

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

10:00 a.m., Thursday, November 14, 2019  
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, November 14, 2019 at 10:04 a.m.

**Roll Call**

Members Present: Sam Bencoter, Gordon Cavanaugh, Andy Cherullo,  
Matthew Hedges, Jonathan Schlaudraff, Tadd Wille and Wayne Reed

Members Absent: Mayor Victoria Woodards, Kim Moore and Jim Sant

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

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

Presenters: Andrew Junkin, Wilshire Associates  
Felicia Bennett, Wilshire Associates  
Brian Bubrick, Wilshire Associates  
Dana Woolfrey, Gabriel, Roeder Smith

**Citizen Comments**

None.

**Consent Agenda**

Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the September 12, 2019 Retirement Board meeting.

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

The Chair adjusted the Agenda to move Old Business - Investment Update to follow New Business - Actuarial Audit Report and New Business - Wilshire Quarterly Investment Report.

### **New Business**

#### **Actuarial Audit Report**

Tim introduced Dana Woolfrey of Gabriel, Roeder and Smith (GRS). Per TERS Actuarial Audit Policy, an actuarial audit will be conducted every five years to review current actuarial assumptions for reasonableness, compare current assumptions to published survey data (where appropriate) and to make recommendations and suggest areas for further study.

Dana provided an overview of the scope of the audit to include both a replication of the valuation results as well as a recalculation of individual test cases. The GRS audit resulted in what is known as a "Clean Audit" and results were well within acceptable tolerances. Dana did note some minor recommendations that TERS should consider in future annual valuation and experience study reports; this list has been passed along to TERS' actuary, Milliman.

The GRS Actuarial Audit presentation materials and the Actuarial Audit of the January 1, 2019 Actuarial Valuation Report were distributed to the Board.

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

The Retirement Board and Investment Advisory Committee received the Executive Summary – 3rd Quarter 2019 from Wilshire Associates in hard copy.

Andrew Junkin introduced Brian Bubrick who will be working with TERS going forward. Andrew reviewed the Economic Overview and the Numbers in Context for the Third Quarter 2019.

Felicia Bennett provided the Total Fund Overview and reported the Tacoma Employees' Retirement System's rates of return as follows: 1.57% for the Third Quarter, 5.75% for the one-year period, 7.57% for the three-year period, 6.60% for the five-year period, and 8.83% for the ten-year period ended September 30, 2019.

The Executive Summary of Performance for the period ending September 30, 2019 serves as an addendum to the minutes.

**Lunch** – The Board took a lunch break at 11:15 a.m. and reconvened at 11:35 p.m.

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### **Old Business**

### **Investment Update**

Tim provided a report on an existing private equity secondary fund investment that exercised a one-year extension to extend the fund through 2020.

### **New Business**

### **Executive Session**

The Board moved into Executive Session at 12:28 pm for 20 minutes upon motion by Andy Cherullo, seconded by Tadd Wille.

The Executive Session was extended at 12:55 pm for an additional 10 minutes.

The Executive Session was extended at 1:05 pm for an additional 10 minutes.

The Board reconvened in Regular Session at 1:15 pm.

To address a Member request, a motion was made by Andy Cherullo, seconded by Jonathan Schlaudraff, to accept irrevocable proof of a waiver of spousal rights as mandated in TMC 1.30.690. Andy subsequently withdrew the motion.

Upon motion by Tadd Wille, seconded by Matt Hedges, the Board approved to accept irrevocable proof of a waiver of spousal rights as mandated in TMC 1.30.690, pending receipt of court certified documents by the Retirement Director.

### **Retirement System Director Delegations**

Upon motion by Andy Cherullo, seconded by Tadd Wille, the Board adopted the revisions as amended per edits presented in the document and to include the edits suggested by the Board.

Upon motion by Tadd Wille, seconded by Andy Cherullo, the Board directed staff to develop detailed operating procedures on how to address Qualified Domestic Relations Orders (ODRO) with this procedure to include a periodic status report to the Executive Committee.

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

The Retirement Director's report serves as an addendum to the minutes. Tim and Catherine discussed some operational challenges TERS staff is currently dealing with, and also noted some technology issues that will need to be addressed in the coming months/years.

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### **Good of the Order**

#### **Retirement Transactions Report – September 2019 and October 2019**

The Retirement Transactions Reports – September 2019 and October 2019 were provided to the Board.

#### **2020 Board Meeting Calendar**

The 2020 Board Meeting Calendar was distributed to the Board.

#### **2020 Educational Opportunities**

The 2020 Board Educational Opportunities was distributed to the Board. It was noted that TERS staff had attended the NPEA conference. This will be added to the list for 2020.

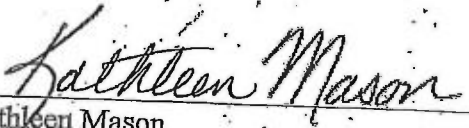
#### **Additional Topics**

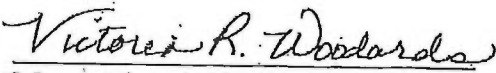
Catherine Marx reported on the P2F2 Public Pension Financial Forum Conference that she attended. Topics covered were GASB and pension-related legislative updates. It was an opportunity to establish peer contacts as well.

The Board inquired about succession planning and Tim reported on the progress.

### **Adjourn**

Sam Benscoter, Vice Chair, adjourned the meeting at 1:34 p.m.

  
Kathleen Mason  
Recording Secretary

  
Mayor Victoria Woodards  
Board Chair