

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

10:00 a.m., Thursday, February 8<sup>th</sup>, 2024  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Call to Order**

Samuel Bencoter, Vice Chair, called the meeting to order at 10:03 a.m. on Thursday, February 8<sup>th</sup>, 2024.

**Roll Call**

Members Present: Mayor Victoria Woodards, Justin Angove, Samuel Bencoter, Gordon Cavanaugh, Andy Cherullo, Katie Johnston, Kim Moore, Tosha Siebert, Tammy Liddle Lobban

Members Absent: Michael Hall

Investment Advisory Committee Present: Michael Thomas, Dr. Alva Wright Butcher, Geoffrey Curran, Dr. Kevin Boeh

Presenters: Felicia Bennett, Wilshire  
Brian Bubrick, Wilshire  
Ali Kazemi, Wilshire

Others Present: Tim Allen, Retirement Director  
Catherine Marx, Retirement Director  
Tim Atwill, Chief Investment Officer  
Adora Peters, Recording Secretary  
Charles Lee, Deputy City Attorney  
Melissa Dubeck, Accountant  
Sara Clendening, Accountant

**Community Comments**

Will be accepted in written form at [TERSretirement@cityoftacoma.org](mailto:TERSretirement@cityoftacoma.org) and will receive written acknowledgement upon receipt. There were none received.

## **Consent Agenda**

**Motion:** Upon motion by Mayor Victoria Woodards and seconded by Andy Cherullo, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the January 11<sup>th</sup>, 2024, Retirement Board meeting.

## **Old Business**

TERS Bylaws- Retirement Director Tim Allen presented the TERS Board of Administration Bylaws. Mayor Victoria Woodards presented a request to amend the wording of the Bylaws from “resident comments” to “community comments”. Additional request from Vice Chair, Samuel Benscoter to update any “his/her” language to neutral verbiage.

**Motion:** Upon motion by Andy Cherullo and seconded by Justin Angove, the Board of Administration accepted and approved the amended TERS Bylaws.

## **New Business**

Wilshire, Quarterly Investment Report - The Retirement Board and Investment Advisory Committee received the Executive Summary – 4th Quarter 2023 from Wilshire Advisors in electronic format.

Felicia Bennett provided an overview of economic and market conditions. Brian Bubrick then provided the Total Fund Overview and reported the Tacoma Employees’ Retirement System’s net-of-fee rates of return. Ali Kazemi presented further details of individual asset manager performance returns and attribution, as well as peer-relative metrics.

Private Credit Overview- Ali Kazemi presented the private credit overview. This included an education on the origins of the asset class, the different types of private debt opportunities, and considerations to be reviewed when choosing private credit managers.

Direct Lending Manager Search – CIO Tim Atwill updated the Board on the status of the Direct lending manager search. The next step will be to present the Board with two selected candidates for approval at the March Board meeting.

Direct Lending Education- CIO Tim Atwill presented education slides on the direct lending asset class and addressed questions that emerged during the discussion.

Investment Advisory Committee Report- Michael Thomas presented a statement to the Board addressing concerns about the perceived risk associated with private credit, as highlighted in recent headlines. Following a discussion, it was concluded that the observed shift towards private credit appears to be enduring. Therefore, it is beneficial to maintain private credit as a strategic long-term component of our portfolio.

## **Vice Chair and Second Vice Chair-**

Retirement Director Tim Allen asked the Board to nominate the positions of Vice Chair and Second Vice Chair, as the terms for the present holders were expiring. After discussion,

Sam Benscoter was nominated as Vice Chair and Andy Cherullo was nominated as Second Vice Chair.

**Motion:** Upon motion by Mayor Victoria Woodards, seconded by Justin Angove, the Board of Administration approved Sam Benscoter as Vice Chair.

**Second Motion:** Upon motion by Mayor Victoria Woodards, seconded by Sam Benscoter, the Board of Administration approved Andy Cherullo as Second Vice Chair.

#### Disability Committee Alternate Opening-

Retirement Director Tim Allen asked the Board to nominate the alternative position for the Disability Committee, as the terms for the present holders were expiring. After discussion, Justin Angove was nominated as the alternative position for the Disability Committee.

**Motion:** Upon motion by Gordon Cavanaugh, seconded by Mayor Victoria Woodards, the Board of Administration approved Justin Angove as the alternative position for the Disability Committee.

#### Retirement Director's Report-

Retirement Director Catherine Marx presented the latest funded ratio projection to the Board. Catherine then explained the next actuarial study from Milliman will be presented at the May 2024 TERS Board meeting. The annual audit of TERS' financial statement by the State Auditor's Office of Washington is expected to happen in May or June. She also updated that TERS staff have begun mailing out 1099 R tax forms to retirees. Additionally, TERS staff have met with representatives of the IT Department to discuss the eventual migration of SAP (expected to go live by March of 2026) and the impacts it may have on the current processes.

Retirement Director Tim Allen provided a brief update regarding changes in the department's office space and an update regarding the search for a new Assistant Director. He also reminded that all Board members must complete the Open Government Meeting Act training and asked that the completion certificates be sent as soon as possible.

#### Good of the Order

##### - Retirement Transactions Report – January 2024

The Retirement Transactions Report for January 2024 was provided electronically to the Board in the Board Packet.

##### - Investment Advisory Committee Statement – 2023

The Investment Advisory Committee Statement for 2023 was presented to the Board and summarized several investment-related activities the IAC was involved in during the year.

##### - Mayor's Letter to City Council 02-08-2024

The Mayor's quarterly Report to the City Council showing TERS investment results through December 31, 2023, was presented to the TERS Board.

- Additional Topics

- NCPERS Conference –

**Motion:** Upon motion by Mayor Woodards, seconded by Andy Cherullo, the Board of Administration approved Samuel Bencoter to attend the National Conference on Public Employee Retirement Systems in May of 2024.

**Adjourn**

Samuel Bencoter, Vice Chair, adjourned the meeting at 12:01 p.m.

*Adora Peters*

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Adora Peters  
Recording Secretary

*Victoria R. Woodards*

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Mayor Victoria Woodards  
Board Chair