

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

1:00 p.m., Thursday, July 9, 2015  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1 (307A)  
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 9, 2015.

**Roll Call**

**Members Present:** Mayor Marilyn Strickland, Sam Benscoter, Gordon Cavanaugh, Andy Cherullo, Bill Gaines, John O'Loughlin, Kim Moore and Wayne Reed

**Members Absent:** Matthew Hedges and Tadd Wille

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

**Presenters:** Debra Burleson  
Joe Simmons  
Frank Downard

**Citizen Comments**

None.

**Consent Agenda**

Upon motion by Sam Benscoter, seconded by Gordon Cavanaugh, the Retirement Board moved to adopt the Consent Agenda and approved the drafted minutes of the May 14, 2015 Retirement Board meeting.

Mayor Strickland introduced and welcomed new Retiree Board member, Kim Moore.

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### **Change the Order of Business**

The Chair adjusted the agenda to move Old Business – Investment Update to follow New Business – Exit Interview-Washington State Auditor.

### **New Business**

#### **Exit Interview – Washington State Auditor**

Audit Lead Debra Burleson, of the Washington State Auditor's Office (WSAO), presented the Exit Conference for the 2014 Tacoma Employees' Retirement System's audit. Other attendees from WSAO were: Joe Simmons and Frank Downard. The Washington State Auditor's Office Exit Conference report, dated June 18, 2015, was distributed to the Retirement Board in the Board Packet prior to the meeting.

It was noted in the Independent Auditor's Report, dated June 16, 2015, that the Tacoma Employees' Retirement System had received an unmodified audit opinion for calendar year 2014. There were no audit recommendations.

### **Old Business**

#### **Investment Update**

Tim Allen provided an overview of the following: Passive vs Active Equity Flows: 2007-2014, pros and cons of the different investment management fee types by investment type, an overview of TERS' manager fees, and a report on securities lending. The Board was provided Wilshire's flash report of May 31, 2015. Tim reported that Wilshire Consulting has hired four senior consultants to replace some departed staff.

Some progress is being made in establishing the discretionary private equity separate account, but nothing has been finalized.

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

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

### **Good of the Order**

#### **Retirement Transactions Report – May and June 2015**

The Retirement Transactions Report – May 2015 and June 2015 were provided to the Board.

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**Good of the Order continued**

**Mayor's Quarterly Update to City Council**

On a quarterly basis Mayor Marilyn Strickland, Board Chair, provides a TERS report to the City Council members. A copy of the memo dated May 14, 2015 was distributed to the Board.

**Investment Advisory Committee Statement - 2014**

The Investment Advisory Committee Statement for 2014 was distributed to the Board in the Board packet.

**Board Education**

Kim Moore indicated an interest in attending the 2015 Callan College- Introduction to Investments July 20-22, 2015.

Sam Bencoter indicated an interest in attending the NCPERS Public Funding Forum August 23-25, 2015.

Upon motion by John O'Loughlin, seconded by Andy Cherullo, the Board approved the conference attendance for Kim Moore and Sam Bencoter.

**Additional Topics**

The Board was provided a list of pension-related articles.

In response to inquiry from the Board, Tim reported on the status of the Assistant Retirement Director recruitment. He indicated that he is working with Human Resources on the job description.

**Adjourn**

Upon motion by Andy Cherullo, seconded by Bill Gaines, the meeting adjourned at 2:05 p.m.

  
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Kathleen Mason  
Recording Secretary

  
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Mayor Marilyn Strickland  
Board Chair