

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

10:00 a.m., Thursday, November 12, 2015
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, November 12, 2015.

Roll Call

Members Present: Mayor Marilyn Strickland, Sam Benscoter, Gordon Cavanaugh, Andy Cherullo, Matthew Hedges, John O'Loughlin, Kim Moore, Tadd Wille and Wayne Reed

Members Absent: Bill Gaines

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

Investment Advisory
Committee Absent: Dr. Kevin Boeh and Joseph Cook

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

Presenters: Andrew Junkin, Wilshire Associates
Felicia Bennett, Wilshire Associates

Citizen Comments

None.

Consent Agenda

Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the October 8, 2015 Retirement Board meeting.

Regular Meeting
Board of Administration
Tacoma Employees' Retirement System
10:00 a.m., November 12, 2015

Change the Order of Business

The Chair adjusted the agenda to move Old Business – Investment Update to follow New Business – Wilshire Presentation.

New Business

Wilshire Presentation

Andrew Junkin reported that there had been a change in leadership at Wilshire and that he had been promoted to the head of the consulting division. Andrew introduced his new co-lead consultant for TERS, Felicia Bennett from the Pittsburgh office. Although Andrew indicated that he will continue to represent TERS, the plan is to create the next generation of consultants.

The Retirement Board and Investment Advisory Committee received the Executive Summary – 3rd Quarter 2015 from Wilshire Associates in hard copy.

Andrew Junkin and Felicia Bennett presented the Economic Overview and Executive Summary of Performance, including a review of the TERS plan asset allocation and investment performance for the quarter ended September 30, 2015.

The Tacoma Employees' Retirement System's rates of return were reported as follows:
-5.14% for the Third Quarter, -0.75% for the one-year period, 7.73% for the three-year period, 8.25% for the five-year period, and 5.96% for the ten-year period ended September 30, 2015.

The Executive Summary of Performance for the period ending September 30, 2015 serves as an addendum to the minutes.

Old Business

Investment Update

Tim Allen reported that the Wilshire contract would be up in March 2016 and recommended that the contract be extended one year, given Andrew Junkin's new role and Felicia Bennett's introduction. An RFP for investment consultant services for TERS was last conducted in 2010. The Board will consider this proposal at a future meeting.

Tim presented a performance update for INVESCO (Private Core Real Estate) as of 9/30/2015 and discussed a portfolio implementation process change for INTECH (Global All Country Enhanced Index). Also distributed to the Board was the report from Preqin, "Public Pension Funds Investing in Alternative Assets" and Wilshire's "2015 MLP Sell-Off: A Confluence of Events".

Tim reported that the private equity separate account negotiations are still ongoing between Pantheon and our external legal counsel, but some funds may still be invested by year-end.

Regular Meeting
Board of Administration
Tacoma Employees' Retirement System
10:00 a.m., November 12, 2015

LUNCH - The Board agreed to work through lunch.

Retirement Director's Report

The Retirement Director's report serves as an addendum to the minutes. Tim reported on his attendance at the Milliman conference in Seattle.

Good of the Order

Retirement Transactions Report – October 2015

The Retirement Transactions Report – October 2015 was provided to the Board.

Board Education

Tadd Wille reported on his four-day training culminating in a CAPPP® Certificate of Achievement in Public Pension Plan Policy. Tadd indicated that the main focus was on fiduciary responsibility as a trustee.

Additional Topics

Andy Cherullo reported the status of the consultant, GRS' review of TERS. He indicated that the City will be working with Joint Labor on the possibility of developing/implementing changes to the current retirement system. The City is looking forward to ensure the viability of the benefits for future participants. Andy will continue to update the Board on the progress.

Catherine Marx, Interim Financial Manager, reported on her attendance at the four-day P2F2 Conference, marking her fourth year of attendance.

Adjourn

Mayor Strickland adjourned the meeting at 2:18 p.m.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair