

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

10:00 a.m., Thursday, February 9, 2017
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Mayor Strickland, Chair of the Retirement Board, called the meeting to order on Thursday, February 9, 2017.

Roll Call

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

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, Assistant Retirement Director
Martha Lantz, Deputy City Attorney

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

Citizen Comments

None.

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Consent Agenda

Upon motion by Andy Cherullo, seconded by John O'Loughlin, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the January 12, 2017 Retirement Board meeting.

Old Business

Vice Chair and Second Vice Chair

Sam Benscoter was nominated as Vice Chair upon motion by Andy Cherullo, seconded by Tadd Wille for a one year February 9, 2017 through February 8, 2018.

John O'Loughlin was nominated as Second Vice Chair upon motion by Andy Cherullo, seconded by Tadd Wille for one year February 9, 2017 through February 8, 2018.

Investment Update

Tim Allen reported that the new Eaton Vance bank loan investment was funded at a \$10 million level, and that a class-action suit filed against Barclays will likely result in a settlement of around \$25,000 to TERS. Tim also presented an update on the Northern Trust Global Securities Lending program with 2016 results, and excerpts from the Infrastructure Fund Manager Outlook for 2017 by Prequin. Tim then reviewed in-depth performance results from two of the Plan's asset managers, Adelante and INTECH.

New Business

Wilshire Presentation

The Retirement Board and Investment Advisory Committee received the Executive Summary – 4th Quarter 2016 from Wilshire Associates in hard copy.

Felicia Bennett provided a market overview and reported the Tacoma Employees' Retirement System's rates of return as follows: 0.59% for the Fourth Quarter, 9.08% for the one-year period, 5.61% for the three-year period, 9.31% for the five-year period, and 5.06% for the ten-year period ended December 31, 2016.

Andrew Junkin presented the Low Volatility Equity Performance Review for the period ended December 31, 2016.

The Executive Summary of Performance for the period ending December 31, 2016 serves as an addendum to the minutes.

LUNCH - The Board took a lunch break at 11:40 a.m. and reconvened at 12:05 p.m.

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During the lunch break Andrew and Felicia of Wilshire fielded questions posed by the Board. Andrew announced that the 2017 Annual Wilshire Client Conference was scheduled for May 1-2 in San Diego, California.

Retirement Director's Report

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

Good of the Order

Retirement Transactions Report – January 2017

The Retirement Transactions Report – January 2017 was provided to the Board. Catherine Marx provided an overview of the Retirement Transactions Report process and explained the basis for the results.

Mayor's Letter to State Senator Reuven Carlyle

A letter dated January 27, 2017 to Senator Reuven Carlyle in response to the recently introduced Senate Bill 5166 was provided to the Board. The letter provided information regarding TERS' investment performance and asset allocation.

Milliman COLA Letter

Tim reported on the July 2017 Cost of Living (COLA) letter provided by Milliman.

Dashboard Report

The Dashboard Report for December 31, 2016 was reviewed with the Board. The report is provided to the Board twice per year.

Additional Topics


Tim reported that Catherine Marx has been promoted to the position of Assistant Retirement Director.


Board Education

Investment Advisor Committee member, Alva Butcher, indicated an interest in attending the DFA conference in April, 2017. Upon motion by Andy Cherullo, seconded by John O'Loughlin, the Board approved Alva's attendance.

Adjourn

Upon motion by Andy Cherullo, seconded by Sam Bencoter, the meeting adjourned at 12:45 p.m.


Kathleen Mason
Recording Secretary


Mayor Marilyn Strickland
Board Chair