.m. for an additional 10 minutes. At 11:55 a.m. the Board reconvened in regular session and there were no citizens present.

Upon motion by John O'Loughlin, seconded by Andy Cherullo, the Board moved to appoint Tim Allen to the position of Retirement Director, subject to approval by the City Council.

Upon motion by Jim Curley, seconded by Andy Cherullo, the Board moved to delegate the salary negotiations to the Executive Committee for the Retirement Director position.

Interim Retirement Director's Report

Tim Allen, Interim Retirement Director, asked Catherine Marx, TERS Financial Supervisor, to provide the Board with a status update on the Strategic Assessment project.

The TERS 2015-2016 Biennial Budget was presented to the City Manager and to the City Council during October; written responses to Council Members' questions were distributed to the Board. A final TERS Budget summary will be reviewed with the TERS Board at the December meeting.

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

Good of the Order

Retirement Transactions Report – September 2014 and October 2014

The Retirement Transactions Report – September 2014 and October 2014 was provided to the Board.

Educational Seminars

The Board was provided with a copy of the Board Education Policy and a list of 2015 Board Education Opportunities.

Additional Topics


None.

Adjourn

Sam Bencoter, Vice Chair adjourned the meeting at 12:20 p.m.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair

