

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
October 28, 2015**

Mike Coster called the regular monthly meeting to order at 11:04 a.m. in the 5th Floor Conference Room at City Hall.

Present: Mike Coster, Mike Cavanaugh, Jim Tieken, Jerry McFarlane, Dean Kiefer, and Brian Brill

Absent: Jon Snyder

Staff: Phill Tencick, Donald Brown, and Tim Szambelan

Guests: Richard Czernik, Joan Hamilton, Natalie Hilderbrand, Dave Henshaw, Blaine Stum, and John Bjork

Open Session

Minutes of the September 30, 2015 Meeting

Jerry McFarlane moved and Mike Cavanaugh seconded the motion to approve the minutes of the September 20, 2015 meeting as presented. The motion passed unanimously.

Director's Report

Service Retirements

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Michael R. Jobe	53	10/02/2015	18.3	ST
Steven G. Anderson	66	10/24/2015	11.2	D
Susan R. Arneson	66	12/05/2015	20.7	E
George M. Hoagland	66	01/05/2016	42.0	E
Stephen D. Weathermon	65	01/09/2016	35.2	C-5

Jim Tieken moved and Dean Kiefer seconded the motion to approve the service retirements as amended on the October Retirement Transaction Report. The motion passed unanimously.

Withdrawals for October 2015

<i>Name</i>	<i>Years of Service</i>	<i>Department</i>	<i>Termination Date</i>
Heather A. Greene-Beloit	3.4	Library	08/11/2015

Mike Cavanaugh moved and Dean Kiefer seconded the motion to approve the requests for withdrawal as presented on the October Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Jeffrey A. Beegle	Solid Waste Management	13.3

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Marjorie S. Atwood	04/02/1988	92	10/13/2015	No Further Benefits
Winnie G. Kreitz	05/04/1993	84	10/13/2015	No Further Benefits

Vesting and death information provided to the Board for review.

Expenditure Summary Report – September 2015

The Expenditure Summary Report was presented to the Board and discussed. Mr. Tencick anticipates going to City Council to request an EBO for \$460,000 for pensions. He explained the methodology used when the budget was prepared in July 2014, and due to the increase in retirements for the second half of 2014, the pension payments for 2015 have been higher than budgeted.

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the September 2015 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – September 2015

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on September 30, 2015 was \$277.5 million with an estimated rate of return for September of -2.60%.

Auditor Contract

An RFP process was used to determine the recommended auditor. Eide Bailly, Clifton Larson Allen, and Moss Adams responded to the RFP. The three firms made in-person presentations to the Audit RFP Committee. Mr. Tencick informed the Board that the Committee recommended that SERS retain the services of Moss Adams.

Mike Cavanaugh moved and Dean Kiefer seconded the motion to enter into contract with Moss Adams for the SERS audit. The motion passed unanimously.

Other Business

Mr. Tencick briefed the Board on the debut of the PeopleSoft Estimator at the Benefits Fair. Staff was onsite to assist members with logging into and using the Estimator. The feedback from the members was positive.

Investment Consulting Presentations

The four finalists (Hyas Group, Callan Associates, Pension Consulting Alliance, and Wilshire Associates) made in-person presentations to the Board. The presentations focused on four primary questions: whether the current 7.5% rate of return was reasonable, what risk factors may prevent the plan from meeting its target rate of return, what the proposed working relationship would look like, and what are the qualities of a plan sponsor that make the consulting relationship the most fruitful.

Closed Session

The Board entered into executive session at 4:00 p.m. for approximately 45 minutes to discuss the Investment Consultant Scoring.

Open Session

Mike Cavanaugh moved and Jerry McFarlane seconded the motion to retain Hyas Group as the Investment Consultant for the Spokane Employees' Retirement System. The motion passed unanimously.

Other Business

There being no other business, the meeting adjourned at 4:50 p.m.

/s/

Phillip Tencick, Retirement Director