

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

1:00 p.m., Thursday, October 8, 2020

The meeting was held online, with dial-in available for the public

Minutes

Call to Order

Mayor Victoria Woodards, Chair, called the meeting to order on Thursday, October 8, 2020.

Roll Call

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

Members Absent: None

Investment Advisory
Committee Present: None

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
Ali Kazemi, 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 Matthew Hedges, the Board of Administration accepted and approved the Administrative Consent Agenda to include the drafted minutes of the September 10, 2020 Retirement Board meeting.

Change the Order of Business

The Chair adjusted the agenda to move Old Business – Investment Update and CEM Benchmarking Review to follow New Business – Review of Actuarial Economic Assumptions.

New Business

Review of Actuarial Economic Assumptions

At their October 2020 meeting, the TERS Board adopted new demographic assumptions and revised mortality tables. At that time, they decided to look more closely at the economic assumptions before revising these. Wilshire representatives were invited to the November meeting.

Felicia Bennett and Ali Kazemi presented Wilshire's views on the outlook for future inflation and provided guidance on other economic forecasts by their firm.

Upon motion by Andy Cherullo, seconded by Matthew Hedges, the Board of Administration voted to adopt Milliman's proposed second alternative to reduce the Plan's assumed rate of investment return to 6.75% from the current 7.00% and the assumption for inflation to 2.50 from the current 2.75%. The assumption for real wage growth will also be lowered, declining from 1.00% down to 0.75%. These new assumptions will first be utilized in the annual valuation report as of January 1, 2021 – this report will be presented to the TERS Board in May 2021.

Old Business

Investment Update

Retirement Director Tim Allen provided updates on some of TERS' existing asset managers based on conference calls and virtual meetings he attended since the prior Board meeting.

CEM Benchmarking Review

Retirement Director Tim Allen walked the Board through the annual analysis provided by CEM Benchmarking, noting relevant comparisons as well as limitations of the report.

Retirement Director's Report

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

Good of the Order

Retirement Transactions Report – September 2020

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

Additional Topics- None.

Adjourn

Sam Benscoter adjourned the meeting at 3:07 p.m.

Melanie Panui

Melanie Panui
Recording Secretary

Victoria R. Woodards

Mayor Victoria Woodards
Board Chair