

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

1:00 p.m., Thursday, July 8, 2021

The meeting was held online, with dial-in available for the public

Minutes

Call to Order

Sam Bencoter, Vice Chair, called the meeting to order on Thursday, July 8, 2021.

Roll Call

Members Present: Sam Bencoter, Gordon Cavanaugh, Andy Cherullo,
Matthew Hedges, Kim Moore, Wayne Reed,
Jonathan Schlaudraff, Jim Sant

Members Absent: Tadd Wille and Mayor Victoria Woodards

Investment Advisory Committee Present: None

Others Present: Tim Allen, Retirement Director
Catherine Marx, Asst. Retirement Director
Charles Lee, Deputy City Attorney

Presenters: Leah Hafterson and Christopher Ruiz

Citizen Comments

Will be accepted in written form at TERSretirement@cityoftacoma.org and will receive written acknowledgement upon receipt. There were none received.

Consent Agenda

Motion: Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the June 10, 2021, Retirement Board meeting, as amended.

Change the Order of Business

The Chair adjusted the agenda to move Old Business – Investment Update, TERS Funding and Benefits Policy and TERS Investment Advisory Committee Policy to follow New Business – Exit Interview - State Auditor.

New Business

Exit Interview – State Auditor

Retirement Director Tim Allen introduced Leah Hafterson and Christopher Ruiz of the Office of the Washington State Auditor who presented the Exit Conference for the 2020 Tacoma Employees' Retirement System's financial audit.

The Office of the Washington State Auditor's (OWSA) Financial Statements Audit Report, No. 1028662, was distributed to the Board in the Board packet; Ms. Hafterson indicated it will also be available on the OWSA website.

It was noted in the Independent Auditor's Report that the Tacoma Employees' Retirement System had received an unqualified audit opinion for calendar year 2020. There were no uncorrected misstatements and no material misstatements in the audited financial statements or schedules.

The next annual financial statement audit for TERS is scheduled to begin in April 2022, although an audit of GASB 68 disclosures will occur later in 2021.

Old Business

Investment Update

Tim Allen reviewed Wilshire's Daily Market Report as of June 30, 2021 with the Board and noted that all asset classes shown posted positive returns for Q2 2021, albeit with varying levels of return. However, many fixed income returns were still negative on a year-to-date basis. He also indicated that some asset class rebalancing actions were taken in anticipation of the end of the quarter.

TERS Funding and Benefits Policy

Motion: Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Board of Administration approves the TERS Funding and Benefits Policy effective July 8, 2021

TERS Investment Advisory Committee Policy

Tim Allen initiated a review of the TERS Investment Advisory Committee Policy, and the Board engaged in substantive discussion about the composition and role of the IAC. It was noted that an extensive search was undertaken three years ago with two new IAC members added. Staff was charged with researching how other public pension systems in Washington State assemble and utilize their IAC groups. The results of this inquiry will be presented at a future TERS Board meeting and the motion to approve this Policy was therefore tabled.

New Business (continued)

Investment Advisory Committee - Reappointments

Retirement Director Tim Allen noted that the terms for all TERS Investment Advisory Committee members all expire in 2021. As such, he recommended reappointing three members at today's meeting with the other two IAC members being reappointed at a subsequent meeting.

Motion: Upon motion by Kim Moore, seconded by Andy Cherullo, the Board of Administration reappointed Investment Advisory Committee members Kevin Boeh, Alva Butcher and Lynda Livingston to three-year terms.

Retirement Director's Report

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

Good of the Order

Retirement Transactions Report – June 2021

The Retirement Transactions Report – June 2021 was provided electronically to the Board in the Board Packet.

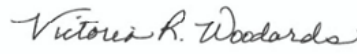
Additional Topics- None.

Adjourn

Sam Benscoter adjourned the meeting at 12:30 p.m.


Melanie Panui

Melanie Panui
Recording Secretary


Victoria R. Woodards

Mayor Victoria Woodards
Board Chair