

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

1:00 p.m., Thursday, October 12, 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, October 12, 2017.

Roll Call

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

Members Absent: Bill Gaines

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

Citizen Comments

None.

Consent Agenda

Upon motion by John O'Loughlin, seconded by Tadd Wille, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the August 10, 2017 Retirement Board meeting

Old Business

Investment Update

Tim reported on how the recent national climate emergencies affected the fund's investments, specifically INVESCO in Houston. He provided details on his site visit with Pantheon and the status of the new infrastructure investment. He also discussed the investment performance rebound in the INTECH assignment and the potential organizational changes at Tortoise.

CEM Benchmarking Review

The TERS Board was provided with excerpts from the 2016 CEM Investment Benchmarking Analysis for TERS report. The survey includes responses from both corporate and public pension plans, so the peer comparisons are not always well aligned. TERS is also much smaller than the median plan in the survey, both in terms of number of members and assets under management. One notable takeaway was that given TERS' asset allocation, the System delivered a slightly higher investment return than predicted at a slightly lower than expected cost.

New Business

Review of Board By-Laws

#1 Upon motion by John O'Loughlin, seconded by Andy Cherullo, the Board approved the following revisions (**bold**):

- a) First Page - Remove the date on the first page of the TERS Board of Administration Bylaws
- b) Last Page - Add the amended date, as a footnote, on the last page of the TERS Board of Administration Bylaws to document the change history
- c) **ARTICLE VII – STANDARD REPORTS**, paragraph one

The membership shall be advised of the meetings by public notice. Copies of the minutes will be posted on the City of Tacoma **internet** and distributed to anyone who requests copies of the minutes.

Duties and Delegations of Authority to the Retirement Director

#2 Upon motion by Andy Cherullo, seconded by Tadd Wille, the Board approved the following revisions:

- a) First Page - Change the date to read (Approved - October 12, 2017)
- b) **Authority and Delegations from the Board, Section j** – Replace reference to Financial Supervisor with Assistant Retirement Director

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New Business continued

TERS Manager Section Policy and Procedures

#3 Upon motion by Sam Bencoter, seconded by Tadd Wille, the Board approved the following revisions:

- a) First Page - Remove approved date on the first page of the TERS Manager Selection Policy and Procedures
- b) Last Page – Add the amended date, as a footnote, on the last page of the TERS Manager Section Policy and Procedures to document the change history
- c) Procedures for Selecting Investment Managers and Custodian, Section f – Delete (in most cases at the manager's offices)

TERS Policy and Procedures Regarding Investment for Environmental, Social, and Governance Purposes

#4 Administrative decision to add footnote with adopted/revision date

TERS Board Education Policy

#5 Administrative decision to add footnote with adopted/revision date

TERS Board Member Description

#6 Administrative decision to make revisions as presented to add "designee" to the composition of Board membership; Board Meeting Information and to add a footnote with adopted/revision date

Board Rules

#1 TMC 1.30.690 **Qualified Domestic Relations Order** – No changes.

#2 TMC 1.30.550 **Refund of Contributions/Service credit buybacks** – keep reference to TERS actuarially assumed rate of return but delete specific percentage rate (currently 7.75%).

#3 TMC 1.30.370 **Additional Contributions** – Board decided to table this item and staff will bring back to Board for review and consideration at a later date.

Board Roles and Responsibilities – no proposed changes.

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Retirement Director's Report

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

Good of the Order

Retirement Transactions Reports – August and September 2017

The Retirement Transactions Reports – August and September 2017 were provided to the Board.

Additional Topics

2018 Actuarial Calendar

A copy of Milliman's cover letter dated September 11, 2017 and 2018 Actuarial Calendar was distributed to the Board at the meeting.

2018 Retirement Board Meeting Calendar

The Board was provided with the 2018 Retirement Board Meeting dates. Meeting invitations will be sent to the Board and the Investment Advisory Committee.

Adjourn

The Mayor adjourned the meeting at 2:58 p.m.



Kathleen Mason
Recording Secretary



Mayor Marilyn Strickland
Board Chair