

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
January 27, 2016**

The regular monthly meeting was called to order at 1:31 p.m. in the 5th Floor Conference Room at City Hall.

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

Absent: Dean Kiefer

Staff: Phill Tencick, Christine Shisler, Donald Brown, and Tim Szambelan

Guests: Joe Cavanaugh, Joan Hamilton, Natalie Hilderbrand, Richard Czernik, and John Bjork

Election of Chairperson

Jim Tieken moved and Brian Brill seconded the motion to elect Mike Coster as Board Chairperson for the year 2016. The motion passed unanimously.

Minutes of the December 2, 2015 Meeting

Mike Cavanaugh moved and Jerry McFarlane seconded the motion to approve the minutes of the December 2, 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 F. Busby	50	12/29/2015	16.2	E
Steffon P. Sobosky	52	01/05/2016	8.1	E
Pamela J. Brenden	55	01/06/2016	24.0	ST
Ole J. Lokken	65	01/08/2016	27.5	E
Della P. Gaylord	61	01/11/2016	24.2	E
Jerry A. Coulter	61	01/15/2016	31.0	ST
Richard L. Deibel	66	01/15/2016	22.8	ST
Donna R. McBride	50	02/02/2016	19.9	C-15
Roy Cheney	62	02/13/2016	25.3	D
Geoffrey D. Glenn	52	02/13/2016	23.7	ST
Linda L. Hattenburg	67	02/13/2016	32.5	ST
Robert J. Morgan	62	02/13/2016	23.2	E

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the service retirements as presented on the January Retirement Transaction Report. The motion passed unanimously.

Withdrawals for January 2016

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
William J. Tucker	2.2	09/25/2015
Cynthia A. Sager	0.6	10/23/2015
Jaime N. Rowland (beneficiary of Glenn E. Martin)	14.1	12/05/2015

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the requests for withdrawal as presented on the January Retirement Transaction Report. The motion passed unanimously.

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Natella I. Stickels	06/06/2007	69	11/24/2015	No Further Benefits
Caryl J. Anstadt	11/04/1995	83	12/04/2015	No Further Benefits

Death information provided to the Board for review.

Expenditure Summary Report – November 2015

The Expenditure Summary Reports for November 2015 and December 2015 were presented to the Board and discussed. The Expenditure Summary Report for December 2015 was estimated as investment manager fees for December and fourth quarter 2015 have not all been received.

Jim Tieken moved and Mike Cavanaugh seconded the motion to approve the November 2015 and December 2015 Expenditure Summary Reports as presented. The motion passed unanimously.

Schedule of Investments – December 2015

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on December 31, 2015 was \$277 million with an estimated rate of return for December of -1.32%.

Investment Advisory Committee Meeting Minutes

Jim Tieken moved and Jerry McFarlane seconded the motion to acknowledge the minutes of the January 21, 2016 SERS Investment Advisory Committee Meeting. The motion passed unanimously.

Contribution Statement Letter

Included with the Board Packets was a draft letter from the Director to include with the annual employee contribution statements. Mr. Tencick asked for comments from the Board to be made by January 29.

Other Business

Mr. Tencick update the Board on the public disclosure exemption currently being sought by Washington's three city pension plans. The bill is in committee in both the House and Senate and Mr. Tencick is travelling to Olympia to provide testimony.

2016 Education Priorities

Mr. Tencick discussed the results of the survey that asked the Board members to rank education topics. Based on the survey results, a schedule for the 2016 Board meetings was presented with fiduciary duty, investments, actuarial matters and risk management being the educational priorities to be addressed.

Asset Allocation Risk Factors

Mr. Tencick presented a risk management framework that identified several risk factors facing the Plan and its investments and those that could be addressed during the asset allocation process. Potential changes were identified, with the Board asking for further education before making a decision on which risk factors to model.

Other Business

Mike Coster thanked Jerry McFarlane for his service to the Board over the past 20 years.

There being no other business, the meeting adjourned at 3:01 p.m.

/s/

Phillip Tencick, Retirement Director