

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

1:00 p.m., Thursday, September 12, 2019
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Andy Cherullo, Second Vice Chair, called the meeting to order on Thursday, September 12, 2019.

Roll Call

Members Present: Andy Cherullo, Gordon Cavanaugh, Matthew Hedges, Kim Moore, Jim Sant, Jonathan Schlaudraff, Tadd Wille and Wayne Reed

Members Absent: Mayor Victoria Woodards and Sam Benscoter

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

Citizen Comments

None.

Consent Agenda

Upon motion by Matt Hedges, seconded by Tadd Wille, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the August 8, 2019 Retirement Board meeting.

Old Business

Investment Update

Tim reported on leadership changes at investment manager firm, Neuberger Berman, and the views of these moves from investment consultant firm Aon.

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Old Business continued

Investment Update

Tim also reviewed trends in private equity-style infrastructure deals, with substantial new money flowing toward this area.

Discussion ensued revisiting the asset allocation topic of investing in TIPS versus Long U.S. Treasuries. Upon motion by Kim Moore, seconded by Tadd Wille, the Board directed TERS staff to enter into negotiations, pending legal review, with BlackRock for investment in Long Treasuries. The investment will be staged incrementally over a period of months.

Tim reported that the private equity separate account contract with Pantheon was finalized by the end of August. TERS' external legal consultants, K&L Gates, worked hard to get specific items included in the contract that should benefit TERS over time.

Tim then presented an overview on Investment Management Fees.

New Business

TERS 2019-2020 Budget Update

Catherine Marx, Assistant Retirement Director, presented a mid-year TERS budget review using the Budget Status Report for the period ending June 30, 2019. With regard to the budgeted funds for Board education and training, the Board members requested an updated list of Educational Opportunities for 2020 – this will be included in the next Board packet.

Retirement Director's Report

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

During the report, the Board moved into Executive Session at 2:25 p.m. for 15 minutes to discuss legal advice related to ESG.

The Board extended the Executive Session at 2:40 p.m. for an additional five minutes.

The Board reconvened in regular session at 2:45 p.m.

Good of the Order

Mayor's Letter to City Council

As required in the Tacoma Municipal Code, on a quarterly basis Mayor Victoria Woodards, Board Chair, provides a TERS update report to members of the City Council. A copy of the memo dated August 8, 2019 was distributed to the Board.

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Good of the Order continued

Retirement Transactions Report – August 2019

The Retirement Transactions Report – August 2019 was provided to the Board.

Actuarial Calendar – 2020

Milliman's Actuarial Calendar for 2020 was distributed to the Board.

Tim reminded the Board of two key dates related to the Actuarial Calendar: May 14, 2020 for the presentation of the annual Actuarial Valuation and September 10, 2020 for the presentation of the 2016-2019 Experience Study.

Additional Topics

Tim shared a letter the Retirement office received from a retiree expressing her thanks and gratitude for what she refers to as our "wisdom and dependability" for her pension that she receives each month.

Adjourn

Upon motion by Tadd Wille, seconded by Jim Sant, Andy Cherullo adjourned the meeting at 2:50 p.m.



Kathleen Mason
Recording Secretary



Mayor Victoria Woodards
Board Chair