

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

1:00 p.m., Thursday, April 13, 2023
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Sam Bencoter, Vice Chair, called the meeting to order on Thursday, April 13, 2023.

Roll Call

Members Present: Mayor Victoria Woodards Justin Angove, Sam Bencoter, Andy Cherullo, Michael Hall, Katie Johnston, Kim Moore, Jim Sant, Tosha Siebert

Members Absent: Gordon Cavanaugh

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

Resident Comments

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

Consent Agenda

Motion: Upon motion by Justin Angove, seconded by Andy Cherullo, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the March 9, 2023, Retirement Board meeting.

Old Business

Investment Update

Retirement Director Tim Allen noted that the Q1 2023 performance review will show a higher than normal cash balance but that was in preparation for TERS' overlay program with Parametric successfully launched on April 1st, essentially equitizing the cash balance.

Investment Update -continued

He provided a review of the Core Plus manager search led by Deputy Chief Investment Officer Tim Atwill. Possible candidates have been narrowed down to three and a recommendation to hire two new managers is expected to be brought forward at the May 11th TERS Board meeting. Finally he discussed asset class level performance for Q1 2023 to foreshadow TERS' likely investment returns which will also come at the May meeting.

New Business

Volatile Markets Policy

Retirement Director Tim Allen pointed out that cash is no longer the primary source of liquidity in periods of volatility, as that has now been equitized with the new overlay program. He then reviewed the other revisions to the policy that resulted from changes in the investment manager lineup.

Motion: Upon motion by Andy Cherullo, seconded by Kim Moore, the Board of Administration adopted the Volatile Markets Policy as presented.

Duties and Delegations

Retirement Director Tim Allen walked the Board through the Duties & Delegations to the Retirement Director document.

Motion: Upon motion by Andy Cherullo, seconded by Justin Angove the Board of Administration adopted the Duties and Delegations as presented.

Peer Plan Analysis

Retirement Director Tim Allen discussed the results of a peer plan analysis compiled by Deputy Chief Investment Officer Tim Atwill. A cohort of U.S. city public pension systems was compiled using information gathered by NCPERS. The data presented is viewed as more comparable for TERS versus analysis from CEM Benchmarking which aggregates responses from both public and private defined benefit systems.

Milliman Public Pension Report

Retirement Director Tim Allen walked the Board through Milliman's annual assessment of the 100 largest U.S. public pensions. One point that was noted was that for the first time in the history of this study the median independently projected rate of return for these plans (based on their asset allocations and Milliman's capital market assumptions) exceeded the median assumed rate of return.

Retirement Director's Report

Board Member Jim Sant (the current designee of the TPU Director) announced that this would be his final meeting. The TERS Board had previously presented him with a plaque to commemorate his TERS Board time, but then thanked him for his service to the system. He announced that TPU Director Jackie Flowers had named Tosha Siebert to serve in this designee Board Member role to replace him.

The TERS Board then discussed options for the Alternate TERS Board Member, as Tosha Siebert had been named to this role at the March 9th Board meeting. Given that the TERS Board had just recruited and interviewed candidates for the Alternate position in March, the Board selected the new Alternate Board Member from those applicants.

Motion: Upon motion by Katie Johnston, seconded by Andy Cherullo, the Board of Administration appointed candidate Tammy Liddle Lobban as the Alternate TERS Board Member for a three-year term.

Tim Allen then reviewed some near-term staffing issues the Retirement Department is experiencing, and foreshadowed some additions he hopes to have in place over the coming months.

He then reviewed some additional work that the System's actuary has been asked to perform and informed the TERS Board that he is adding additional funds to their existing contract.

Board Education

Tim Allen requested approval to have new board members Justin Angove and Tosha Siebert attend an online introduction to investment training.

Motion: Upon motion by Andy Cherullo, seconded by Michael Hall, the Board of Administration approved Justin Angove and Tosha Siebert to attend Callan's Introduction to Investments.

Finally, he cited the upcoming launch of the annual audit for TERS' financial statements by the State Auditor's Office.

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

Good of the Order

Terms of Office

Retirement Director Tim Allen presented an updated version of the Terms of Office document, but noted that a new version will now be needed and will be presented at the May 11th meeting.

Retirement Transactions Report – April 2023

The Retirement Transactions Report for February 2023 was provided electronically to the Board in the Board Packet.

Additional Topics- None

Adjourn

Sam Benscoter, Vice-Chair adjourned meeting at 2:23 p.m.

Melanie Panui

Melanie Panui
Recording Secretary

Victoria R. Woodards

Mayor Victoria Woodards
Board Chair