

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

1:00 p.m., Thursday, October 13, 2022

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, October 13, 2022

**Roll Call**

Members Present: Sam Bencoter, Gordon Cavanaugh, Andy Cherullo,  
Katie Johnston, Kim Moore, and Jim Sant.

Members Absent: Wayne Reed and Mayor Victoria Woodards

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

**Resident Comments**

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

**Consent Agenda**

**Motion:** Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the August 11, 2022, Retirement Board meeting, as amended.

**Old Business**

**Investment Update**

Deputy Chief Investment Officer Tim Atwill previewed the challenging sector level investment performance for a number of asset classes. All U.S. Public Equity indices (by Size/Style) have negative returns over 1-month, 3-month, 9-month and 12-month periods ending September 30, 2022. All non-U.S. Public Equity indices also posted negative returns over these same periods. All U.S. Fixed Income sectors (except 3-month Bank Loans) also posted negative returns over these periods. Wilshire will be presenting TERS' Q3 2022 investment performance at the November Board meeting.

## **CEM Benchmark Review**

Retirement Director Tim Allen summarized TERS' results in the CEM Benchmark Study. He noted that the peer comparisons were somewhat tenuous, given ninety-two of the one hundred forty two respondents in the U.S. Universe are corporate defined benefit plans. Also, variances in asset allocation explain a significant amount of the peer-relative differences in investment-related costs.

## **New Business**

### **TERS Budget**

Assistant Retirement Director Cathy Marx presented a proposal for the 2023-2024 Biennial Budget for TERS. She noted the vast majority of projected expenditures are contractually obligated, either pension benefit payments or asset management fees. She also pointed out that investment earnings are often significantly different than what is projected in the Budget, as market returns are volatile.

**Motion:** Upon motion by Andy Cherullo, seconded by Katie Johnston, the Board of Administration approved the proposed TERS budget for year 2023-2024.

### **Core Fixed Income Overview**

Deputy Chief Investment Officer Tim Atwill reviewed the role of fixed income in TERS' investment portfolio and walked through the differences between Core and Core Plus mandates. He foreshadowed a need in 2023 to add another active fixed income manager to complement the existing assignment with TCW.

### **2022 Report on City & County Retirement Systems**

Retirement Director Tim Allen walked the Board through Wilshire's 2022 Report on City & County Retirement Systems report. He noted that the average funded ratio of the 107 participating plans bounced from 71.1% in June 2020 to 86% in June 2021 and then back down to 73.3% in June 2022.

## **Retirement Director's Report**

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

## **Good of the Order**

### **Retirement Transactions Report – August and September 2022**

The Retirement Transactions Reports for August and September 2022 were provided electronically to the Board in the Board Packet.

## Summary Annual Financial Report 2021

The Summary Annual Financial Report as of December 31, 2021, was presented to the Board. Retirement Director Tim Allen noted this report will likely be redesigned for next year's issuance.

### Adjourn

Sam Benscoter, Vice Chair adjourned the meeting at 2:05 p.m.

*Melanie Panui*

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Melanie Panui  
Recording Secretary

*Victoria R. Woodards*

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Mayor Victoria Woodards  
Board Chair