

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

1:00 p.m., Thursday, April 11th, 2024
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Mayor Victoria Woodards, Board Chair, called the meeting to order at 1:04 p.m. on Thursday, April 11th, 2024.

Roll Call

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

Members Absent: Katie Johnston

Others Present: Tim Allen, Retirement Director
Catherine Marx, Retirement Director
Tim Atwill, Chief Investment Officer
Adora Peters, Recording Secretary
Charles Lee, Deputy City Attorney

Community Comments

Will be accepted in written form at TERSretirement@cityoftacoma.org and will receive written acknowledgment upon receipt. There were none received.

Consent Agenda

Motion: Upon motion by Andy Cherullo and seconded by Gordon Cavanaugh, and one abstention by Vice Chair, Samuel Bencoter, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the March 14th, 2024, Retirement Board meeting.

Old Business

Investment Update-

Chief Investment Officer, Tim Atwill presented an update on current investment information and provided highlights of his recent round of manager visits. Reviewed material and education regarding Overlay and answered questions as they arose.

New Business

Worst Case Scenario-

Retirement Director, Tim Allen presented information on the worst-case scenario. Reviewed Asset Class Performance reported in 2009 by Wilshire as an example. Retirement Director, Tim Allen emphasized to the Board that for continued success, it is essential to be attentive to the proper review and allocation of assets.

A Tale of Three Cities-

Retirement Director, Tim Allen presented a comprehensive historical overview of pension systems from Seattle and Spokane in relation to the Tacoma Employees' Retirement System (TERS) and the notable differences that have emerged since the year 2000. He reviewed the impacts of investment and contribution choices on each of the systems' results, the factors driving these changes, and their effects on portfolio performance. Additionally, he then linked decisions the TERS Board has made to the outcomes for the TERS system. Lastly, he then addressed future recommendations and answered all questions raised during the discussion.

NCPERS Peer Plan Analysis-

Chief Investment Officer, Tim Atwill presented information pertaining to NCPERS (National Conference on Public Employee Retirement Systems) and what benefit their data provides. He then reviewed information and graphs comparing TERS information to the other member plan's data.

Private Real Estate Education/ Manager Decision –

Chief Investment Officer, Tim Atwill provided education on private real estate and answered questions to the Board as they arose. Additionally, he reviewed arguments for moving TERS's entire private real estate allocation to passive and then presented to the Board the Investment Advisory Committee report which agreed on doing so. CIO, Tim Atwill then requested a motion to terminate Invesco.

Motion: Upon motion by Justin Angove, seconded by Andy Cherullo, and one abstention by Vice Chair, Samuel Benscoter, the Board of Administration authorizes staff to terminate Invesco via an in-kind transfer of Invesco holdings to IDR.

Retirement Director’s Report-

Chief Investment Officer, Tim Atwill presented the latest funded ratio projection to the Board. Retirement Director, Catherine Marx reminded the Board that next month’s Quarterly TERS Board meeting will be the most important meeting of the year. Retirement Director, Catherine Marx then made updates regarding the retirement benefit presentations that will occur along with numerous other sessions being hosted by TERS Staff for members. She also informed the Board that an offer has been made and accepted by Samuel Bencoter for the new Assistant Retirement Director position. She provided an update regarding the upcoming TERS Board elections and the upcoming actuarial audit. Retirement Director, Catherine Marx also provided updates that TERS Staff met with Tacoma-Pierce County Health Department representatives, that she has met with IT, HR, and Payroll regarding the SAP upgrade, and finally, that the State Auditor’s office will be meeting with staff to begin the annual audit of TERS 2023 financial statements.

Good of the Order

Retirement Transactions Report – March 2024

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

Educational Opportunities-

The Board was provided electronically a list of upcoming educational opportunities for the year 2024 and asked if any members would like to participate.

Motion: Upon motion by Michael Hall, seconded by Justin Angove, and one abstention by Vice Chair, Samuel Bencoter, the Board of Administration authorizes, upon reelection, Kim Moore to attend the National Conference on Public Employee Retirement Systems in May of 2024.

Adjourn

Mayor Victoria Woodards, Board Chair, adjourned the meeting at 3:04 p.m.

Adora Peters

Victoria R. Woodards

Adora Peters
Recording Secretary

Mayor Victoria Woodards
Board Chair