

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

1:00 p.m., Thursday, March 10, 2016
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Sam Benscoter, Vice Chair of the Retirement Board, called the meeting to order on Thursday, March 10, 2016.

Roll Call

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

Members Absent: Mayor Marilyn Strickland and Bill Gaines

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

Citizen Comments

None.

Consent Agenda

The February 10, 2016 Retirement Board meeting attendance will be revised to include attendees Kim Moore, Board member and Catherine Marx, TERS staff.

Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Retirement Board moved to adopt the Consent Agenda and approved the drafted minutes of the January 14, 2016 Retirement Board meeting.

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Old Business

Investment Update

Tim Allen reported that TERS has a new contact at Northern Trust on the Funds side of the investments. An overview of Northern Trust's report, Global Securities Lending, was also provided.

Tim indicated that TERS is working with Wilshire Associates on an RFP template for the Foreign Exchange Overlay investment manager.

Investment Policy Statement

Tim reviewed the proposed revisions to the Investment Policy Statement (February 2016) with the Board. Feedback included request for the addition of definitions of certain items in the Glossary of Terms.

Upon motion by John O'Loughlin, seconded by Matthew Hedges, the Board approved and adopted the proposed revisions to the Investment Policy Statement with the caveat that TERS staff would include the necessary definitions.

Vice Chair and 2nd Vice Chair

Sam Bencoter was nominated as Vice Chair upon motion by John O'Loughlin, seconded by Andy Cherullo.

John O'Loughlin was nominated as Second Vice Chair upon motion by Tadd Wille, seconded by Matthew Hedges.

New Business

TERS 2016 Budget Review

Catherine Marx, Financial Manager, presented the TERS Budget Status Report for the year-to-date ending December 31, 2015. It was explained that the Revenue (Contributions) variance was largely due to vacant positions held open in the City in 2015. Investment earnings showed a negative variance as market returns lagged expectations.

Dashboard Report

The Dashboard Report for December 31, 2015 was reviewed with the Board. The report is provided to the Board twice a year.

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Retirement Director's Report

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

Good of the Order

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 February 18, 2016 was distributed to the Board.

Retirement Transactions Report – January and February 2016

The Retirement Transactions Report – January 2016 and February 2016 were provided to the Board.

Additional Topics

Wilshire Contract expires March 2016

The Board has until September 2016 to decide whether to extend Wilshire in their investment consulting role; these next few months should be enough time to evaluate how the new co-consultant assignment is working. At that time the Board can issue an RFP for investment consulting services or simply draft a contract with Wilshire for another three years (with two one-year optional extensions).

Open Meeting Procedures

Martha Lantz will provide the board with Open Meeting Procedures training at a future Board meeting.

Board Education

Upon motion by Andy Cherullo, seconded by Tadd Wille, Matthew Hedges was approved to attend the DFA Annual Institutional Symposium April 25-27, 2016.

Retirement Options

Tim Allen discussed the Annuity Options and the Retirement Option Factors with the Board and the historical background regarding their introduction in the Plan's calculations.

Retirement System Task Force

Andy Cherullo reported that the City and Joint Labor have had preliminary discussions related to potentially restructuring the TERS pension benefit in order to ensure a more sustainable system for the future.

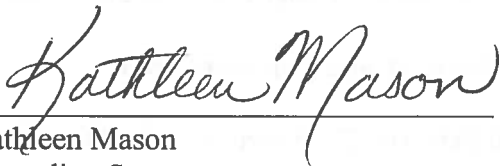
COLA Letter

Tim reported on the July 2016 Cost of Living (COLA) letter provided by Milliman.

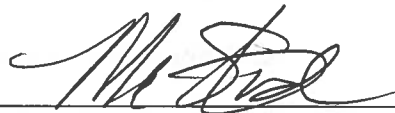
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Adjourn

Upon motion by Andy Cherullo, seconded by John O'Loughlin, the meeting adjourned at 2:54 p.m.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair