

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

10:00 a.m., Thursday, February 12, 2015  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Call to Order**

Sam Bencoter, Vice Chair of the Retirement Board, called the meeting to order on Thursday, February 12, 2015.

**Roll Call**

Members Present: Sam Bencoter, Gordon Cavanaugh, Jim Curley, Matthew Hedges, John O'Loughlin and Wayne Reed

Members Absent: Mayor Marilyn Strickland, Andy Cherullo, Bill Gaines and Tadd Wille

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

Investment Advisory Committee Absent: Dr. Kevin Boeh

Others Present: Tim Allen, Retirement Director  
Kathleen Mason, Recording Secretary  
Martha Lantz, Deputy City Attorney  
Doug Swanson, TPU-Division Manager Accounting

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

John Greenwood, Pantheon  
Susan Long McAndrews, Pantheon

**Citizen Comments**

None.

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## **Consent Agenda**

Upon motion by Jim Curley, seconded by John O'Loughlin, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the December 11, 2014 Retirement Board meeting.

## **Change the Order of Business**

Upon motion by John O'Loughlin, seconded by Wayne Reed, the Board approved adjusting the agenda to move Old Business to after lunch to accommodate the Pantheon presenters and Wilshire.

## **New Business**

### **Private Equity Presentation - Pantheon**

Tim Allen, Retirement Director, provided a brief pre-presentation overview of the RFI steps undertaken to date and the selection process that identified Pantheon for the Board's consideration as a prospective Private Equity investment manager. Tim recommended, based on conversations with some of the Board members that were unable to attend the meeting, that the decision to move forward with Pantheon be held over to the next Board meeting.

Susan Long McAndrews, Partner and John Greenwood, Principal of Pantheon provided an overview of the firm, and discussed the benefits of private equity, talked about various private equity investment strategies and finished with a separate account proposal for TERS. The Board and the Pantheon executives engaged in a post-presentation question and answer session.

**LUNCH** The Board took a lunch break at 11:50 a.m. and reconvened at 12:20 p.m.

### **Wilshire Presentation**

The Retirement Board and Investment Advisory Committee received the Executive Summary – 4<sup>th</sup> 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 December 31, 2014.

The Tacoma Employees' Retirement System's rates of return were reported as follows: 2.12% for the Fourth Quarter, 8.13% for the one-year period, 12.73% for the three-year period, 10.58% for the five-year period, and 6.85% for the ten-year period ended December 31, 2014.

The Executive Summary of Performance for the period ending December 31, 2014 serves as an addendum to the minutes.

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## **Old Business**

### **Vice Chair and 2<sup>nd</sup> Vice Chair**

The terms for the Vice Chair and the 2<sup>nd</sup> Vice Chair expired. Jim Curley will not be running again for Board Retiree member and will not be here in June to serve as the 2<sup>nd</sup> Vice Chair. The Board decided to postpone the appointments until the next Board meeting in March.

### **Investment Update**

Tim Allen presented an excerpt from TERS' Investment Policy Statement and an updated investment manager contacts meeting schedule.

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

The Retirement Director's report serves as an addendum to the minutes. There will be two Board member position positions that expire in June 2015, (one for an active employee position and one for the Retired position). The election process that is conducted by the City Clerk's office will begin in February 2015 and should conclude by April 2015. A copy of TERS' actuary Milliman's July 2015 Cost of Living Adjustment letter dated January 30, 2015 was distributed to the Board in the Board Packet. The Retirement Planning Sessions will be held on consecutive Thursday nights from 6-7:30 p.m. in April in the Tacoma Public Utilities Auditorium.

### **Good of the Order**

#### **Retirement Transactions Report – December 2014 and January 2015**

The Retirement Transactions Report – December 2014 and January 2015 were provided to the Board.

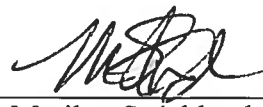
### **Other Topics**

Educational Seminar – Alva Butcher indicated an interest in attending the DFA Annual Client Conference in April. This item will be held over until the next meeting for Board approval when there is a quorum.

### **Adjourn**

Sam Bencoter adjourned the meeting at 1:15 p.m.

  
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Kathleen Mason  
Recording Secretary

  
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Mayor Marilyn Strickland  
Board Chair

