

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

1:00 p.m., Thursday, June 8, 2023  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Call to Order**

Sam Bencoter, Vice Chair, called the meeting to order on Thursday, June 8, 2023.

**Roll Call**

Recording Secretary Melanie Panui called the roll.

Members Present: Justin Angove, Sam Bencoter, Gordon Cavanaugh, Andy Cherullo  
Michael Hall, Katie Johnston, Tammy Liddle Lobban, Kim Moore,  
and Tosha Siebert

Members Absent: Mayor Victoria Woodards

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

**Resident 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 Justin Angove seconded by Gordon Cavanaugh, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the May 11, 2023, Retirement Board meeting.

## **Old Business**

### **Asset Liability Review**

Retirement Director Tim Allen and Deputy Chief Investment Officer Tim Atwill presented a summary of the ongoing asset liability review, summarizing the steps taken to date. The new asset class targets were discussed in terms of the overall portfolio themes, as well as noting the required changes from the existing portfolio. The concurring views of the Investment Advisory Committee for the Alternative 2 Policy were also discussed.

**Motion:** Upon motion by Michael Hall seconded by Kim Moore, the Board of Administration adopted the Alternative 2 Policy proposal targets as presented.

### **Investment Update**

Deputy Chief Investment Officer Tim Atwill discussed market performance through May 31, 2023, across several asset classes. He noted that while April/May returns were largely negative across most asset classes, year-to-date performance was still positive on the strength of the first quarter.

### **Role of Investments in Pension Asset Accumulation**

Deputy Chief Investment Officer Tim Atwill began by citing TERS' cashflow negative status (i.e., TERS pays out more in monthly benefits than it takes in in employer and employee contributions). He then observed that despite a -\$329 million cashflow over the trailing ten years, TERS' assets increased over that timeframe to more than \$2 billion from a starting asset base of just over \$1.2 billion. The difference is explained by unrealized and realized investment gains, which as a pension plan matures, will take on a greater role over time.

## **New Business**

### **Actuarial Contract**

Retirement Director Tim Allen noted that the current contract with TERS' actuary, Milliman, is set to expire at the end of 2023. Milliman has been a valued partner with decades of experience and continuing the relationship would be beneficial for TERS. In addition, he noted that the actuarial audit, which is performed every five years, is set to take place in 2024.

**Motion:** Upon motion by Justin Angove seconded by Gordon Cavanaugh, the Board of Administration approved negotiations with TERS' current actuary, Milliman for a new three-year contract with two one-year optional extensions for an amount not to exceed \$750,000.

### **Custodial Internal Controls Review**

Retirement Director Tim Allen reviewed some of the controls used by TERS' custodian, Northern Trust.

## **Funding and Benefits Policy**

Retirement Director Tim Allen walked through TERS' Funding and Benefits Policy

**Motion:** Upon motion by Tosha Siebert seconded by Michael Hall, the Board of Administration approved the Funding and Benefit Policy as presented.

## **Retirement Director's Report**

Retirement Director Tim Allen reported that TERS' funded ratio was approximately 93% at the end of May 2023.

He then briefly provided an update on TERS department staffing.

## **Good of the Order**

### **Retirement Transactions Report – May 2023**

The Retirement Transactions Report for May 2023 was provided electronically to the Board in the Board Packet.

### **Terms of Office**

An updated Terms of Office was distributed.


### **Additional Topics**


### **NCPERS Conference Report**

Board member Kim Moore attended the NCPERS Conference and provided a brief summary of relevant topics that were covered.

### **Adjourn**

Vice Chair Sam Bencoter adjourned meeting at 2:09 p.m.

  
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Melanie Panui  
Recording Secretary

  
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Mayor Victoria Woodards  
Board Chair