

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

10:00 a.m., Thursday, March 12, 2020  
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 of the Retirement Board, called the meeting to order on Thursday, March 12, 2020 at 10:05 a.m.

**Roll Call**

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

Members Present by Phone: Tadd Wille

Members Absent: Mayor Victoria Woodards and Matthew Hedges

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

**Citizen Comments**

None.

**Consent Agenda**

Tim Allen, Director, announced that some Board members and staff had opted to attend by phone. TERS has made this arrangement in light of the ongoing COVID-19 situation.

Upon motion by Andy Cherullo, seconded by Jonathan Schaudraff, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the January 9, 2020 Retirement Board meeting.

Note: There were no February meeting minutes due to lack of quorum. There were brief summary notes only included in the Board packet.

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### **Change the Order of Business**

The Chair adjusted the Agenda to move Old Business - Investment Update to follow New Business – ESG Climate Change Presentation.

### **New Business**

#### **ESG – Climate Change Presentation**

Tim introduced Kristi Lynett from the Office of Sustainability for the City of Tacoma. Kristi presented a report on the effects of global warming, global consequences, and impact on the local community and economy and possible corrective actions. Her presentation was based on previously compiled data from various sources on the cause/effect of carbon emissions on the environment, specifically focusing on global warming. Kristi shared the steps that the City of Tacoma is taking to address this issue.

### **Old Business**

#### **Investment Update**

Tim reported on the volatility in the markets and how that may affect the investment portfolio. He cited the turbulent markets policy and reviewed how action steps laid out in that document have been enacted.

#### **Wilshire Contract**

Tim announced that Wilshire's Andrew Junkin had left the firm. TERS was one of the first clients assigned to Andrew when he began his career with Wilshire and one of the longest running client relationships - about 15 years. We have been assured that we can continue to look forward to the exemplary service and commitment that we have come to expect from Wilshire. Felicia Bennett and Andrew will select a new co-lead consultant to work with Felicia going forward. Brian Bubrick will remain in his supporting role.

Tim explained that with this change, we should consider putting out an RFP for an Investment Consultant within the next year. At a prior meeting, the Board had approved executing two one-year contract extensions with Wilshire that would continue services through March 2022. Tim suggested that the Board instead consider executing only one of the two one-year extensions on the Wilshire contract, given the recently announced change.

Upon motion by Kim Moore, seconded by Andy Cherullo, the Board of Administration authorized TERS staff to execute a one-year contract extension with Wilshire, as permitted under the current contract.

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### **Old Business continued**

#### **Alternate Board Member Vacancy**

Tim Allen and Wayne Reed excused themselves from the room during the discussion.

There was a motion to take action at this meeting and not hold it over to another meeting when more Board members were present. Upon motion by Sam Bencoter, seconded by Jonathan Schaudraff, the Board approved making the appointment at the current meeting.

Upon motion by Jonathan Schaudraff, seconded by Gordon Cavanaugh, the Board of Administration re-appointed the incumbent, Wayne Reed, to serve as the Alternate Board member for the three-year term beginning March 12, 2020. The vote was five yes and one no.

TERS staff will contact the other candidates to let them know the outcome and thank them for their time and interest in serving.

#### **Board Education Policy/Procedures**

Upon motion by Andy Cherullo, seconded by Jim Sant, the Board of Administration adopted the revised Education Policy and Procedures effective March 12, 2020 as presented and amended.

#### **Turbulent Markets Policy/Procedures**

Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Board of Administration adopted the revised Turbulent Market Conditions Policy and Procedures effective March 12, 2020 as presented and amended.

#### **Request For Proposal Policy**

Upon motion by Andy Cherullo, seconded by Jonathan Schaudraff, the Board of Administration adopted the revised Request for Proposal Policy effective March 12, 2020 as presented and amended.

#### **Retirement Director's Report**

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

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**Mayor's Letter to City Council**

The Board was provided with the Mayor's letter to the City Council dated February 13, 2020 reporting on the TERS financial status. At year-end, the Plan reported assets of \$1.867 billion and net-of-fee performance as follows: one-year: 16.8%, three-year: 8.6%, 5-year: 6.9%, 10-year 8.7%.

**Retirement Transactions Report – January 2020 and February 2020**

The Retirement Transactions Reports – January 2020 and February 2020 were provided to the Board.

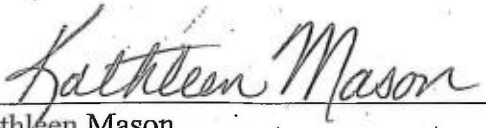
**Additional Topics**

Due to the global COVID-19 crisis many of the conferences and seminars that some of the Board, Investment Advisory Committee members and the Retirement Director had planned on attending have been cancelled or postponed indefinitely. There may be rescheduled and new opportunities available pending the duration and outcome of this worldwide health crisis.

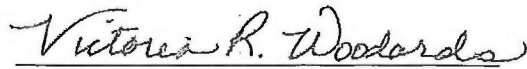
Andy Cherullo reported that the Executive Committee had sent out an email survey to the Board as part of the process for the Retirement Director's performance evaluation. Andy indicated that there had been a high level of response from the Board.

**Adjourn**

Sam Benscoter, Vice Chair, adjourned the meeting at 2:55 p.m.



Kathleen Mason  
Recording Secretary



Mayor Victoria Woodards  
Board Chair