

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

10:00 a.m., Thursday, May 9<sup>th</sup>, 2024  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Call to Order**

Sam Benscoter, Vice Chair, called the meeting to order at 10:02 a.m. on Thursday, May 9<sup>th</sup>, 2024.

**Roll Call**

Members Present: Mayor Victoria Woodards, Samuel Benscoter, Katie Johnston, Justin Angove, Gordon Cavanaugh, Andy Cherullo, Kim Moore, Michael Hall, Tosha Siebert, Tammy Liddle Lobban

Members Absent: None

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

Presenters: Felicia Bennett, Wilshire  
Brian Bubrick, Wilshire  
Ali Kazemi, Wilshire  
Julie Smith, Milliman  
Daniel Wade, Milliman

Others Present: Tim Allen, Retirement Director  
Catherine Marx, Retirement Director  
Tim Atwill, Chief Investment Officer  
Adora Peters, Recording Secretary  
Debra Casparian, City Attorney  
Randall Hegarty, IAC Applicant  
Jeffrey Stuart, IAC Applicant

**Community Comments**

Will be accepted in written form at [TERSretirement@cityoftacoma.org](mailto:TERSretirement@cityoftacoma.org) and will receive written acknowledgment upon receipt. There were none received.

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

10:00 a.m., Thursday, May 9<sup>th</sup>, 2024  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Consent Agenda**

**Motion:** Upon motion by Justin Angove and seconded by Andy Cherullo and one abstention by Vice Chair, Samuel Benscoter, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the April 11<sup>th</sup>, 2024, Retirement Board meeting.

**Old Business**

Investment Advisory Committee Presentation-

The Investment Advisory Committee started with a message reflecting on the passing of Nobel prize-winning economist, Daniel Kahneman and then presented their perspectives on behavioral finance.

Fossil Fuel Review- Chief Investment Officer, Tim Atwill presented education and information regarding fossil fuel exposure within TERS' asset portfolio. Exposures were determined using the Carbon Underground 200 Index and came to just 1% of the total portfolio or approximately \$21 million. A brief discussion developed, and questions were answered as they arose.

Investment Update-

Chief Investment Officer, Tim Atwill presented an update on current investment activity. He reviewed low volatility equity investing, including current manager search activity, and potential outcomes. He informed the Board that more details would be available at the next Board meeting.

**New Business**

Wilshire- Felicia Bennett, Ali Kazemi, and Brian Bubrick

Low Volatility Equity Index Investing Discussion- Wilshire's Ali Kazemi, discussed the impact of low volatility investing on portfolio performance, emphasizing the importance of setting clear objectives prior to selecting investments. He discussed the advantages of diversifying TERS' passive exposure, in that it maintains low costs

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

10:00 a.m., Thursday, May 9<sup>th</sup>, 2024  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

while reducing the reliance on a single return driver. Throughout the discussion, they addressed questions from the Board.

Quarterly Investment Report- The Retirement Board and Investment Advisory Committee received the Executive Summary –1st Quarter 2024 from Wilshire Advisors in electronic format. Wilshire's Felicia Bennett, provided a comprehensive market commentary, highlighting a strong quarter for U.S. equities which saw an increase of nearly 10% over the past year, and nearly 30% in the trailing twelve months. She reviewed numerous data-driven slides concerning inflation, interest rates, and the Federal Reserve's market expectations. Wilshire's Brian Bubrick reviewed the plan's asset allocation and noted all asset classes remained within their rebalancing bands. Ali Kazemi then proceeded to review TERS' performance vs the plan sponsor peer group and discuss individual manager performance in the core bond and global equity asset classes. All questions from the Board were addressed.

<Break- the Board agreed to a short 5-minute break and reconvened at 11:30 am>

Milliman, January 1, 2024 Actuarial Valuation - Daniel Wade and Julie Smith

Milliman's Daniel Wade, started their presentation with a general explanation of actuarial concepts, ensuring a clear understanding of the subject matter. They also reviewed the principles of how a pension's funding is accomplished, complementing the discussion with relevant diagrams. Milliman's Julie Smith, then elaborated on the purpose of actuarial valuations, and outlined a number of key components to calculating TERS' actuarial liability. The main conclusion was that TERS' actuarial funding ratio was 97.2%. All questions from the Board were addressed.

<Lunch – the Board agreed to a break for lunch and reconvened at 12:30 pm>

Milliman, January 1, 2024 Actuarial Valuation Cont.-

Following the presentation, a brief discussion was held regarding the potential for a contribution rate increase and its timing within the budget cycle. It was discussed that the Board will revisit this topic once more information becomes available in September, when

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

10:00 a.m., Thursday, May 9<sup>th</sup>, 2024  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

Milliman will present its experience study, which will contain a deeper analysis of the assumptions used in calculating TERS' liability. Accordingly, no motions were made.

Investment Advisory Committee Selection/ Appointment-

After conducting two interviews, the Board deliberated thoughtfully and selected the next Investment Advisory Committee member.

**Motion:** Upon motion by Michael Hall, seconded by Tammy Liddle Lobban, the Board of Administration appoints applicant Randall Hegarty to the Investment Advisory Committee.

**Retirement Director's Report-**

Retirement Director, Catherine Marx provided an update regarding the recent TERS Board of Administration election. She then updated the Board on the progress of the TERS office remodel and provided a staffing update on the new legal counsel representative.

Retirement Director, Catherine Marx informed the Board that Tim Allen has concluded his final series of employee information presentations, TERS 101. The presentations proved to be quite popular, prompting the addition of more dates to the series.

The TERS staff will be participating in an upcoming health fair organized by the Library Department of the City of Tacoma, which will be held at the Lemay Car Museum.

The quarterly TERS Member satisfaction survey was conducted and reviewed the results to the Board. No discernible trends were identified.

Lastly, she informed the board that TERS staff met with the City of Tacoma's Leave and Disability/ Worker's Compensation groups to discuss workplace accommodation procedures. She mentioned that the Board might need to consider revising the current criteria for determining disability retirement.

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

10:00 a.m., Thursday, May 9<sup>th</sup>, 2024  
Tacoma Public Utilities  
Administration Building North  
Conference Room LT1  
3628 S. 35<sup>th</sup> Street  
Tacoma, Washington 98409

**Minutes**

**Good of the Order**

Retirement Transactions Report – April 2024

The Retirement Transactions Report for April 2024 was provided electronically to the Board in the Board Packet.

Mayor's Letter to City Council- The Mayor's quarterly report to the City Council as of March 2024 was presented to the Board.

Dr. Alva Butcher's Retirement- After more than two decades of providing oversight and counsel, TERS staff and Board thanked Dr. Alva Butcher for her dedication and presented her with a plaque to commemorate her invaluable contributions during her time on the Investment Advisory Committee.

**Adjourn**

Mayor Victoria Woodards, Board Chair, adjourned the meeting at 2:14 p.m.

*Adora Peters*

---

Adora Peters  
Recording Secretary

*Victoria R. Woodards*

---

Mayor Victoria Woodards  
Board Chair