

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

The regular monthly meeting was called to order at 1:30 p.m. in the 5th Floor Conference Room at City Hall.

Present: Mike Coster, Mike Cavanaugh, Jim Tieken, Breean Beggs, Dean Kiefer, and Brian Brill

Staff: Phill Tencick, Christine Shisler, and Donald Brown

Guests: Bill Dowd, Bill Reid, Kris Ryan, Joe Cavanaugh, Joan Hamilton, Natalie Hilderbrandt, Bob Olsen, Richard Czernik, and John Bjork

Bill Dowd and Bill Reid, SageView Consulting – 2015 Actuarial Valuation

Mr. Dowd and Mr. Reid presented the December 31, 2015 Actuarial Valuation.

The actuarial funded status as of December 31, 2015 was 53.2%, using the blended discount rate required by GASB 67. Without GASB 67, the funding status would have decreased from 69.3% to 68.1%. The Plan's current funded status is in line with the long-term glide path strategy implemented in 2012 to ensure the Plan returns a fully funded status; however the long-term projections fall below the glide path based on the current contribution rate and assumed rate of return.

Ad-Hoc

As the funded ratio is less than 90% and in accordance with SERS Board policy, SageView recommended an ad hoc increase not be granted.

Mike Cavanaugh moved and Jim Tieken seconded a motion for no ad hoc adjustment to retirees in accordance with Board policy. The motion passed unanimously.

Minutes of the March 30, 2016 Meeting

Dean Kiefer moved and Breean Beggs seconded the motion to approve the minutes of the March 30, 2016 meeting as presented. The motion passed unanimously.

Minutes of the April 14, 2016 Special Meeting

Jim Tieken moved and Mike Cavanaugh seconded the motion to approve the minutes of the April 14, 2016 special 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>
Scott N. Craig	51	04/18/2016	13.6	ST
Kathy S. Parsons	57	05/03/2016	35.0	ST
Donald M. Hokenson	62	05/28/2016	26.8	C-20
Janet L. Roys	60	07/09/2016	25.0	D

Mike Cavanaugh moved and Breean Beggs seconded the motion to approve the service retirements on the April Retirement Transaction Report. The motion passed unanimously.

Withdrawals for April 2016

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Selby L. Smith	1.9	12/31/2015
Cynthia G. Olsen	6.3	01/01/2016
Mark W. Finke	2.1	04/08/2016

Dean Kiefer moved and Jim Tieken seconded the motion to approve the requests for withdrawal as presented on the April Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Kandace L. Watkins	Grants Management & Financial Assistance	2.1 Portable

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Jessie R. Amsberry	10/15/1976	99	04/01/2016	No Further Benefits
Randee L. Sturdevant	04/23/2005	61	04/05/2016	No Further Benefits

Vesting and death information provided to the Board for review.

Expenditure Summary Report – March 2016

The Expenditure Summary Report was presented to the Board and discussed.

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the March 2016 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – March 2016

The monthly investment report was presented to the Board for review. The estimated

market value of the SERS portfolio on March 31, 2016 was \$266 million with an estimated rate of return of 4.15%.

Other Business

US Bank's automated cash management platform was unable to accommodate the Vanguard Treasury Money Market Fund that was selected by the Board in February. Hyas group will present alternative options, including cash overlay, at the next Board meeting.

Notice of Election for SERS Employee Board Member

Mike Coster was elected without requiring a ballot, as his name was the only nomination that was received by the City Clerk's office.

Pension Payroll Process

Ms. Shisler briefly explained the pension payroll process flow-chart that had been prepared by Mr. Tencick, noting the key changes. Previously, the IT Operations would hold the file until closer to the payment date. Going forward, they will forward the file immediately to the bank. Once the bank receives the file, IT Operations receives an email confirmation, the email confirmation is forwarded to Payroll and will now be forwarded additionally to Ms. Shisler.

Other Business

Mike Cavanaugh asked for a status update on replacing the position vacated by Jerry McFarlane in January of this year. Mr. Tencick explained that he had been meeting with professionals from the community who fit the specialized skill set he felt was needed for this position on the Board. The one citizen he felt would be the best candidate recently declined the opportunity to join the Board. Mr. Tencick asked the Board if they knew of anyone who may be interested to pass along their contact information.

There being no other business, the meeting adjourned at 2:50 p.m.

/s/

Phillip Tencick, Retirement Director