

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

10:00 a.m., Thursday, November 14th, 2024
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Andy Cherullo, Second Vice Chair, called the meeting to order at 10:02 a.m. on Thursday, November 14th, 2024.

Roll Call

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

Members Absent: Mayor Victoria Woodards

Investment Advisory Committee Present: Michael Thomas, Dr. Kevin Boeh
Geoffrey Curran & Randall Hegarty

Presenters: Felicia Bennett, Wilshire
Brian Bubrick, Wilshire
Ali Kazemi, Wilshire
Dalia Polishuk, Wilshire
Dana Woolfrey, GRS
Krysti Kiesel, GRS

Others Present: Catherine Marx, Retirement Director
Samuel Benscoter, Assistant Retirement Director
Tim Atwill, Chief Investment Officer
Adora Peters, Recording Secretary
Heather Salter, Office Assistant

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 Michael Sterling and seconded by Gordon Cavanaugh, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the October 10th, 2024, Retirement Board meeting.

Change to Order of Business

Retirement Director Catherine Marx requested an adjustment to the agenda. She asked to move the Good of the Order item, Training and Education Opportunities, to follow the Consent Agenda. The Second Vice Chair Andy Cherullo, and the Board agreed.

Good of the Order

Training and Education Opportunities

An updated Terms of Office was distributed to the Board. Alternate Board Member, Tammy Liddle Lobban expressed interest in attending the 2025 National Conference on Public Employee Retirement Systems being held in Denver, Colorado May 18-21st, 2025. Following Wilshire's presentation, Board Member Katie Johnston requested to attend the Wilshire Client Conference April 8-9th, 2025 in Rancho Mirage, California.

Motion: Upon motion by Kim Moore and seconded by Gordon Cavanaugh, the Board of Administration accepted and approved Alternate Board Member, Tammy Liddle Lobban to attend the 2025 National Conference on Public Employee Retirement Systems in Denver, Colorado.

Motion: Upon motion by Kim Moore and seconded by Gordon Cavanaugh, the Board of Administration accepted and approved Board Member, Katie Johnston to attend the 2025 Wilshire Client Conference in Rancho Mirage, California.

New Employee Introduction

Retirement Director Catherine Marx introduced and welcomed new Office Assistant, Heather Salter, to the Board.

Old Business

Investment Update

Chief Investment Officer Tim Atwill presented investment and manager contract process updates to the Board.

New Business

Investment Advisory Committee Nomination

Chief Investment Officer Tim Atwill noted the terms for TERS Investment Advisory Committee members Geoffrey Curran and Michael Thomas expire in December 2024. No external inquiries or applications were received. As such, he recommended reappointing both members for additional one-year terms.

Motion: Upon motion by Michael Hall and seconded by Kim Moore, the Board of Administration accepted and approved the reappointment of Investment Advisory Committee members, Geoffrey Curran, and Michael Thomas for one-year terms.

Funding and Benefits Policy Update

Retirement Director Catherine Marx reviewed the Funding and Benefits Policy updates, noting the recommendation to reduce the amortization period of the Unfunded Actuarial Accrued Liability (UAAL) from 25 to 20 years, as outlined in Milliman's Experience Study presented at the October TERS Board Meeting.

Motion: Upon motion by Gordon Cavanaugh and seconded by Katie Johnston, the Board of Administration accepted and approved the Funding and Benefits Policy as presented effective November 14th, 2024.

Wilshire – Quarterly Investment Report

The Retirement Board and Investment Advisory Committee received the 2024 3rd Quarter Executive Summary from Wilshire Advisors electronically. Wilshire Advisors presented The Tacoma Employees' Retirement System Quarterly Investment Summary for September 30, 2024, highlighting key market trends and performance. Felicia Bennett from Wilshire presented the market commentary, economic/ market activity, and trends. She also reviewed how this information relates to TERS investment beliefs. Brian Bubrick from Wilshire then presented the quarterly asset allocation information. Additionally, Ali Kazemi from Wilshire presented the sponsor peer group analysis. He also provided information and invited the Board to the first Wilshire Client Conference since 2018 in Rancho Mirage, California which will take place April 8th and 9th of 2025. Then Ali Kazemi presented the Pension Plan Fee Analysis. All questions raised by the Board were addressed and answered. The Executive Summary of Performance for the period ending September 30, 2024, serves as an addendum to the minutes.

Review of Investment Policy Statement Update

Chief Investment Officer Tim Atwill provided an updated version of TERS' Investment Policy Statement. Notable changes consist of; simplifications of language, removing ambiguity, and updated rebalancing parameters. He reviewed the recommended changes and answered all questions that arose during the discussion. It was recommended the Board review all redlined items and changes, as at the next Board meeting a more in-depth conversation will take place, and a motion request for approval.

Investment Advisory Committee Comments

Randall Hegarty of the IAC shared the group's support for the updated Investment Policy Statement, including the addition of investment beliefs as a guiding principle. The IAC also endorsed the rebalancing parameters and emphasized aligning reporting to prioritize long-term success while addressing short-term considerations. Geoff Curran and Dr. Kevin Boeh added their input, supporting the IAC's comments.

GRS—Actuarial Audit

Retirement Director Catherine Marx introduced Dana Woolfrey and Krysti Kiesel of Gabriel, Roeder, and Smith (GRS). Referencing the TERS Actuarial Audit Policy, an actuarial audit will be conducted every five years to review current actuarial assumptions for reasonableness, compare them to published survey data (where appropriate), and make recommendations or suggest areas for further study. Dana Woolfrey 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 a "squeaky clean audit" and the results were well within acceptable tolerances. They made a minor recommendation for consideration in the next experience study. Based on GRS's review, the actuarial valuation, studies, and reports of TERS are reasonable and provide a fair and reasonable assessment of the financial position of TERS. The GRS Actuarial Audit presentation materials and the Actuarial Audit of the January 1st, 2024 Actuarial Valuation Report were distributed to the Board electronically.

Retirement Director's Report

Retirement Director Catherine Marx presented the Retirement Director's Report to the Board. In addition, Catherine Marx verbally informed the Board that the third mailing of biannual Affidavits for in-state retirees is underway, and those who fail to submit notarized Affidavits risk pension suspension. The Retirement Director's report serves as an addendum to the minutes.

Good of the Order

Retirement Transactions Report – October 2024

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

Mayor's Letter to the City Council

The Mayor's quarterly report to the City Council as of September 30, 2024 was presented to the Board.

Adjourn

Andy Cherullo, Second Vice Chair, adjourned the meeting at 12:45 p.m.

Adora Peters

Adora Peters
Recording Secretary

Victoria R. Woodards

Mayor Victoria Woodards
Board Chair