

Regular Meeting
Board of Administration
Tacoma Employees' Retirement System
1:00 p.m., July 9, 2020

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

1:00 p.m., Thursday, July 9, 2020
The meeting was held online, with dial-in available for the public

Minutes

Call to Order

Sam Bencoter, Vice Chair, called the meeting to order on Thursday, July 9, 2020 as the Mayor had delegated her Chair role for the duration of the meeting.

Roll Call

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

Members Absent: Mayor Victoria Woodards and Tadd Wille

Others Present: Tim Allen, Retirement Director
Catherine Marx, Asst. Retirement Director
Melanie Panui, Recording Secretary
Charles Lee, Deputy City Attorney

Presenters: Felicia Bennett, Wilshire Associates
John Gaffney, Wilshire Associates
Shawn Quinn, Wilshire Associates

Citizen Comments

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

Consent Agenda

Upon motion by Andy Cherullo, seconded by Jim Sant, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the March 12, 2020 and May 14, 2020 Retirement Board meeting.

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Change the Order of Business

The Chair adjusted the agenda to move Old Business – Investment Update and Budget Update to follow New Business – Exit Interview - State Auditor.

New Business

State Auditor's Office – Exit Interview

Assistant Retirement Director Catherine Marx introduced Linda Mastin with the State Auditor's Office, who presented the Exit Conference for the 2019 Tacoma Employees' Retirement System's financial audit.

The Washington State Auditor's Office (WSAO) Financial Statements Audit Report, No. 1026510, was distributed to the Board in the Board packet; Ms. Mastin indicated it will also be available on the WSAO website.

It was noted in the Independent Auditor's Report that the Tacoma Employees' Retirement System had received an unqualified audit opinion for calendar year 2019. There were no uncorrected misstatements and no material misstatements in the audited financial statements or schedules.

The next annual financial statement audit for TERS is scheduled to begin in April 2021, although an audit of GASB 68 disclosures will occur later in 2020.

Old Business

Investment Update

Tim discussed some contacts he has had with several existing investment managers over the prior weeks.

There was then a short presentation on a potential Real Assets investment opportunity, with Wilshire staff fielding questions from the TERS Board.

Upon motion by Andy Cherullo, seconded by Matthew Hedges, the Board of Administration approves a \$25 million commitment to Melody Fund II, subject to successful contract negotiations.

Old Business - Continued

Budget Update

Assistant Retirement Director Catherine Marx presented the 2019-2020 Biennial Budget results to date for TERS. She described the General Government directive for each department to identify ways to reduce discretionary spending by 15% for the upcoming 2021-2022 Budget. TERS went through this exercise and identified some spending reductions that could be achieved with minimal service level impact. However, to reach the 15% target, TERS would have to delay implementation of several IT enhancements and improvements. The City's Budget Office is still working with individual departments and not all proposals will move forward. Several TERS Board Members stated their opposition to constraining the technology spending over the coming years.

Retirement Director's Report

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

There was an update on the pending active member election for the position currently held by Gordon Cavanaugh. Deputy City Attorney Charles Lee with work with The Retirement Director and the City Clerk on a plan to move this election along. Vice Chair Sam Bencoter noted that mailing costs for a vote-by-mail process might be deductible under the CARES Act and suggested the Retirement Director look into this possibility.

Good of the Order

Retirement Transactions Report – June 2020

The Retirement Transactions Report – June 2020 was provided electronically to the Board in the Board Packet.

Additional Topics- None.

Adjourn

Sam Bencoter adjourned the meeting at 12:30 p.m.

Melanie Panui

Melanie Panui
Recording Secretary

Victoria R. Woodards

Mayor Victoria Woodards
Board Chair