

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

10:00 a.m., Thursday, August 12, 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, August 12, 2021.

**Roll Call**

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

Members Absent: Andy Cherullo, Mayor Victoria Woodards

Investment Advisory Committee Present: Dr. Kevin Boeh, Dr. Alva Butcher, Geoffrey Curran, Lynda Livingston

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

Presenters: Felicia Bennett, Brian Bubrick, and Ali Kazemi

**Citizen 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 Jim Sant, seconded by Jonathan Schlaudraff, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the July 8, 2021, Retirement Board meeting.

## **Old Business**

### **Investment Update**

Retirement Director Tim Allen introduced new Deputy Chief Investment Officer Tim Atwill to the Board. To get up to speed on the investment portfolio, DCIO Tim Atwill will begin meeting with the sixteen managers currently overseeing assets for TERS.

## **New Business**

### **Wilshire – Quarterly Investment Report**

The Retirement Board and Investment Advisory Committee received the Executive Summary – 2nd Quarter 2021 from Wilshire Advisors in electronic format.

Felicia Bennett provided an overview of economic and market conditions, setting the context for recent results. Brian Bubrick then provided the Total Fund Overview and reported the Tacoma Employees' Retirement System's rates of return as follows: 6.37% for the Second Quarter, 24.41% for the one-year period, 9.57% for the three-year period, 9.18% for the five-year period, and 8.44% for the ten-year period ended June 30, 2021. Brian noted there was a just below 1% pending redemption of public equity with the proceeds being directed to fixed income, so the asset allocation figures should be viewed in that context.

Ali Kazemi presented further details of individual asset manager performance returns and attribution. The Executive Summary of Performance for the period ending June 30, 2021 serves as an addendum to the minutes.

Ali then led an in depth discussion of TERS' private equity benchmarking process. He pointed out that the lag in private equity returns and the comparison of private to public assets produces a large amount of volatility that can dominate the measured risks within the overall portfolio. Some clients have chosen to use the private equity returns themselves in their Policy Benchmarks in order to focus attention on other more actionable asset class differences. Some IAC members expressed reservations about revising the existing benchmark approach, preferring to make an explicit opportunity cost analysis between public and private investments. No action was proposed or taken, and this topic may be revisited at a future TERS Board meeting.

It was noted that TERS' deployed private equity investments have now reached their strategic 10% target, so the placeholder MSCI ACWI IMI mandate is no longer necessary.

**New Business (continued)**

**Investment Advisory Committee - Reappointments**

Retirement Director Tim Allen reminded the Board that they had reappointed three Investment Advisory Committee (IAC) members at a previous meeting. He had contacted the remaining two IAC members, and both expressed their willingness to serve another three-year term. As such, he recommended reappointing the two members at today's meeting.

**Motion:** Upon motion by Matt Hedges, seconded by Jim Sant, the Board of Administration reappointed Investment Advisory Committee members Geoffrey Curran and Michael Thomas to three-year terms.

**Retirement Director's Report**

It was noted that TERS' fair value funded ratio stood at around 104% at the end of July 2021.

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

**Good of the Order**

**Retirement Transactions Report – July 2021**

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

**Additional Topics- None.**

**Adjourn**

Sam Bencoter adjourned the meeting.

Melanie Panui

Melanie Panui  
Recording Secretary

Victoria R. Woodards

Mayor Victoria Woodards  
Board Chair