

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

1:00 p.m., Thursday, March 10, 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, March 10, 2022.

**Roll Call**

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

Members Absent: Mayor Victoria Woodards

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

Presenters: Felicia Bennett, Wilshire  
Brian Bubrick, Wilshire  
Ali Kazemi, Wilshire

**Citizen 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 January 13, 2022, Retirement Board meeting.

**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 February 10, 2022, Retirement Board meeting.

## **Change the Order of Business**

The Chair adjusted the agenda to move New Business – Quarterly Investment Report to precede Old Business.

## **New Business**

### **Wilshire – Quarterly Investment Report**

The Retirement Board and Investment Advisory Committee received the Executive Summary – 4th Quarter 2021 from Wilshire Associates in electronic format.

Felicia Bennett provided an overview of economic and market conditions, setting the context for recent results. Brian Bubrick then provided the Total Fund Overview and reported the Tacoma Employees' Retirement System's net-of-fee rates of return as follows: 4.56% for the Fourth Quarter, 18.06% for the one-year period, 13.32% for the three-year period, 9.81% for the five-year period, and 9.56% for the ten-year period ended December 31, 2021. Ali Kazemi presented further details of individual asset manager performance returns and attribution.

The Executive Summary of Performance for the period ending December 31, 2021 serves as an addendum to the minutes.

## **Old Business**

### **Investment Update**

Deputy Chief Investment Officer Tim Atwill reviewed Wilshire's Market Report as of February 28, 2022, noting the negative investment returns across most asset classes through the first two months of 2022.

### **Proxy Voting Proposal**

Deputy Chief Investment Officer Tim Atwill revisited the Proxy Voting proposals offered by BlackRock for use with public equity mandates they oversee. Discussion of the various options ensued.

**Motion:** Upon motion by Katie Johnston, seconded by Matt Hedges, the Board of Administration voted to adopt the Public Fund Policy for proxy voting use with TERS' global public equity mandates with BlackRock.

## **Duties & Delegations to the Retirement Director**

Retirement Director Tim Allen presented the Duties & Delegations to the Retirement Director document, noting it was last updated in 2019. Proposed revisions included referring to the annual report going forward as the Annual Comprehensive Financial Report as well as an increase in the Director's discretionary spending authority. Discussion continued regarding the spending authority and additional language was proposed as follows: "the Director is delegated authority to enter into contracts that do not exceed \$200,000 per year, with prompt notification to the Board of any material expenditures".

**Motion:** Upon motion by Kim Moore, seconded by Jonathan Schlaudraff, the Board of Administration approved the Duties & Delegations to the Retirement Director, as amended.

## **Public Pension Funding Index**

Retirement Director Tim Allen presented Milliman's Public Pension Funding Index to the Board for their consideration.

## **New Business - continued**

### **A Look at the Impact of Inflation on TERS**

Deputy Chief Investment Officer Tim Atwill presented analysis of the impact of changes in inflation on TERS' contributions, assets, liabilities and funded status.

### **Vice Chair and 2<sup>nd</sup> Vice Chair**

The one-year terms for the Vice Chair and Second Vice Chair are set to expire later in 2022.

**Motion:** Upon motion by Jim Sant, seconded by Jonathan Schlaudraff, the Board of Administration approved the extension of the one-year term for Sam Benscoter as Vice Chair of the Board of Administration and the extension of the one-year term for Andy Cherullo as Second Vice Chair of the Board of Administration.

## **Retirement Director's Report**

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

## **Good of the Order**

### **Milliman COLA Letter**

Tim reported on the July 2022 Cost of Living Adjustment (COLA) letter provided by Milliman, showing that most eligible retirees would receive a 2.125% adjustment starting with the July 1, 2022 pension payment.

**Investment Advisory Committee Annual Letter**

As required in RCW 35.39, a copy of the 2021 Investment Advisory Committee Statement was distributed to the Board.

**Mayor’s Letter to City Council**

As required in the Tacoma Municipal Code, on a quarterly basis Mayor Victoria Woodards, Board Chair, provides a TERS update report to members of the City Council. A copy of the memo dated March 10, 2022 was distributed to the Board.

**Retirement Transactions Reports – January & February 2022**

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

**Additional Topics- None.**

**Adjourn**

Sam Benscoter, Vice Chair adjourned the meeting at 2:43 p.m.

*Melanie Panui*  
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Melanie Panui  
Recording Secretary

*Victoria R. Woodards*  
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Mayor Victoria Woodards  
Board Chair