

Spokane Employees' Retirement System (SERS)
Board Meeting, 1:30 p.m. June 29, 2016
City Hall - Conference Room 5A

AGENDA

- 1) Moss Adams – December 31, 2015 Audit Report
 - Information
- 2) Minutes of the May 25, 2016 Meeting
 - Motion
- 3) Minutes of the June 21, 2016 Meeting
 - Motion
- 4) Board Rules Updates
 - Motion
- 5) Asset Allocation Implementation Plan
 - Information
- 6) Money Market Search
 - Motion
- 7) Directors Report
 - a. Retirements
 - Motion
 - b. Withdrawals
 - Motion
 - c. Vesting
 - Information
 - d. Deaths
 - Information
 - e. Expenditure Summary Report – May 2016
 - Motion
 - f. Schedule of Investments – May 2016
 - Information
 - g. Funded Status
 - Information
 - h. Educational Opportunities
 - Information
 - i. Other Business
- 7) Other Business
- 8) Next Meeting – **Wednesday, July 27, 2016 at 1:30p.m.**

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
May 25, 2016**

The regular monthly meeting was called to order at 12:32 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, Donald Brown, and Tim Szambelan

Guests: Jayson Davidson, Joe Cavanaugh, Richard Czernik, and John Bjork

Jayson Davidson, Hyas Group, 2016 1st Qtr Investment Performance Report

Mr. Davidson reviewed the First Quarter 2016 Performance Report. He highlighted some newly added pages to the report showing more risk metrics and performance attribution. Hyas Group will add a definition page to the next report that provides an explanation of some of the reference risk metrics. The performance for the quarter was below policy with discussion focusing on the asset classes and managers that contributed to the disappointing performance.

The Board will maintain the watch status for the PIMCO Global Bond Fund, Berens Global Value Fund, Sterling Mid Cap Fund, and the Champlain Small Cap Fund. Performance for the Champlain Small Cap and Sterling Mid Cap options continued to comply with policy parameters, but will remain on watch for at least another quarter.

There was discussion regarding the addition of the Plan's funding ratio to the quarterly performance reports. Hyas recommended presenting this information outside the bound of the performance reports. Retirement Department staff will provide sample information as a handout at the next meeting.

Cash Overlay Presentation

Mr. Davidson provided an overview on cash overlay, which aims to eliminate the cash drag in the investment portfolio. The Board spent considerable time discussing the topic and requested more time to review the materials including an expanded presentation that Mr. Tencick will provide following the meeting. The topic will be added to a future agenda.

Money Market Search

Mr. Davidson notified the Board that the Vanguard Federal Money Market Fund that the Board selected at the February meeting could not be accommodated on the sweep platform at U.S. Bank, the Plan custodian. Hyas Group presented another money market fund search.

Jim Tieken moved and Mike Cavanaugh seconded the motion to replace the Fidelity

Institutional Money Market Fund with the BlackRock Federal Treasury Money Markey fund. The motion passed unanimously.

Hyas Group will work with the SERS Staff and custodian to implement this change as soon as possible.

Asset Allocation and Investment Policy Statement Update

The Investment Policy Statement will be updated after the Asset Allocation has been performed. The Asset Allocation Retreat is scheduled for June 21, 2016 at the South Hill Library meeting room.

Bridge City Capital Rate Reduction

Mr. Davidson discussed the 40 bp rate reduction the Plan received per contract with Bridge City Capital. The contract contains a “Most Favored Nations” clause that reduces the fees in the case when another investor pays lower fees than those charged to SERS.

Minutes of the April 27, 2016 Meeting

Dean Kiefer moved and Jim Tieken seconded the motion to approve the minutes of the April 27, 2016 meeting. The motion passed unanimously.

Director’s Report

Service Retirements

Name	Age	Retirement Date	Years of Service	Option
Debra D. Park	64	05/01/2016	3.1 Portability	ST
Karolyn K. Moat	50	05/14/2016	27.8	E
Kevin L. Burrill	51	05/20/2016	22.2	ST
David C. Stillman	64	06/04/2016	22.2	E
Richard M. Coe	62	06/16/2016	41.6	C-5
John W. Aiken, Jr.	64	07/02/2016	27.1	ST
Frank (Linc) Gaylord, Jr.	63	08/02/2016	18.7	E

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

Withdrawals for May 2016

Name	Years of Service	Termination Date
Heather C. Gillespie	3.6	11/05/2011
Sherilee M. Van Zandt	6.6	06/22/2015

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

Deaths

Name	Date Retired	Age	Date of Death	Information
Lucille F. Giesey	07/06/1996	74	04/08/2016	No Further Benefits
Gilbert D. Hanna	03/30/1985	90	05/02/2016	No Further Benefits
Donald C. Havens	03/26/1983	93	05/06/2016	No Further Benefits
Cheryl A. Eckhart	05/03/2009	57	05/15/2016	No Further Benefits

Death information provided to the Board for review.

Expenditure Summary Report – April 2016

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

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

Schedule of Investments – April 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 \$266.4 million with an estimated rate of return from March of 1.57%. The May pension payments were funded by a redemption from the PIMCO Commodities Fund.

There being no other business, the meeting adjourned at 2:15 p.m.

Phillip Tencick, Retirement Director

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
June 21, 2016

The Special Board Meeting was called to order at 1:02 p.m. in the Meeting Room at the South Hill Public Library.

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

Absent: Breean Beggs

Staff: Phill Tencick, Christine Shisler and Donald Brown

Guests: Jayson Davidson, Brian Loescher, Joan Hamilton, Joe Cavanaugh, Dave Hanshaw, Natalie Hilderbrand and Bob Olsen

Hyas Group presented the formal June 2016 SERS Asset Allocation Study. The Board discussed allocation strategies and expected return/risk outcomes. After full consideration of various portfolio structures, Hyas Group recommended the following asset allocation:

Total Return Fixed Income	10%
High Yield	5%
US Large Cap Equity	21%
US Small/Mid Cap Equity	11%
International Large Cap Equity	15%
International Small/Mid Cap Equity	4%
Emerging Market Equity	3%
Absolute Return	8%
Long Biased Hedge Funds	7%
Real Estate	9%
Opportunistic Credit	7%
Special Opportunities	0% (Up to 10% allowed)
Projected Rate of Return	7.75%
Projected Risk	11.87%

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the recommended asset allocation. The motion passed unanimously. Staff will work with Hyas Group on setting an implementation timeline to present at the next Board meeting.

Mr. Davidson informed the Board that they will need to again take action on the money market fund option. There was another operational issue with the custodian, US Bank, and they are unable to make use of the Black Rock Federal Treasury Money Market Fund

as the SERS cash sweep vehicle. Hyas Group will forward a final version of the revised money market search for the Board to consider the recommendation at the June 29th Board Meeting.

With the primary asset allocation decisions completed, Hyas Group will begin to revise the Investment Policy Statement. Hyas Group will make adjustments to the benchmarks and asset categories as warranted. Mr. Davidson will forward a draft to the Board soon and will target the August Board meeting for final approval of the document.

There being no other business, the meeting adjourned at 2:15 p.m.

Phillip Tencick, Retirement Director

DRAFT

**RULES OF THE BOARD OF ADMINISTRATION OF THE
SPOKANE EMPLOYEES' RETIREMENT SYSTEM
REVISED ~~DECEMBER 3, 2014~~ JUNE 29, 2016**

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**BOARD OF ADMINISTRATION
OF THE
SPOKANE EMPLOYEES' RETIREMENT SYSTEM
RULES**

RULE I

GENERAL

Section 1. PURPOSE. The purpose of these rules is to establish uniform methods of procedure for the conduct of the business of the Board of Administration of the Spokane Employees' Retirement System. This Board was established pursuant to the authority of Ordinance No. C7540 passed by the City Council September 22, 1941. Authorization for these rules is found in the Spokane Municipal Code (SMC) Chapters 03.05 and 04.14. "Robert's Rules of Order Newly Revised" shall guide the Board where the proceedings are not otherwise governed by these rules or the laws of the State of Washington.

Section 2. MEETINGS. The regular monthly meeting of the Board of Administration shall be held in City Hall, or other location as will be posted and the Board members notified. The meeting will be held on the last working Wednesday of each month at the time designated by the Secretary; provided, that if the last working Wednesday should fall on a holiday, the regular monthly meeting shall be held on the prior working day or any other day as designated by the Board. Special meetings of the Board of Administration may be held upon the call of the Chairperson, the Secretary, or a majority of members of the Board. All meetings shall be conducted in accordance with the "Open Public Meetings Act," RCW 42.30, and shall be open to the public.

Section 3. COMPOSITION OF THE BOARD OF ADMINISTRATION. The composition of the Board of Administration shall be as provided by SMC 04.14. The Retirement Director of the City of Spokane shall be Secretary of the Board. The Retirement Director and the Assistant Director must become members of the Retirement System upon appointment, if not already members.

Section 4. QUORUM. Four (4) members of the Board of Administration shall constitute a quorum.

Four (4) affirmative votes are needed to transact all business of the Board.

Section 5. APPOINTMENTS AND ELECTIONS. The appointment and election of members of the Board of Administration shall be in accordance with SMC 04.14. The name of a member appointed or elected shall be noted in the minutes of the next regular meeting of the Board of Administration subsequent to the appointment or election, along with the member's term of office.

Section 5.1. CONDUCT OF ELECTIONS. All nominations for election of members to the Board of Administration must be signed by at least 20 active members of the System and filed with the City Clerk in a timely manner. Write-in votes for candidates not certified for election shall not be counted. In the event only one nominee is certified for the election, a unanimous ballot shall be cast in the nominee's favor without ballot.

Section 6. THE TERM OF THE PRESIDENT. The President of the Board will be elected at the January meeting of each year.

Section 7. AGENDA AND ORDER OF BUSINESS. An agenda shall be prepared by the Secretary and distributed to the members at each regular monthly meeting.

Section 8. MINUTES. The Secretary shall take and prepare the official minutes of the Board of Administration containing the actions of the Board and a substantive account of the proceedings. A record of the Board members present and absent shall be entered, along with the ayes and nays and abstentions of each member when voting. The minutes shall be signed by the Secretary and placed on record. Copies shall be distributed to all members of the Board of Administration and such other persons as the Board may designate.

Section 9. ABSENCE.

(A) Each Board member is expected to notify the President or the Secretary prior to a scheduled meeting if that member will not be able to attend the meeting. Such notice will serve to establish such absence as excused. All attendance at meetings shall be recorded in the minutes of the meeting.

RULE II

PRESERVATION OF RETIREMENT CREDITS RELATED TO PORTABILITY

Section 1. Retaining or regaining of retirement service credits shall only be permitted for those systems which have entered into written agreements with the Spokane Employees' Retirement System or those covered by RCW 41.54.

Section 2. Service credits will only be retained in our system if the employee is a member of another public agency of the state covered by another public retirement system which is under contract with the Spokane Employees' Retirement System. No service credit shall be preserved or recovered in any fund or system until it is officially established that such member has been accepted into membership in one of the other retirement or pension funds or systems which is a party to this agreement.

Section 3. Members of the Retirement System shall have the sole responsibility of making application for retaining or regaining service credits.

Section 4. Service credits shall mean those prior and current service credits earned and established by membership in this system on the date of the member's separation from employment with the City of Spokane.

Section 5. Application for retaining or regaining service credits must be made in accordance with RCW 41.54 and SMC 03.05.

Section 6. Regular Contribution interest as set by ~~the Board~~ SMC 03.05 shall be credited on the accumulations from the date of retaining or regaining service credit.

Section 7. Upon proper certification of retirement, a member who has transferred to another retirement system and who has retained his service credits shall have his

benefits calculated in accordance with the provisions of the law and regulations in effect on the date the member becomes eligible for retirement.

Section 8. No minimum allowance shall be applied in computing the retirement allowance of a member who has transferred to another retirement system.

Section 9. No credit shall be given for a simultaneous period of service within a retirement fund or system for which credit has already been established under another participating fund or system.

Section 10. The Board shall act on all applications for the retaining of retirement service credits under this rule; or the granting of pensions or refunding of contributions pursuant to this rule.

RULE III

HEARINGS

Section 1. GENERAL. Hearings by the Board shall be open to the public and may be conducted by a quorum of the Board. All parties to the hearing shall be notified in advance of such hearing and may, at their own expense, select representatives of their choosing. The Board may, and shall at the request of any party or the secretary of the Board, issue subpoenas and subpoenas duces tecum. Any fees or expense of any kind for the appearance of a witness shall be assumed by the party requesting the issuance of the subpoena.

Section 2. TESTIMONY UNDER OATH. The testimony of any witness shall be under oath administered by the President or any member of the Board.

Section 3. OFFICIAL RECORD. The Board shall prepare and keep an official record of the hearing which shall include testimony recorded manually or by mechanical device, and all other evidence including, but not limited to, the pleadings, documents, exhibits, and other records and documents offered and made a part of the record by the Board. Documentary evidence may be received in the form of copies or excerpts, or by incorporation by reference. No factual information or evidence other than the official record shall be considered by the Board in determination of the case.

Section 4. HEARINGS INFORMAL. All hearings shall be informal and the Board may admit and give probative effect to evidence which possesses probative value commonly accepted by reasonably prudent men in the conduct of their affairs. The Board shall give effect to the rules of privilege recognized by law and it may exclude incompetent, irrelevant, immaterial and unduly repetitious evidence.

Section 5. WITNESSES. Every party shall have the right of cross examination of witnesses who testify. The Board and/or its representative shall have the right to question any witness or party to a hearing, require the production of evidence, and require a party to submit to such medical examination as it deems necessary.

Section 6. JUDICIAL NOTICE. The Board may take notice of judicially cognizable facts and, in addition, may take notice of general, technical or scientific facts within its specialized knowledge. Parties shall be notified of the material so noticed and they shall be afforded an opportunity to contest the facts so noticed.

Section 7. DECISIONS. Decisions of the Board of Hearings shall be final and binding. Board members who vote in the making of a decision but who were not present at the reception of evidence shall review, consider and familiarize themselves with the record of the hearing. Decisions and orders arising from hearings shall be in writing and accompanied by Findings of Fact and Conclusions of Law.

Section 8. APPEAL. Decisions of the Board rendered as a result of a hearing may be appealed to the City Council by any party or any member of the Employees' Retirement System. The appellant must file notice of such appeal with the City Clerk within thirty (30) calendar days from the date of the Board's decision. Upon Notice of Appeal being filed, the Secretary of the Board shall forward to the City Clerk the written Decision, Findings of Fact and Conclusions of Law. Such appeal shall be heard de novo.

RULE IV

DELETED

RULE V

WITHDRAWAL OF ACCUMULATED CONTRIBUTIONS

Section 1. TIME LIMIT FOR CONTRIBUTIONS WITHDRAWAL. Any member of the Retirement System who has permanently terminated employment with the City and who is not eligible to vest, or has elected not to vest, may elect to withdraw his accumulated contributions within one hundred eighty (180) days of such termination, provided such employee has not retained his credits under state statutes. Should any such employee fail to make application for withdrawal of his accumulated contributions or fail to declare to vest within the one hundred eighty (180) day period, his accumulated contributions, if over \$1,000.00, may be charged a quarterly administrative fee of \$25.00.

Section 2. RESTORATION OF WITHDRAWN CONTRIBUTIONS. Any member who has previously withdrawn his accumulated contributions from the retirement fund upon termination of his employment, for any cause whatsoever, and is subsequently reemployed by the City may, within one year after he again becomes a member of the Retirement System, redeposit an amount equal to that which he withdrew from the retirement fund at the last termination of his membership, or a portion thereof, with interest at the current actuarial assumed interest rate in effect. Interest shall be calculated from the time of withdrawal to the time of redeposit. If the member does not redeposit in the amount and manner specified, he will not be entitled to the benefits provided for in SMC 03.05, nor may the time period attributable to such drawn contributions be used in any manner to provide benefits under this Chapter. Restoration of prior service will be conditional based on contributions and interest

redeposited and will not be pro-rated in less than one-month increments, unless the entire service time is being restored.

Section 3. APPLICATIONS. Each member is required to apply for withdrawal of the member's accumulated contributions. All applications must be received by the Retirement Office no later than one week prior to the monthly pension run. All applications submitted by this date will be submitted to the Board for approval at the regular meeting. If the application is received in a timely manner and the Board Meeting has been canceled, the withdrawals for that particular month will be processed as normal and become part of the record at the following month's meeting.

RULE VI

TERMINATION OF \$500 LIMIT

Section 1. DETERMINATION OF "TOTAL FINAL COMPENSATION." From and after January 1, 1968, any member of the Retirement System who elected to have his contributions frozen at the \$500 salary limit and later properly revoked such election, shall, upon retirement, have his "Total Final Compensation" defined as the sum of his final compensation at the frozen amount and his final compensation as defined in Chapter 3.05.020 of the City Code. Calculation will result in \$500 being maximum Final Compensation for those years of service the member was under the \$500 limitation. All other years of service will be calculated based on the Final Compensation as defined in Chapter 3.05.020 of the City Code.

Section 2. EXAMPLE CALCULATION. Essentially, the calculation in Chapter 3.05.020 of City Code is the regular calculation based on the two (2) highest years' salary.

The calculation of "Total Final Compensation" is simply the pension figured for those number of years at the \$500 limit added to the pension for those number of years at the full contribution rate.

EXAMPLE

John Doe – Age 65 – and retiring with 21.9 years of creditable service in 1977.

Worked for the City since 1955 and under the \$500 limit for six (6) years, (1968 – 1973).

Assuming his final average salary is now \$960 per month, his pension under the 2% formula would be:

$$\begin{aligned} .02 \times 6.0 \text{ years} \times \$500 &= \$60.00 \\ .02 \times 15.9 \text{ years} \times \$960 &= \underline{305.28} \\ & \$365.28 \end{aligned}$$

RULE VII

INTEREST ON MEMBER CONTRIBUTIONS

Section 1. CREDITING INTEREST. Interest on the contributions of members and the matching contributions of the City shall be credited quarterly at the ~~Board approved~~ Contribution interest rate based on the average balance each quarter, except in the case of withdrawal, retirement or death of a member during any quarter, the amount of interest credited to such member's account for that quarter only shall be a fraction of the amount computed as above, such fraction having as a numerator the number of days from beginning of the quarter of the date of withdrawal, retirement or death and a denominator of ninety (90) days. For the purposes of this rule, date of withdrawal shall be on the last business day of the month that payment is made.

On November 30, 1978 (as amended January 25, 1979), the Board declared that its interpretation of this rule is to calculate interest on accumulations for active employee deaths up to the date of withdrawal.

Section 2. REVIEWING INTEREST RATE ON MEMBER CONTRIBUTIONS.
"Contribution interest," as defined by SMC 03.05.020, unless changed by the Board as provided in SMC 4.14.070, means the interest rate on member contributions, which shall be set equal to the average daily interest rate for the 5-year US Treasury Note from July 1 of the previous year to June 30 of the current year, rounded to the nearest 0.25%. The new interest rate will be effective as of July 1 of the current year, beginning in 2016.
~~The Board, in conjunction with the actuary and investment consultant, will review the current interest rate on employee contributions on a yearly basis. The review will occur~~

at the Board meeting of the presentation of the Annual Valuation of the System. Any changes to the interest rate on employee contributions will be effective on July 1 of the current year.

RULE VIII

MISCELLANEOUS

Section 1. INADVERTENT EXCLUSION FROM RETIREMENT SYSTEM, REGAINING RETIREMENT CREDITS. An employee eligible for membership in the Spokane Employees' Retirement System, but left off through no fault of the member, shall be placed in the Retirement System immediately and must choose one of the following two options:

A. The member may deposit the sum that should have been paid during the period when eligible for membership and gain creditable service in the Retirement System for this period. This sum must be paid in full within six (6) months of receiving notice of such option or the member forfeits his/her rights to reclaim the retirement credit. The City shall match this contribution as if contributions had been contributed on a normal basis;

Or,

B. The member may sign a waiver of all retirement benefits which would have been earned during this period. The effective date of membership in the Retirement System would become the first day of the pay period in which contributions for the Retirement System were withheld. If a member does not make a deposit or sign a waiver, all rights to reclaim creditable service are forfeited.

Section 2. RECOVERING SERVICE CREDIT FOR ELECTIVE OFFICERS. Any elective officer who elects to gain service credits as provided in City Code Chapter 3.05.030 shall make all required deposits prior to the completion of five (5) years of continuous service. Such deposits shall be an amount equal to what would be, or would

have been, the officer's normal contributions if a member of the system during this period of service, with interest at the [actuarial rate of return](#) in effect during this timeframe. Interest shall be calculated on the beginning quarterly balance owed, multiplied by $\frac{1}{4}$ of the interest rate compounded quarterly.

If the elective officer does not make a deposit in the amount and manner specified, that officer will not be eligible to gain service credits for this period at any future date.

RULE IX

DISABILITY RETIREMENT

Section 1. PROCEDURES.

A. Step 1. A formal, written request for disability with a letter from the individual's personal physician must be received by the Secretary. The letter must include the severity and prognosis of the employee's condition.

B. Medical Examination. After receiving the above information, the Secretary will use his discretion in making an appointment with the Board of Administration's doctor. Cases where the Secretary feels that the examination might be unnecessary, i.e. application for disability is not warranted or questionable, or the condition of the employee is such that further examination would not be considered necessary, he may delay sending the individual to the Board doctor until the next regular meeting when the Board would consider what action to take.

C. Medical Opinion. The Board doctor will review the request, the personal physician's letter and any other pertinent information on the applicant referred by the Secretary. The Board doctor will either:

(a) Make the examination himself and provide the Board with a timely medical opinion on the status of the application, or

(b) Recommend to the Secretary that the Disability Review Panel be utilized where the Board doctor feels the Panel would be a more appropriate vehicle.

D. Disability Review Panel. The composition of the Disability Review Panel will be determined by the Board. If a Panel is recommended, the Board will decide on the use of the Panel. The cost of appointments not kept shall be the responsibility of

the applicant; the cost of completed examinations shall be paid by the Spokane Employees' Retirement System.

E. Requirement. A medical opinion from either the Board doctor or the Disability Review Panel may be required on all disability retirements, where other compelling information is lacking to make a determination. The Board shall also consider the opinion and/or testimony of any other person having personal knowledge of the employee's condition.

F. Evidence for the Board. The Spokane Employees' Retirement Board of Administration will be provided with the following when asked to decide on a disability pension:

- (a) Applicant's written request and letter from personal physician
- (b) If appropriate, opinion of either the Board doctor or the Disability Review Panel
- (c) All pertinent facts and findings that the Secretary has obtained

G. Less than 5 years City Service. In the instance of an applicant with less than five (5) years of City service who requests disability, it will be the responsibility of the applicant to provide all documentation concerning job relatedness of the disability. The Secretary will obtain such additional information as may be available in City records or by testimony.

Section 2. OUTSIDE GAINFUL EMPLOYMENT.

A. Report. Annually, after March 1, and before June 1, the Secretary shall submit to each Disability Retiree under the Normal Retirement Age (NRA) of their respective plan, a request to complete an affidavit certifying the Retiree's previous year gross income from wages, salaries, commissions or other remuneration derived from

employment and the type of employment. This affidavit will be subscribed and sworn to by a Notary Public.

B. Content. The request to the Retiree will advise the Retiree that the request is being made in accordance with SMC 03.05, and will instruct the Retiree that failure to complete and return the affidavit within fourteen (14) days of the date of the request will be cause to terminate the allowance being received. The request will also instruct the Retiree that any future change in income from employment should be communicated immediately to the Secretary in the form of an affidavit. Changes in income will cause a recomputation of pension.

C. Determination and Notice. The Retirement Office shall, if it is determined by the Secretary from any affidavit submitted that the disability retirement allowance of a retiree should be adjusted, notify the Retiree by letter that an adjustment will take place, the amount of the adjustment, and the time and place of the Board meeting at which the adjustment will be considered.

D. Computation.

- (a) Monthly Salary from Outside Gainful Employment. Where a Retiree receives a set salary or wage, the adjustment shall be determined by considering the last full month salary or wage paid to get a monthly compensation.
- (b) Hourly Wage or Commission from Outside Gainful Employment. Where a Retiree receives an hourly wage or commission, the adjustment shall be determined by considering the income received during the preceding twelve (12) months and dividing by twelve to get an average monthly compensation.
- (c) Adjustment. The allowance shall be adjusted by an amount which, when added to the monthly compensation or average monthly compensation earned by the Retiree from gainful employment, exceeds the amount of the final compensation used in the calculation

of the member's disability pension, with the adjustments for changes in the national consumer price index.

- (d) Consumer Price Index Adjustment. The final compensation upon which a member's disability allowance is computed shall only be adjusted by the consumer price index when the Board is considering an adjustment due to outside gainful employment. This rule is not to be construed to increase a member's allowance over that set at the time of disability retirement. The consumer price index adjustment shall be computed by multiplying the allowance granted at the time of retirement by a fraction, the numerator of which is the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items for the month in which an adjustment is being considered, and the denominator of which is the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items for the month in which the member commenced his or her disability retirement. Thereafter, if a member receives a reduced allowance because of the adjustment, his allowance shall be reconsidered annually, taking into consideration compensation from outside gainful employment or changes in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items.
- (e) Interim Consumer Price Index Adjustments. Between annual reports required in Subsection A., comparisons to the consumer price index described in Subsection (d) will only be made when there has been a change in the compensation receivable by the Retiree.

E. Restoration of Benefit. Upon the date the Retiree reaches ~~age 62~~[normal retirement age](#), any reduction of the disability allowance previously imposed shall be restored fully.

F. Definitions.

- (a) Gross income from outside gainful employment shall include all wages, salaries, commissions, or other remuneration derived from employment subject to tax, pursuant to the Federal Insurance Contributions Act as amended. For purposes of determining what constitutes wages, salaries, commissions or other remuneration derived from employment, this rule shall be governed by the definitions in 26 USC Sec. 3121, as now or hereafter amended, except there shall be no exemption for remuneration paid by exempt organizations.
- (b) Final Compensation – as defined in SMC 03.05.

Section 3. EFFECTIVE DATE FOR DISABILITY RETIREMENT. The effective date of the disability retirement will be either the day after the last day in a paid or unpaid status or the day of application made by the member following Board approval, whichever is later. A disability pension will not be allowed when an applicant is actively working for the City of Spokane, even though the duties of the position are not being fully carried out.

Section 4. CALCULATION OF PENSION. Per SMC 03.05.190 (A-2), the Normal Benefit Option (ST) is the only available option for a disability retirement. A factor of 1.25% is used and the pension is taxable.

- (a) For members under SMC 3.05.025 (A) and (B): A disability retirement is based on ~~an NRA~~ a normal retirement age of age 62. For years of creditable service, use date of hire to when the employee would be age 62, not to exceed 30 years. Creditable service will still be adjusted by part-time employment and any leave of absence without pay.

Example: Jane Doe was born 5-17-1961. Her hire date is 8-5-1991. Her final average monthly salary is \$3,000.

Birth 5-17-1961
Plus age 62
5-18-2023
8-5-1991 to 5-18-2023 = 31.80274
\$3,000 x .0125 x 30 years = \$1,125/month ST Option

- (b) For members under SMC 3.05.025 (C): A disability retirement is based on ~~an NRA~~ a normal retirement age of age 65. For years of creditable service, use date of hire to when the employee would be age 65, not to exceed 35 years. Creditable service will still be adjusted by part-time employment and any leave of absence without pay.

Example: John Doe was born 5-17-1961. His hire date is 8-5-1987. His final average monthly salary is \$3,500.

Birth 4-17-1961
Plus age 65
4-18-2026

8-5-1987 to 4-18-2026 = 38.72877
\$3,500 x .0125 x 35 years = \$1,531/month ST Option

RULE X

RETIREE PENSION ADJUSTMENTS

Section 1. The Retirement System will consider granting an ad-hoc performance adjustment under the following conditions:

A. The ~~Actuarial Accrued Liability (AAL) Funded Ratio~~Fiduciary Net Position as a Percentage of the Total Pension Liability ("Funding Ratio") ~~for~~ the System is above 90%, the additional ~~Actuarial Accrued Total Pension~~ Liability associated with the ad-hoc increase does not cause the ~~AAL Funded~~ Ratio to drop below 90%, and the combined employer and employee contribution rates are sufficient to fund the unfunded accrued liabilities as increased by the cost of the ad-hoc adjustment over a period not to exceed the maximum allowable GASB amortization period (currently 30 years).

B. The performance adjustment is non-compounding and based upon a retiree's original pension amount (per SMC 03.05.160).

C. The rate of performance adjustment, if any, is determined by the board in its sole discretion based on financial, actuarial and other data considered by the board, but is limited to a maximum of three percent (3%) in any year (per SMC 03.05.160).

D. The ad-hoc adjustments may be made annually, on or before July 1st of each year (per SMC 03.05.160).

Ad-hoc translation: "*for this purpose*"

Section 2. The allowance shall be non-compounding and be based upon a retiree's original pension amount. A survivor with an Option 'D' receiving one-half the pension shall have the allowance based on one-half of the original pension amount.

RULE XI

RETIREMENT CALCULATION FACTORS~~CREDITABLE SERVICE~~

Section 1. CREDITABLE SERVICE

A. -For purposes of calculating “Creditable Service,” as used in the Retirement Ordinance, SMC 03.05, the Department will consider a “year” to be 2080 hours of service in a 12-month period. Any fewer hours paid in a calendar year will result in a proportionately reduced calculation. Overtime hours or hours worked beyond an employee’s FTE status will not be used in the years of service calculation.

B. ~~Section 21.~~ Under the Alternate Formula, as described in SMC 03.05.165, age and years of service must equal 75 points for an employee to retire. Permanent part-time employment, for eligibility and vesting purposes only, will be calculated differently for the Rule of 75.

Eligibility and vesting time toward the 75 points will be calculated as below:

For each year a part-time employee is paid at least 50% of the year (1040 hours) they will receive credit for one (1) eligibility and vesting year. Any time less than 50% will be proportionally reduced. Any time off without pay will still be adjusted for this qualifying time.

This will not change the definition of creditable service for the retirement. The calculation will still be based on actual creditable service credit and not eligibility or vesting credit for the Rule of 75.

C. ~~Section 32.~~ Under the Alternate Formula, as described in SMC 03.05.166, age and years of service must equal 80 points for an employee to retire. Permanent part-time employment, for eligibility and vesting purposes only, will be calculated differently for the Rule of 80.

Eligibility and vesting credit toward the 80 points will be calculated as below:

For each year a part-time employee is paid at least 50% of the year (1040 hours) they will receive credit for one (1) eligibility and vesting year. Any time less than 50% will be proportionally reduced. Any time off without pay will still be adjusted for this qualifying time.

This will not change the definition of creditable service for the retirement. The calculation will still be based on actual creditable service credit and not eligibility or vesting credit for the Rule of 80.

Section 2. FINAL COMPENSATION

A. Under the Formula, as described in SMC 03.05.160 and the Alternate Formula, as described in SMC 03.05.165 and in compliance with SMC 03.05.020, “final compensation” is calculated using the greater of:

- 24 consecutive months out of the member’s last 25 months
- Highest two consecutive calendar years

B. Under the Alternate Formula, as described in SMC 03.05.166 “final compensation” is the greater of:

- 36 consecutive months out of the member’s last 37 months or
- Highest three consecutive calendar years

RULE XII

PORTABILITY CALCULATIONS

Final average salary compensation for SERS participants is based on the highest two or three consecutive year's salary in accordance to the rules of the plan in which the member was hired under per SMC 03.05. When calculating final average salary compensation for a portability participant, it is possible that the participant would have less than two or three years service time in SERS. In these cases, SERS will defer to the method used by the Washington State Department of Retirement Systems (DRS).

DRS uses additional months of salary from a second system for a portability participant who does not have enough service months in the current system. For example, if a portability participant has only thirteen (13) months in SERS, use the last eleven (11) months of salary from the previous portability system to compute the twenty-four (24) month period (two consecutive year's salary) for members under SMC 3.05.025 (A) and (B). For members under SMC 3.05.025 (C) use the last twenty-three (23) month period (three consecutive year's salary). ~~Coordinate t~~he calculation will be coordinated with the DRS or other portable system.

RULE XIII

REQUESTS FOR PROPOSALS -(RFP)

The Retirement Department enters into contracts for several professional services, including but not limited to, ~~custodial services,~~ investment consulting, actuarial [services](#) and financial audits.

At least every five years, the Retirement Director will issue an RFP for the major services provided. Investment management and custodial services are excluded from the RFP process.

RULE XIV

FUNDING OBJECTIVE

SERS funding objective is to achieve and maintain an actuarial liability ~~f~~unded ~~status-~~Ratio between 90% and 110%.



**SPOKANE EMPLOYEES'
RETIREMENT SYSTEM**
808 W. SPOKANE FALLS BLVD.
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June 29, 2016

Memo to SERS Board of Administration

RE: Money Market Search

Following the money market search on May 25, 2016, US Bank informed the staff that while it was able to implement the Board approved BlackRock Federal Trust fund on their cash sweep platform, US Bank required 10 clients using the product to do so. Additionally, US Bank informed the staff on April 29, 2016 that it was involuntarily redeeming all shares in the current Fidelity money market fund on June 30, 2016.

All of the money market funds presented are government funds that eliminate the risks surrounding the implementation of new regulations in October 2016, specifically the possibility of a NAV less than \$1.00 and liquidity restrictions. Additionally, all will work with US Bank's automated sweep system.

With short-term interest rates hovering near zero, there is little to distinguish manager performance over the past five years, with the difference between the best and worst fund's performance only 1bp. Additionally, while rates are expected to rise moderately, they are not expected to rise to the point where there will be notable dispersion between managers.

With all managers expected to provide similar returns for the foreseeable future, the more prudent bases for analysis is cost and risk. Minimizing cost provides the highest probability of outperforming in markets with limited differentiation. The primary risk faced by these money market funds is related to the liquidity of the underlying investments.

On a cost basis, there is little to distinguish the four funds, with Fidelity and Goldman Sachs charging 18bp and BlackRock and Wells Fargo charging 20bp.

The primary difference between the funds is their holdings:

Name	Ticker	Treasuries	Agencies	Treasury Repo	Agency Repo
Fidelity	FIGXX	24.9%	48.3%	29.2%	0.0%
BlackRock	TFDXX	3.0%	51.0%	9.0%	37.0%
Goldman Sachs	FGTXX	0.6%	42.9%	0.0%	55.5%
Wells Fargo	GVIXX	1.0%	46.0%	23.0%	30.0%

Staff Recommendation: Select the Fidelity Government Money Market fund. The role of the money market fund in the portfolio is to function like cash. Returns are secondary to risk mitigation—even when returns are available in the market, which is not the case now. The fund that provides the greatest risk mitigation is the BlackRock fund. It is low cost and holds the highest quality, most liquid underlying investments.



Spokane Employees' Retirement System

Money Market Manager Search Report
June 2016

Jayson Davidson, CFA
Senior Consultant
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Section 2	Description of Funds
Section 3	Performance and Expenses
Section 4	Composition
Section 5	Fund Fact Sheets and Performance Analysis
Section 6	Glossary

Section 1

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Section 1: Background and Search Criteria

This document has been prepared to provide analysis of several potential fund candidates in the Money Market asset class. In light of the upcoming regulatory changes, the Spokane Employees' Retirement System seeks to identify an eligible cash vehicle. The current option, the Fidelity Inst'l Money Market Portfolio, is expected to be reclassified as "retail", which may entail greater potential for liquidity gates and redemption fees during periods of market stress. As such, a manager search has been assembled to review options. In anticipation of the implementation of the SEC's money market reforms, all of the replacement options presented are US government funds (which are not required to impose liquidity gates and redemption fees during periods of market stress).

The Hyas Group seeks to evaluate managers over a full market cycle, during which time a manager are expected to have adequate opportunities to add value through their specific investment approach. In the case of the current option, we believe the trailing five-year period incorporates a broad enough range of market environments to be considered representative of a market cycle over which to evaluate the candidates.

The candidates presented include management teams that have generally satisfied the following Investment Policy criteria:

- 1) Investment track record of no less than five years
- 2) Five-year returns above peer group median
- 3) Reasonable portfolio diversification and risk (volatility) characteristics
- 4) Investment style consistency over evaluation period

We have provided four alternative candidates in the Money Market asset class category for review. We have also provided a summary of current expense ratios for each of the candidates.

All performance-related information is as of 1Q16 unless stated otherwise.

Section 2

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Section 2: Description of Funds

Current Option

Fund Name: Fidelity Inst'l MMkt

Prospectus Objective: Money Mkt - Taxable

Strategy: Money Market Taxable

Commentary: The Fund tends to invest in U.S. dollar-denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services or by one if only one rating service has rated a security, or, if unrated, determined to be of equivalent quality by Fidelity, U.S. Government securities and repurchase agreements. The fund is expected to invest more than 25% of its total assets in the financial services industries and potentially enter into reverse repurchase agreements. The average maturity of the fund tends to be less than 30 days.

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Candidates

Fund Name: Fidelity Govt MMkt Instl

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund seeks a high level of current income consistent with liquidity and capital preservation. The Fund primarily invests at least 80% of its assets in US Government securities and agreements to purchase these securities. Currently, the Fund is primarily invested in securities issued by instrumentalities of the US Government and has a smaller allocation to US Treasury securities. Due to its focus on securities that are supported by US Government entities, some of which enjoy support of the US Treasury, the Fund offers a relatively high degree of credit strength. However, an option such as this may provide slightly lower returns over a full market cycle as these securities typically entail a premium that is commensurate with their high level of credit quality. Typically, the fund maintains a weighted-average maturity of less than 60 days.

Fund Name: BlackRock Liquid Federal MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash. By utilizing both Federal Agency as well as US Treasury securities, the Fund has some potential to offer returns above money market options that invest only in US Treasury instruments, which typically offer marginally lower yields. The fund typically maintains a weighted-average maturity of less than 60 days.

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Candidates

Fund Name: Goldman Sachs Govt MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund seeks to maximize current income, to the extent consistent with the preservation of capital, and maintain liquidity. To achieve these objectives the Fund is intended to invest, directly or indirectly, in U.S. Government Securities and repurchase agreements relating to such securities. Typically the Fund maintains a weighted-average maturity of less than 60 days.

Fund Name: Wells Fargo Govt MMkt

Prospectus Objective: Money Mkt - Government

Strategy: Money Market Taxable

Commentary: The Fund focuses primarily on preserving capital and maintaining a high level of liquidity by actively managing a diversified portfolio of short-term U.S. government debt and repurchase agreements collateralized by U.S. government obligations, which will likely generate higher yields than a portfolio that invests exclusively in U.S. Treasury debt. The Fund purchases only debt issued by the U.S. Treasury or U.S. government agencies across a range of eligible money market investments that may include, but are not limited to, government agency repurchase agreements, government agency debt, U.S. Treasury repurchase agreements, U.S. Treasury debt, and other securities collateralized by U.S. government obligations. Typically the fund maintains a weighted-average maturity of less than 60 days.

Section 3

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Section 3: Performance and Expenses

Peer Group Rankings

	1Q16	YTD	1YR	3YR	5YR	10YR	2015	2014	2013	2012	2011	2010
Fidelity Inst'l MMkt	7	7	4	4	3	1	4	7	4	3	2	2
Fidelity Govt MMkt Instl	18	18	22	25	28	20	32	43	46	53	32	19
BlackRock Liquid Federal MMkt	19	19	20	21	25	24	22	28	36	36	30	17
Goldman Sachs Govt MMkt	14	14	16	21	20	17	23	66	36	16	27	16
Wells Fargo Govt MMkt	25	25	29	30	33	34	36	42	43	39	40	28

Fund rankings in **red** lag the 50th percentile of the peer group

Returns

	1Q16	YTD	1YR	3YR	5YR	10YR	2015	2014	2013	2012	2011	2010
Fidelity Inst'l MMkt	0.08	0.08	0.18	0.10	0.12	1.37	0.11	0.05	0.00	0.18	0.16	0.24
Fidelity Govt MMkt Instl	0.05	0.05	0.06	0.03	0.02	1.17	0.01	0.01	0.01	0.01	0.01	0.06
BlackRock Liquid Federal MMkt	0.05	0.05	0.06	0.03	0.02	1.15	0.02	0.01	0.01	0.01	0.02	0.07
Goldman Sachs Govt MMkt	0.06	0.06	0.08	0.03	0.03	1.19	0.02	0.01	0.01	0.05	0.02	0.07
Wells Fargo Govt MMkt	0.04	0.04	0.05	0.02	0.02	1.12	0.01	0.01	0.01	0.01	0.01	0.03
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01	0.05	0.03	0.06	0.08	0.06	0.14
Avg. Money Market	0.02	0.02	0.04	0.02	0.02	1.03	0.00	0.00	0.02	0.04	0.02	0.03

Returns longer than one year is annualized.

Returns +/- Index

	1Q16	YTD	1YR	3YR	5YR	10YR	2015	2014	2013	2012	2011	2010
Fidelity Inst'l MMkt	0.01	0.01	0.06	0.03	0.06	0.37	0.06	0.01	(0.06)	0.10	0.11	0.09
Fidelity Govt MMkt Instl	(0.02)	(0.02)	(0.06)	(0.04)	(0.04)	0.17	(0.04)	(0.02)	(0.05)	(0.07)	(0.04)	(0.09)
BlackRock Liquid Federal MMkt	(0.02)	(0.02)	(0.05)	(0.03)	(0.04)	0.15	(0.03)	(0.02)	(0.05)	(0.07)	(0.04)	(0.08)
Goldman Sachs Govt MMkt	(0.01)	(0.01)	(0.04)	(0.03)	(0.03)	0.18	(0.03)	(0.03)	(0.05)	(0.04)	(0.04)	(0.07)
Wells Fargo Govt MMkt	(0.03)	(0.03)	(0.07)	(0.04)	(0.05)	0.11	(0.04)	(0.02)	(0.05)	(0.07)	(0.05)	(0.11)

Fund returns in **red** lag the Index

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

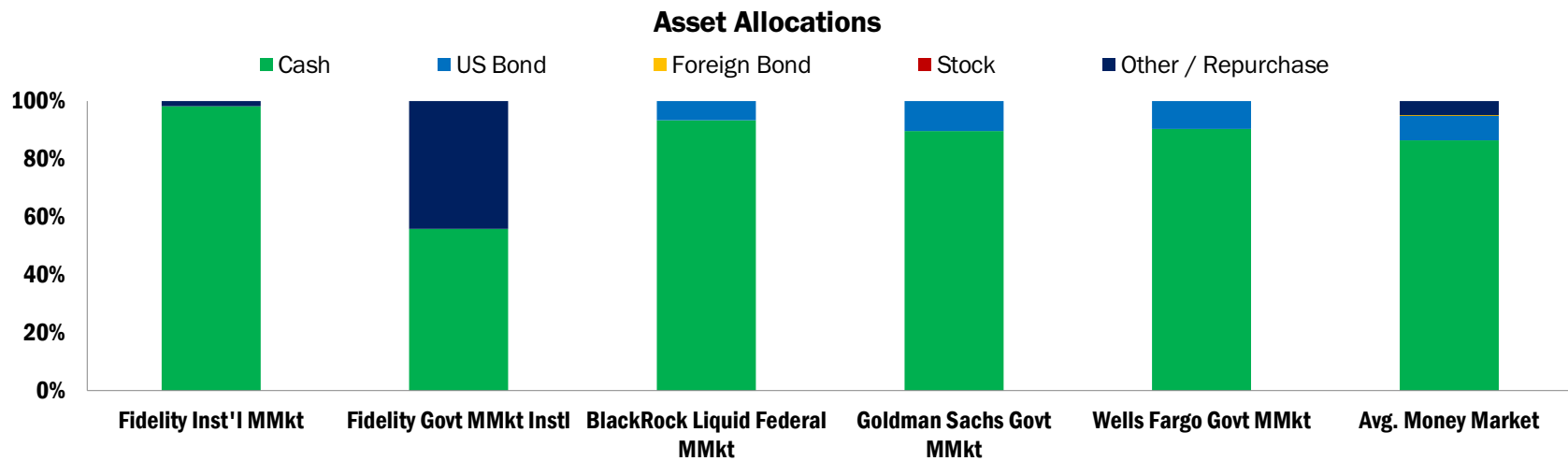
				Total Plan Assets
				\$267,169,850
				Fund Assets
Fidelity Inst'l MMkt	FMPXX	Other	0.18%	as of 1Q16
Fidelity Govt MMkt Instl	FIGXX	Inst	0.18%	
BlackRock Liquid Federal MMkt	TFDXX	Inst	0.20%	
Goldman Sachs Govt MMkt	FGTXX	Other	0.18%	
Wells Fargo Govt MMkt	GVIXX	Inst	0.20%	
Avg. Money Market	-	-	0.53%	

Section 4

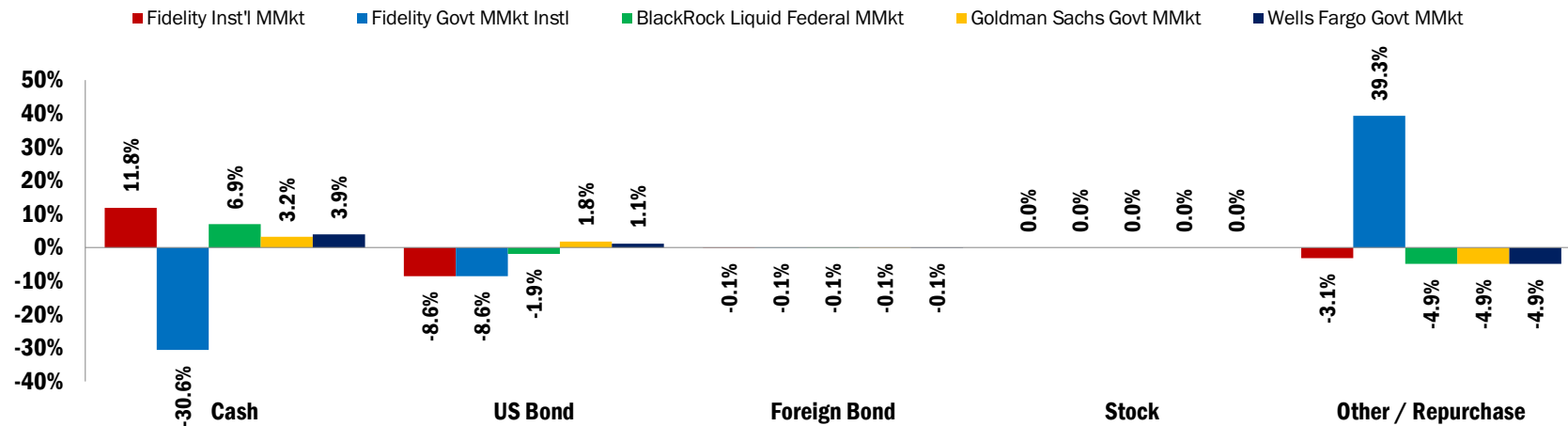
Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Section 4: Composition



Asset Allocations +/- Category Average



Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Sector Weights

	Inflation-Protected	Gov't	Corporate	Agency MBS	Non-Agency MBS	CMBS	Asset-Backed	Cash	Other
Fidelity Inst'l MMkt	0.0%	0.7%	0.0%	0.9%	0.0%	0.0%	0.0%	98.4%	0.0%
Fidelity Govt MMkt Instl	0.0%	0.0%	0.0%	44.2%	0.0%	0.0%	0.0%	55.8%	0.0%
BlackRock Liquid Federal MMkt	0.0%	6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	93.4%	0.0%
Goldman Sachs Govt MMkt	0.0%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%	89.6%	0.0%
Wells Fargo Govt MMkt	0.0%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	90.3%	0.2%
Avg. Money Market	0.0%	5.6%	1.1%	0.3%	0.0%	0.0%	0.2%	90.9%	1.9%

+/- Sector Weights

	Inflation-Protected	Gov't	Corporate	Agency MBS	Non-Agency MBS	CMBS	Asset-Backed	Cash	Other
Fidelity Inst'l MMkt	0.0%	-4.9%	-1.1%	0.5%	0.0%	0.0%	-0.2%	7.6%	-1.9%
Fidelity Govt MMkt Instl	0.0%	-5.6%	-1.1%	43.9%	0.0%	0.0%	-0.2%	-35.1%	-1.9%
BlackRock Liquid Federal MMkt	0.0%	1.1%	-1.1%	-0.3%	0.0%	0.0%	-0.2%	2.5%	-1.9%
Goldman Sachs Govt MMkt	0.0%	4.8%	-1.1%	-0.3%	0.0%	0.0%	-0.2%	-1.2%	-1.9%
Wells Fargo Govt MMkt	0.0%	3.9%	-1.1%	-0.3%	0.0%	0.0%	-0.2%	-0.5%	-1.8%

Section 5

Fidelity Inst'l MMkt

Fund Fact Sheet - March 31, 2016

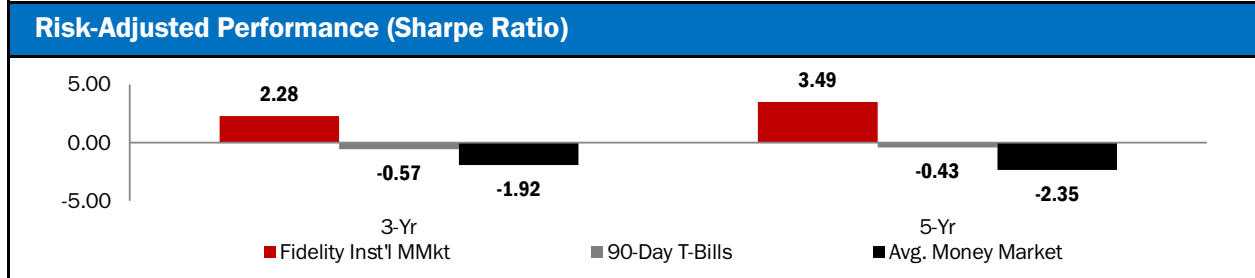
Operations	
Ticker:	FMPXX
CUSIP:	316175207
Share Class:	Other
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

Management	
Advisor:	Fidelity Management & Research Company
Sub-Advisor:	Multiple
Senior Manager:	Management Team
Year Started:	2007

Expenses	
Prospectus Net Exp. Ratio:	0.18%
Annual Report Exp. Ratio:	0.18%
Management Fee:	0.14%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$43,075
Est. 1-Year Flows:	(\$17,501)
as % of Current Size:	-41%
x Management Fee:	(\$25)
Est. 3-Year Flows:	(\$22,228)
as % of Current Size:	-52%
x Management Fee:	(\$31)
# of Holdings:	72
% in Top 10 Holdings:	64%
# of Bonds:	3

Performance							
	Qtr	YTD	1Yr	3Yr	5Yr	10Yr	
Fidelity Inst'l MMkt	0.08	0.08	0.18	0.10	0.12	1.37	
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01	
+/- Index	0.01	0.01	0.06	0.03	0.06	0.37	
Ranking	7	7	4	4	3	1	
	2015	2014	2013	2012	2011	2010	
Fidelity Inst'l MMkt	0.11	0.05	0.00	0.18	0.16	0.24	
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14	
+/- Index	0.06	0.01	(0.06)	0.10	0.11	0.09	
Ranking	4	7	4	3	2	2	



Composition			
<p>Asset Allocation</p>	Sector	+/- Cat.	
	Inf.-Protected	0%	0%
	Gov't	1%	-5%
	Corporate	0%	-1%
	Agency MBS	1%	1%
	Non-Ag. MBS	0%	0%
	CMBS	0%	0%
	Asset-Backed	0%	0%
	Cash	98%	8%
	Other	0%	-2%

Fidelity Govt MMkt Instl

Fund Fact Sheet - March 31, 2016

Operations	
Ticker:	FIGXX
CUSIP:	316175108
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

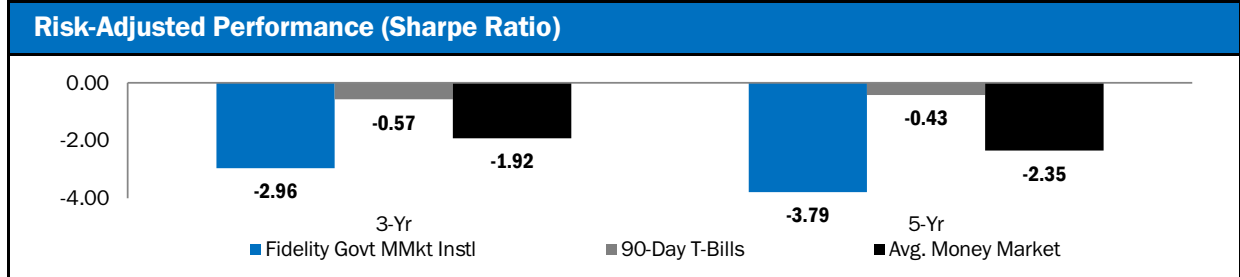
Management	
Advisor:	Fidelity Management & Research Company
Sub-Advisor:	Multiple
Senior Manager:	Management Team
Year Started:	2003

Expenses	
Prospectus Net Exp. Ratio:	0.18%
Annual Report Exp. Ratio:	0.11%
Management Fee:	0.14%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$44,954
Est. 1-Year Flows:	\$19,483
as % of Current Size:	43%
x Management Fee:	\$27
Est. 3-Year Flows:	\$19,070
as % of Current Size:	42%
x Management Fee:	\$27
# of Holdings:	40
% in Top 10 Holdings:	92%
# of Bonds:	3

Performance						
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr
Fidelity Govt MMkt Instl	0.05	0.05	0.06	0.03	0.02	1.17
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01
+/- Index	(0.02)	(0.02)	(0.06)	(0.04)	(0.04)	0.17
Ranking	18	18	22	25	28	20

	2015	2014	2013	2012	2011	2010
Fidelity Govt MMkt Instl	0.01	0.01	0.01	0.01	0.01	0.06
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14
+/- Index	(0.04)	(0.02)	(0.05)	(0.07)	(0.04)	(0.09)
Ranking	32	43	46	53	32	19



Composition			
	Sector	+/- Cat.	
<p>Asset Allocation</p>	Inf.-Protected	0%	0%
	Govt	0%	-6%
	Corporate	0%	-1%
	Agency MBS	44%	44%
	Non-Ag. MBS	0%	0%
	CMBS	0%	0%
	Asset-Backed	0%	0%
	Cash	56%	-35%
	Other	0%	-2%

BlackRock Liquid Federal MMkt

Fund Fact Sheet - March 31, 2016

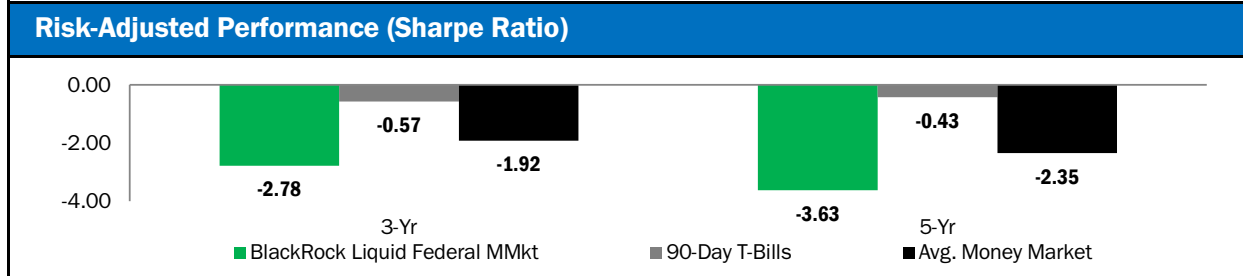
Operations	
Ticker:	TFDXX
CUSIP:	09248U700
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

Management	
Advisor:	BlackRock Advisors LLC
Sub-Advisor:	None
Senior Manager:	Management Team
Year Started:	2006

Expenses	
Prospectus Net Exp. Ratio:	0.20%
Annual Report Exp. Ratio:	0.12%
Management Fee:	0.20%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$15,679
Est. 1-Year Flows:	(\$1,124)
as % of Current Size:	-7%
x Management Fee:	(\$2)
Est. 3-Year Flows:	\$0
as % of Current Size:	0%
x Management Fee:	\$0
# of Holdings:	68
% in Top 10 Holdings:	66%
# of Bonds:	10

Performance							
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr	
BlackRock Liquid Federal MMkt	0.05	0.05	0.06	0.03	0.02	1.15	
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01	
+/- Index	(0.02)	(0.02)	(0.05)	(0.03)	(0.04)	0.15	
Ranking	19	19	20	21	25	24	
	2015	2014	2013	2012	2011	2010	
BlackRock Liquid Federal MMkt	0.02	0.01	0.01	0.01	0.02	0.07	
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14	
+/- Index	(0.03)	(0.02)	(0.05)	(0.07)	(0.04)	(0.08)	
Ranking	22	28	36	36	30	17	



Composition		
	Sector	+/- Cat.
Asset Allocation 	Inf.-Protected	0%
	Gov't	7%
	Corporate	0%
	Agency MBS	0%
	Non-Ag. MBS	0%
	CMBS	0%
	Asset-Backed	0%
	Cash	93%
	Other	0%

Goldman Sachs Govt MMkt

Fund Fact Sheet - March 31, 2016

Operations	
Ticker:	FGTX
CUSIP:	38141W273
Share Class:	Other
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

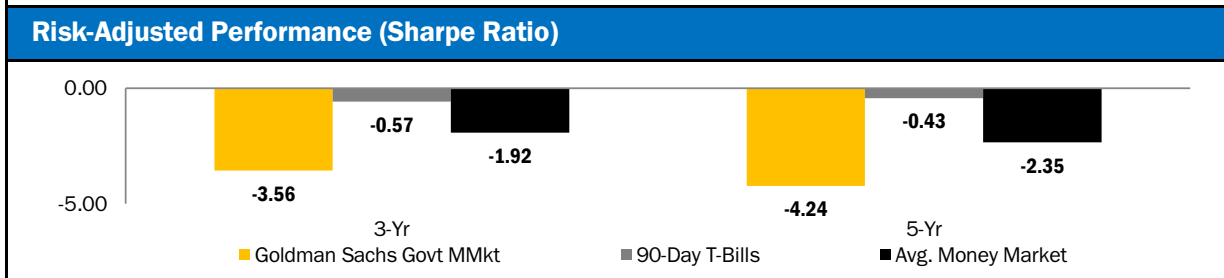
Management	
Advisor:	Goldman Sachs Asset Management LP
Sub-Advisor:	None
Senior Manager:	Management Team
Year Started:	1993

Expenses	
Prospectus Net Exp. Ratio:	0.18%
Annual Report Exp. Ratio:	0.14%
Management Fee:	0.21%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$50,278
Est. 1-Year Flows:	\$15,974
as % of Current Size:	32%
x Management Fee:	\$34
Est. 3-Year Flows:	\$16,564
as % of Current Size:	33%
x Management Fee:	\$35
# of Holdings:	143
% in Top 10 Holdings:	35%
# of Bonds:	19

Performance		Qtr	YTD	1Yr	3Yr	5Yr	10 Yr
Goldman Sachs Govt MMkt		0.06	0.06	0.08	0.03	0.03	1.19
90-Day T-Bills		0.07	0.07	0.12	0.06	0.06	1.01
+/- Index		(0.01)	(0.01)	(0.04)	(0.03)	(0.03)	0.18
Ranking		14	14	16	21	20	17

		2015	2014	2013	2012	2011	2010
Goldman Sachs Govt MMkt		0.02	0.01	0.01	0.05	0.02	0.07
90-Day T-Bills		0.05	0.03	0.06	0.08	0.06	0.14
+/- Index		(0.03)	(0.03)	(0.05)	(0.04)	(0.04)	(0.07)
Ranking		23	66	36	16	27	16



Composition		Sector	+/- Cat.
<h3>Asset Allocation</h3>		Inf.-Protected	0%
		Gov't	10%
		Corporate	0%
		Agency MBS	0%
		Non-Ag. MBS	0%
		CMBS	0%
		Asset-Backed	0%
		Cash	90%
		Other	0%

Wells Fargo Govt MMkt

Fund Fact Sheet - March 31, 2016

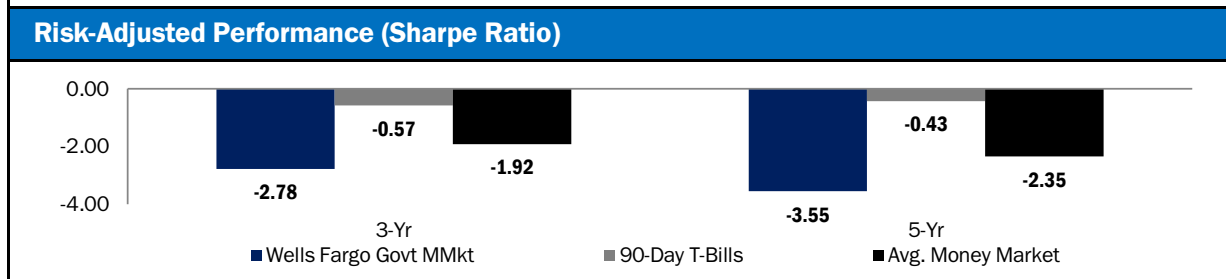
Operations	
Ticker:	GVIXX
CUSIP:	94975P405
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Money Market Fund

Management	
Advisor:	Wells Fargo Funds Management LLC
Sub-Advisor:	Wells Capital Management Inc.
Senior Manager:	Management Team
Year Started:	2007

Expenses	
Prospectus Net Exp. Ratio:	0.20%
Annual Report Exp. Ratio:	0.12%
Management Fee:	0.14%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows (\$m)	
Fund Size:	\$24,638
Est. 1-Year Flows:	\$2,514
as % of Current Size:	10%
x Management Fee:	\$4
Est. 3-Year Flows:	(\$3,330)
as % of Current Size:	-14%
x Management Fee:	(\$5)
# of Holdings:	188
% in Top 10 Holdings:	42%
# of Bonds:	55

Performance							
	Qtr	YTD	1Yr	3Yr	5Yr	10 Yr	
Wells Fargo Govt MMkt	0.04	0.04	0.05	0.02	0.02	1.12	
90-Day T-Bills	0.07	0.07	0.12	0.06	0.06	1.01	
+/- Index	(0.03)	(0.03)	(0.07)	(0.04)	(0.05)	0.11	
Ranking	25	25	29	30	33	34	
	2015	2014	2013	2012	2011	2010	
Wells Fargo Govt MMkt	0.01	0.01	0.01	0.01	0.01	0.03	
90-Day T-Bills	0.05	0.03	0.06	0.08	0.06	0.14	
+/- Index	(0.04)	(0.02)	(0.05)	(0.07)	(0.05)	(0.11)	
Ranking	36	42	43	39	40	28	

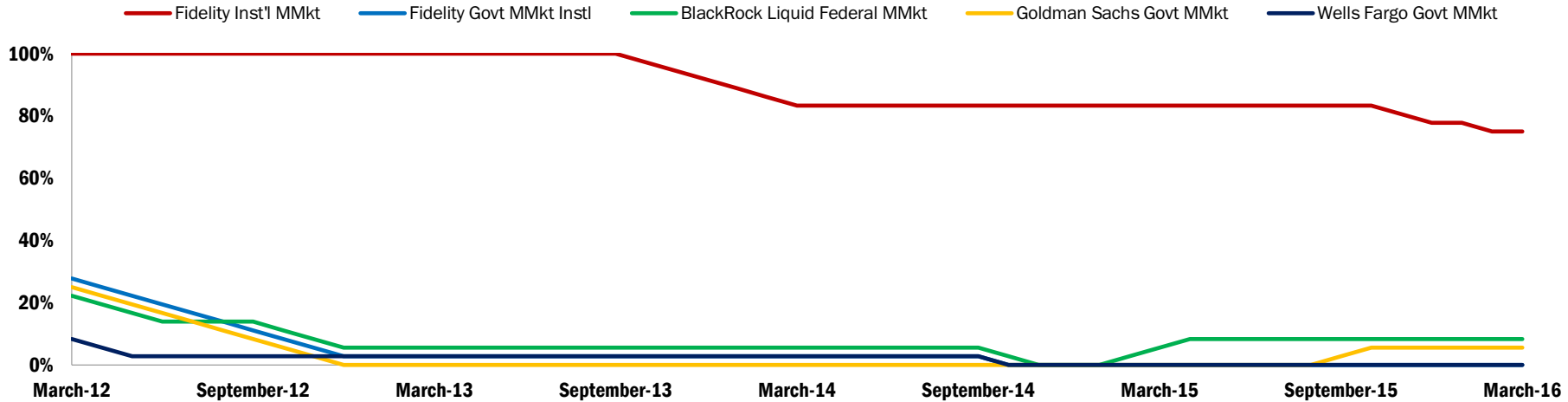


Composition		
	Sector	+/- Cat.
Asset Allocation 	Inf.-Protected	0%
	Gov't	9%
	Corporate	0%
	Agency MBS	0%
	Non-Ag. MBS	0%
	CMBS	0%
	Asset-Backed	0%
	Cash	90%
	Other	0%

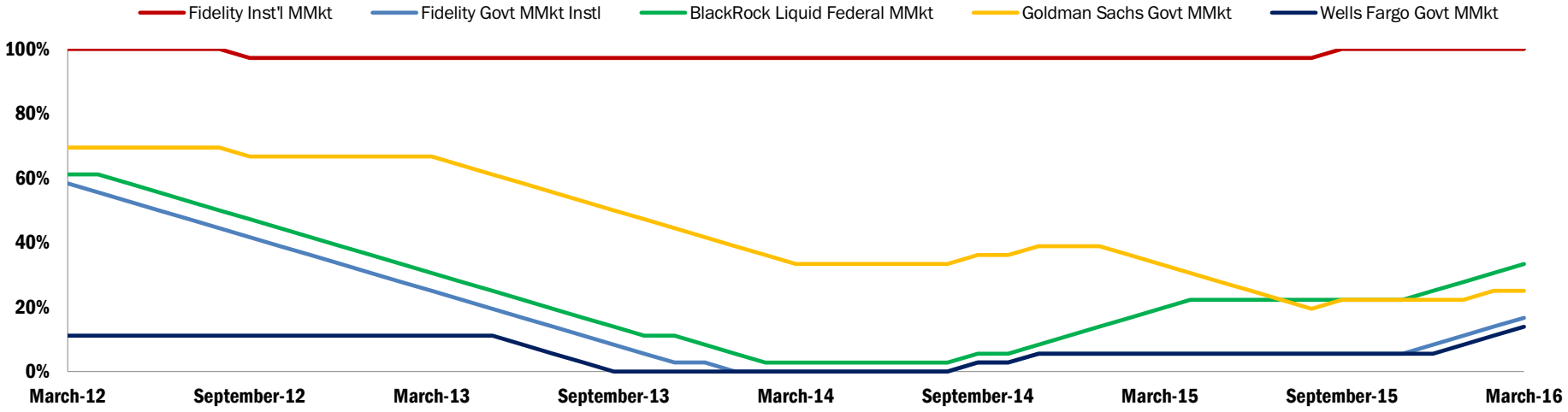
Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Rolling 3-Year Batting Average vs. Index



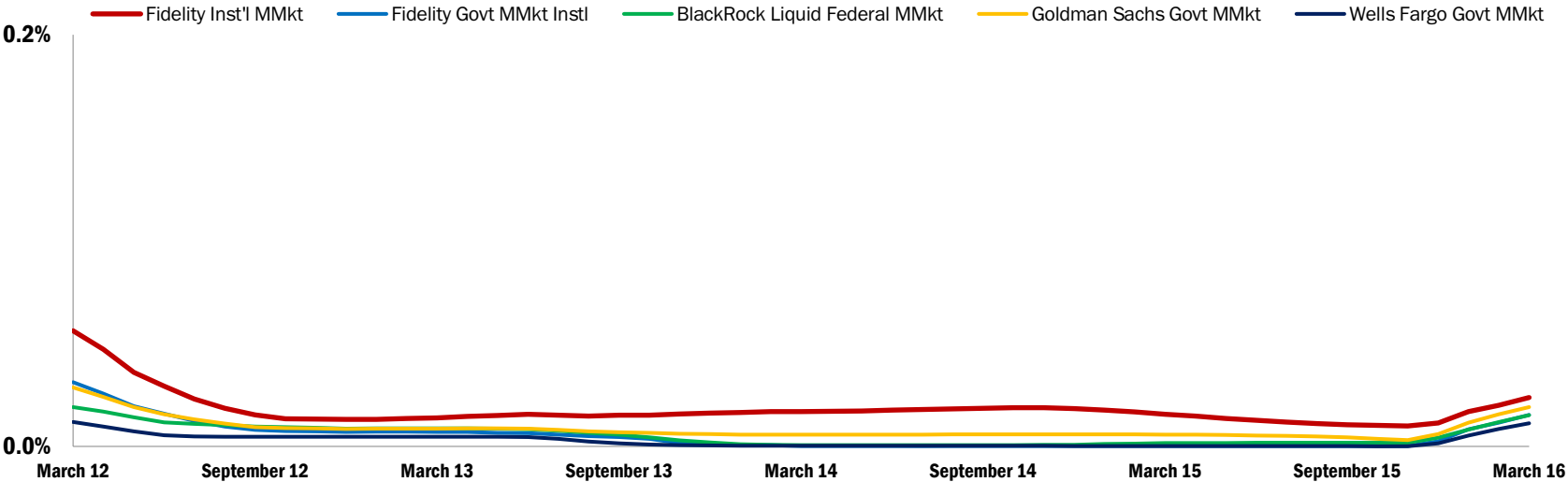
Rolling 3-Year Batting Average vs. Category Average



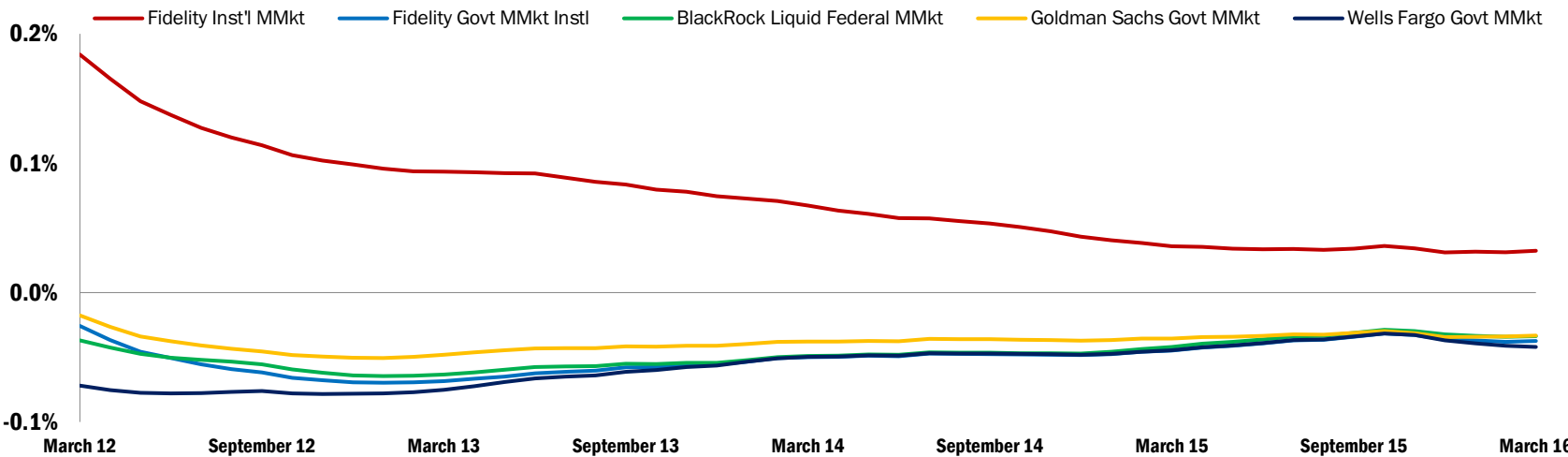
Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Rolling 3-Year Standard Deviation



Rolling 3-Year Excess Return



Section 6

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Section 6: Glossary

Investment Terms

Fixed Income:

A fund that invests primarily in bonds and other fixed-income securities, often to provide shareholders with current income. Peer groups within this asset class may include, but are not limited to, Intermediate-Term, Money Market, Stable Value, Inflation-Protected, High Yield, Global, and others.

Large Cap:

A fund that invests in stocks of companies with large market capitalizations, typically starting at \$10 billion. Large Caps tend to be well-established companies, so their stocks typically entail less volatility and more current income than Small Caps, but also offer less potential for dramatic growth. A Large Cap fund may pursue an investment style such as growth, value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

Mid Cap:

A fund that invests in stocks of companies with medium market capitalizations, typically ranging between \$2 billion and \$10 billion. Mid Caps are often considered to offer more growth potential than Large Caps (but less than Small Caps) and less risk than Small Caps (but more than Large Caps). A Mid Cap fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

Small Cap:

A fund that invests in stocks of companies with small market capitalizations, typically no higher than \$2 billion. Small Caps are often considered to offer more growth potential, but less current income than Large Caps and Mid Caps, and with more risk. A Small Cap fund may pursue an investment style such as Growth, Value, or a combination of the

International Stock:

A fund that invests primarily in the stocks of companies located, or with revenues derived from, outside of the United States. An International fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group. Additional peer groups may include, but are not limited to, Global, Emerging Markets, and others.

Asset Allocation:

A fund that pursues a method of investing by which the manager include a range of different investment classes such as bonds, stocks, cash, alternative investments, and others in their portfolios. Peer groups within this asset class may include, but are not limited to Conservative Allocation, Moderate Allocation, Aggressive Allocation, Target Date, Life Cycle and others.

Growth (investment style):

A fund that invests primarily in the stocks of companies appearing to have relatively high growth prospects relative to their asset class. These companies often pay relatively low current income as most earnings are reinvested in the pursuit of higher future growth. These companies may also trade at relatively high valuations (such as price-to-earnings or price-to-sales) as investors may be willing to pay a "premium" to benefit from the company's expected future growth.

Value (investment style):

A fund that invests primarily in the stocks of companies appearing be attractively priced by assorted metrics (such as price-to-earnings, price-to-sales, dividend yield, and others). These companies typically distribute a greater portion of their cash flows to shareholders than growth companies and as such will typically pay higher current income.

Blend/Core (investment style):

A fund that incorporates a comparable amount of Growth and Value investment styles into its investment management.

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Operational Terms

CUSIP:

A nine character code that represents most securities, including the type of security. A CUSIP can be used to expedite settlement of securities transactions.

Expense Ratio:

A measure of what it costs to operate an investment, expressed as a percentage of its assets or in basis points. These are costs the investor pays through a reduction in the investment's value.

Mutual Fund:

An investment company that gathers money from individual investors for the purchase of securities, such as stocks, bonds, or cash equivalents. Investors own shares of the mutual funds but do not own the underlying securities. Shares of mutual funds can typically be redeemed on an end-of-day basis for the net asset value of the underlying securities, minus any applicable fees.

Redemption Fee:

A fee collected by an investment company for selling out of a fund within a specified time period, typically 30 days. The fee is established to discourage short-term trading and is redistributed to any remaining fund investors.

Revenue Share:

A portion of a fund's expense ratio that may be used to pay plan expenses for certain retirement plans.

Share Class:

Some investment funds and companies offer more than one type or group of shares, each of which is considered a class (e.g., "Class A," "Advisor" or "Institutional" shares). For most investment funds each class has different fees and expenses but all of the classes invest in the same pool of securities and share the same investment objectives.

Ticker:

A five-letter code, often used for trading purposes, that represents a particular mutual fund.

Spokane Employees' Retirement System

Money Market Manager Search Report June 2016

Statistical Terms

Batting Average:

How frequently a fund outperformed its benchmark given a certain time period and periodicity of returns.

Beta:

A statistical measure of an investment's volatility and degree of co-movement relative to its benchmark. A beta of 1.0 implies that an investment has, or has exhibited the same degree of volatility as its benchmark and has tended to closely track the performance of its benchmark. A beta that is above (below) 1 implies that an investment has exhibited higher (lower) overall volatility than its benchmark. Beta is often viewed as indicative of an investment's sensitivity to "systematic" or market risk.

R-Squared (R^2):

A statistical measurement of how much of an investment's returns are explained by another set of returns, typically that of a benchmark. An R^2 of 1.0 (0.0) implies that 100% (0%) of an investment's returns are explained by its benchmark and provides an indication as to what degree the investment might be expected to move in step with its benchmark.

Sharpe Ratio:

A measure of risk-adjusted returns. The Sharpe Ratio is the ratio of an investment's excess return (typically versus its index or a "risk-free" investment such as Treasury Bills) relative to its standard deviation for the corresponding period. A high (low) Sharpe Ratio indicates that an investment has provided a high (low) amount of excess return relative to the amount of risk it has incurred in doing so.

Standard Deviation:

A statistical measurement of how an investment's returns have tended to fluctuate around their average. A higher standard deviation implies a broader range of returns relative to an average and thereby a higher degree of investment risk. Assuming a normal distribution, approximately 95% of an investment's returns should fall within two standard deviations of its average for the corresponding time period and periodicity.

Tracking Error:

Tracking error is a measurement of the volatility of the difference between an investment's returns versus those of its benchmark. Given a certain periodicity of returns (such as monthly or quarterly), tracking error measures the volatility of the difference of the investment's and the benchmark's periodic returns within a specified time period. Annualized tracking error above 6% is generally viewed as high.

Up (Down) Capture Ratio:

Up (down) capture compares an investment's upside (downside) performance relative to that of its benchmark when the benchmark was returning positive (negative). Up (down) capture is expressed in percentage terms. For example, an investment with 120% Up Capture has, in relative terms, provided 20% more returns than the benchmark in periods of rising markets.

SERS Retirement Transaction Report

June 2016

Retirements

	Name	Age	Retirement Date	Years of Service	Department	Option
1	Linda L. Daniels	58	06/02/2016	26.0	Water	D
2	Roger M. Kaiser	57	06/11/2016	11.7	Solid Waste Disposal	E
3	Ronald W. Meredith	53	06/18/2016	15.7	Street	ST
4	Anthony R. Madunich	64	07/02/2016	39.4	Parks & Recreation	E
5	Alyce E. Millhorn	69	07/02/2016	17.9	Parks & Recreation	ST
6	Margaret A. Phillips	62	07/07/2016	30.0	Accounting	ST
7	Douglas K. Harvey	65	07/09/2016	21.8	IT	ST
8	Alan M. Kiefer	62	07/09/2016	28.2	Library	ST
	Retirements YTD	40				
	2015 Total Retirements	83				

Withdrawals

	Name	Years of Service	Department	Termination Date
1	Peter G. Borg	13.5	Solid Waste Management	01/08/2016
2	Buddy E. Crabtree	1.3	Solid Waste Disposal	05/13/2016
3	Blaine M. Stum	3.3	Council	06/03/2016
4	Sari A. Luciano	1.1	Parks & Recreation	06/03/2016

Vesting

	Name	Department	Years of Service
1	Erin A. Jacobson	Legal	7.1
2	Kevin D. Stewart	Municipal Court	5.1

Deaths

	Name	Date Retired	Age	Date of Death	Information
1	Charles J. Stich	04/04/2000	67	05/06/2016	E Option Continues
2	Joseph L. Lengyel	01/15/2002	75	06/15/2016	D Option Continues
3	Kazuko J. Honda	05/04/1985	101	06/03/2016	No Further Benefits
4	Joaquin R. King	09/13/2005	71	06/07/2016	No Further Benefits

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100
2016 EXPENDITURE SUMMARY REPORT
MAY 31, 2016

	2015 ACTUAL	2016 BUDGET	MAY ACTUAL EXPENDITURES	2016 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
OPERATING EXPENDITURES						
Departmental Salaries	220,405.82	273,580.00	19,946.60	101,359.75	172,220.25	37.0%
Departmental Benefits	66,088.05	78,190.00	6,084.42	30,598.71	47,591.29	39.1%
Reserve for Budget Adjustment	-	10,000.00	-	-	10,000.00	0.0%
Administrative Income	(22,061.31)	(10,000.00)	-	(3,983.73)	(6,016.27)	
Postage/Supplies/Other	20,091.84	18,500.00	1,322.17	5,875.29	12,624.71	31.8%
State Audit Charges	11,687.79	10,000.00	-	262.96	9,737.04	2.6%
Contractual Services	90,587.98	150,000.00	37,475.00	59,500.00	90,500.00	39.7%
Travel	2,517.20	15,000.00	305.20	1,258.16	13,741.84	8.4%
Registration/Schooling	10,789.00	15,000.00	-	60.00	14,940.00	0.4%
Other Dues/Subscriptions/Membership	1,970.20	2,500.00	-	573.20	1,926.80	22.9%
Other Miscellaneous Charges	4,462.05	2,220.00	307.00	875.05	1,344.95	39.4%
Depreciation & Amortization	17,649.00	-	-	-	-	
TOTAL OPERATING EXPENDITURES	424,187.62	564,990.00	65,440.39	196,379.39	368,610.61	34.8%
INTERFUND EXPENDITURES						
Interfund - Accounting Central Services	2,781.80	2,407.00	-	1,151.98	1,255.02	47.9%
Interfund - IT Phones	1,555.51	1,463.00	123.39	497.26	965.74	34.0%
Interfund - IT Communications Replacement	240.96	-	-	-	-	-
Interfund - Risk Management	1,121.00	991.00	247.75	495.50	495.50	50.0%
Interfund - Unemployment	500.00	-	-	-	-	-
Interfund - Worker's Compensation	58.50	198.00	49.50	99.00	99.00	50.0%
Interfund - IT	13,892.04	13,729.00	1,144.08	4,576.32	9,152.68	33.3%
Interfund - IT Replacement	3,584.04	1,927.00	160.58	642.32	1,284.68	33.3%
TOTAL INTERFUND EXPENDITURES	23,733.85	20,715.00	1,725.30	7,462.38	13,252.62	36.0%
TOTAL ADMINISTRATIVE EXPENDITURES	447,921.47	585,705.00	67,165.69	203,841.77	381,863.23	34.8%

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100
 2016 EXPENDITURE SUMMARY REPORT
 MAY 31, 2016

	2015 ACTUAL	2016 BUDGET	MAY ACTUAL EXPENDITURES	2016 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
PENSIONS						
Pensions-Annuity Benefit Payments	22,192,755.57	24,000,000.00	1,965,778.36	9,722,324.09	14,277,675.91	40.5%
Pensions-Disability Payments	125,328.48	160,000.00	10,444.04	52,220.20	107,779.80	32.6%
Pensions-Survivor Annuity Benefits Payments	1,641,113.98	1,600,000.00	150,228.91	749,407.23	850,592.77	46.8%
TOTAL PENSIONS	<u>23,959,198.03</u>	<u>25,760,000.00</u>	<u>2,126,451.31</u>	<u>10,523,951.52</u>	<u>15,236,048.48</u>	
Refunds	637,821.67	1,000,000.00	47,691.62	343,061.07	656,938.93	34.3%
TOTAL EXPENSES	<u><u>25,044,941.17</u></u>	<u><u>27,345,705.00</u></u>	<u><u>2,241,308.62</u></u>	<u><u>11,070,854.36</u></u>	<u><u>16,274,850.64</u></u>	40.5%
INVESTMENT EXPENSE*						
Advisory Technical Service	430,178.76	450,000.00	28,750.00	107,566.54	342,433.46	23.9%

* investment expenses are netted against investment income in the statement of changes of plan net assets to arrive at a net investment income amount.

SERS Schedule of Cash and Investments
May 31, 2016

6/23/2016	Type	Market	Actual Allocation	Approved Allocation
Cash and Short-term Investments:				
Cash Held by Treasurer	Cash	\$ 40,325		
US Bank	Short-term Inv	<u>1,338,345</u>		
Total Cash and Short-term Investments		1,378,670	0.5%	1.0%
Fixed Income:				
Vanguard Short-Term	Total Return - Mutual Fund	10,036,103		
Hotchkis & Wiley	High Yield - Mutual Fund	13,436,845		
PIMCO Global	International- Mutual Fund	<u>10,145,609</u>		
Total Fixed Income		33,618,557	12.4%	15.0%
U.S. Equities:				
Hotchkis & Wiley	LC Value - Mutual Fund	14,778,178		
Delaware	LC Growth - Mutual Fund	14,346,179		
MFS Heritage	LC Core	16,703,744		
Vanguard S&P 500 Index	LC Core - Mutual Fund	8,272,771		
Sterling	MC Value	8,435,736		
Vanguard MC Growth	MC Growth - Mutual Fund	7,595,205		
Vanguard MC Index	MC Core - Mutual Fund	5,270,512		
Champlain	SC Core	5,088,233		
Phocas	SC Value - Mutual Fund	4,160,296		
Bridgecity	SC Growth	4,617,092		
Vanguard SC Index	SC Core - Mutual Fund	<u>1,796,852</u>		
Total U.S. Equities		91,064,798	33.5%	
International:				
Berens	Ltd Partnership	9,540,031		
Euro Pacific	LC Blend - Mutual Fund	11,831,958		
Artisan	SMID Value - Mutual Fund	14,764,544		
Trivalent	SC Value - Mutual Fund	<u>8,666,009</u>		
Total International		44,802,542	16.5%	
Total Global Equities			49.9%	50.0%
Alt Absolute Return Hedge:				
Polar Long/Short (Altairis)	LLC	6,272,422		
American Beacon	Mutual Fund	7,203,519		
Castine Capital I	Ltd Partnership	6,206,164		
Post Limited Term High Yield	Ltd Partnership	5,684,412		
Rimrock Low Volatility	Ltd Partnership	<u>8,886,545</u>		
Total Alt Absolute Return Hedge		34,253,062	12.6%	10.0%
Alt Long-Short Growth & Special Opps:				
Weatherlow Offshore	Ltd Partnership	13,872,840		
OrbiMed II (Caduceus)	Ltd Partnership	9,050,115		
Royalty Opportunities I	Ltd Partnership	4,452,619		
Royalty Opportunities II	Ltd Partnership	771,785		
Troob	Ltd Partnership	3,350,414		
Beach Point	Ltd Partnership	<u>8,030,264</u>		
Total Alt Long-Short Growth & Special Opps		39,528,037	14.5%	14.0%
Real Estate:				
Legacy Partners Realty Fund III	Ltd Partnership	919,874		
Metropolitan Real Estate Partners	Ltd Partnership	657,762		
Morrison Street Fund IV	LLC	2,948,606		
Morrison Street Fund V	LLC	4,168,255		
Principal (REITs)	REITs	<u>8,622,302</u>		
Total Real Estate		17,316,799	6.4%	6.0%
PIMCO Commodites PLUS	Commodities - Mutual Fund	10,208,536	3.8%	4.0%
Total Cash and Investments		<u>\$ 272,171,001</u>	<u>100.0%</u>	<u>100.0%</u>
	withdrawals	(1,000,000)		
as of April 30, 2016		<u>\$ 270,071,411</u>		
	estimated rate of return	1.15%		

Organization	Program	Location	Dates	Cost	Travel	#	Membership	Notes
NCTR	Trustee Workshop	Berkeley, CA	7/24/2016 - 7/27/2016	\$2,500	\$1,500		\$1,625	Teacher's retirement organization; still relevant
NASRA	Annual Conference	Coeur D'Alene	8/6/2016 - 8/10/2016	\$1,130	\$0		\$2,775	
CII	Trustee Training	Chicago	9/28/2016 - 9/28/2016	\$395	\$250			Optional with annual conference
CII	Fall Conference	Chicago	9/28/2016 - 9/30/2016	\$0	\$1,250		\$5,000	Corporate Governance focus
IFEBP	Retirement Plan Basics	Boston	10/5/2016 - 10/6/2016	\$1,140	\$1,000			Can combine with below
IFEBP	Investment Basics	Boston	10/7/2016 - 10/8/2016	\$1,140	\$1,000			Can combine with above
NCTR	Annual Conference	Providence, RI	10/8/2016 - 10/12/2016	\$1,230	\$1,750		\$1,625	Teacher's retirement organization; still relevant
P2F2	Annual Conference	Charleston, SC	10/23/2016 - 10/26/2016	\$425	\$1,500	1		Christine attending
NSIIP	Annual Conference	Dallas	10/31/2016 - 11/1/2016	\$300	\$1,000			Includes Trustee Training
IFEBP	Trustee Masters Program	Orlando	11/12/2016 - 11/13/2016	\$1,250	\$500			Optional with annual conference
IFEBP	Annual Employee Benefits Conference	Orlando	11/13/2016 - 11/16/2016	\$1,450	\$1,500			
IFEBP/Wharton	Portfolio Concepts and Management	Philadelphia	5/1/2017 - 5/4/2017	\$4,895	\$1,500			Estimated Dates
CFA Institute	Annual Conference	Philadelphia	5/21/2016 - 5/24/2016	\$1,295	\$1,500			
NCPERS	Trustee Education Summit	Hollywood, FL	5/20/2017 - 5/21/2017	\$400	\$500			Optional with Annual Conference
NCPERS	Annual Conference	Hollywood, FL	5/21/2017 - 5/24/2017	\$800	\$1,500		\$250	
Plan Sponsor	Annual Conference	TBD	6/14/2017 - 6/16/2017	\$0	\$1,250			Estimated Dates

2016 Total	\$425	\$7,550
2016 Budget	\$15,000	\$15,000
2016 Difference	(\$14,575)	(\$7,450)
2017 Total	\$0	\$0
2017 Budget	\$15,000	\$15,000
2017 Difference	(\$15,000)	(\$15,000)

Additional Resources		
Benefits Link	Comprehensive Calendar	Online
IFEBP	Education Calendar	Online
CFA Institute Courses	Primer for Investment Trustees	Online

Government Finance Officers Association (GFOA)

Certified Public Finance Officers (CPFO) Certification Program

The Certified Public Finance Officers Program (Certification Program) of GFOA is a broad educational self-study program designed to verify knowledge in the disciplines of government finance. The Certification Program is governed by the Council on Certification. Technical and administrative support for the program is provided by Radford University's Governmental and Nonprofit Assistance Center.

To earn the designation of Certified Public Finance Officer (CPFO), candidates must pass a series of five examinations covering the major disciplines of public finance. A candidate has seven years in which to successfully complete the program. Once earned, the CPFO designation is maintained by participating in 30 hours of continuing professional education (CPE) each year or 60 hours of CPE credit if the CPFO files over a two year period.

The CPFO Certification Program offers the following five examinations:

1. Governmental Accounting, Auditing and Financial Reporting
2. Treasury and Investment Management
3. Debt Management
4. Operating and Capital Budgeting
5. Retirement & Benefits, Risk Management and Procurement

Approximate Costs:

\$295 for first exam

\$145 for subsequent exams

\$750 publications/study guides

Travel to exam locations, most of which are currently on the East Coast



Government Finance Officers Association



invest
in your
future today.

Grow your professional skills and advance your career with GFOA's nationally recognized

**Certified
Public
Finance
Officer (CPFO)
Program.**

in conjunction with

RADFORD
UNIVERSITY

The Government Finance Officers Association's (GFOA) Certified Public Finance Officer (CPFO) designation is a self-study certification program designed to prepare individuals for financial leadership

Take your government and career to the next level by becoming a **CPFO**

- Get practical training with a "how to" focus.
- Carry the CPFO designation with you throughout your career.
- Add the CPFO designation to your resume and enhance your professional marketability.
- Receive national recognition from your peers.
- Build relationships and network with other CPFOs at the GFOA's annual conference, training courses, and state association events.
- Use the self-study materials to explore important finance topics in depth.

positions in state and local government by enhancing fundamental skills and increasing knowledge of best practices and the latest trends in government finance.

How do I achieve the **CPFO** designation?

To be eligible to take the certification examinations a candidate must:

- Hold a baccalaureate degree from an accredited institution
- Accept and observe the GFOA Code of Professional Ethics.

To receive the CPFO designation a candidate must meet three additional criteria:

- **Current Employment:** Candidates must have a government as their primary employer.* Candidates that are currently unemployed must have had a government as their most recent primary employer and must be actively seeking government employment.
- **Employment History:** Candidates must have had at least three years of experience with a government as their primary employer during the previous ten years.
- **GFOA Membership:** Candidates employed with a government must be active members of the GFOA or be eligible for active membership when they apply for each exam. (Visit www.gfoa.org for membership benefits and to download an application and fee schedule.)

* *Primary employment is defined as a full-time government employee working an average of at least 32 hours a week.*

Did you know?

- The CPFO program was started by GFOA in 1997 to help standardize the core knowledge needed for public finance.
- There are over 600 CPFOs in the United States.
- In 2015, 455 professionals took at least one of the exams.

The CPFO program offers **certification exams** three times a year at sites around the country: Fall, early Spring, and at the GFOA annual conference. Most sites offer both a morning and afternoon session to allow candidates the opportunity to take two exams on the same day if they so choose. To achieve the CPFO designation, a candidate must successfully complete **five exams in seven years** in the following disciplines:

- governmental accounting, auditing, and financial reporting
- operating and capital budgeting
- debt management
- treasury and investment management
- retirement and benefits, risk management, and procurement

Each exam comprises 175 multiple-choice questions that must be completed in 3-1/2 hours. The passing standard is 75 percent.

Exams are primarily based on a suggested reading list that is included with the *Candidate's Guide*.

If you have questions on a specific section, call the GFOA offices at 312.977.9700 or Radford University at 540.831.6734.

Please refer to the *Candidate's Guide* and application of exam fees. Visit www.gfoa.org to order the suggested reading materials.

The GFOA offers a **50 percent discount** on publications for CPFO candidates. The publications are not only helpful in preparing for the CPFO exams, but provide future benefit as well.

Once earned, the CPFO designation is maintained by participating in 30 hours of Continuing Professional Education (CPE) each year or 60 hours over a two-year period.

An individual does not have to take all five exams to benefit from participating in the program. Each test is of such scope and quality that passing any one is a noteworthy achievement. A certificate is issued for each exam that is successfully passed.

"GFOA's CPFO Program provides a complete set of tools and best practices needed to succeed as a government finance leader in accounting, budgeting, capital financing, investing, and overseeing citizen participation. Preparing for the exams is serious studying, but worth every effort you put into it."

ADÉ A. ARIWOOLA, Finance Director, City of Federal Way, Washington

Hear
what
CPFOs
are
saying

"I now have a much better understanding of all of the key areas of public finance and feel more prepared to accept new challenges and responsibilities in my career."

JAMES BERNIER, Financial Reporting Manager/Chief Deputy Auditor, McHenry County Auditor's Office, Illinois

"The program greatly expanded my professional capabilities."

WILLIAM HALL, Interim Director of Statewide Reporting, State of Vermont

"Completing the CPFO program has given me the knowledge and confidence I need to lead and ensure each area of finance is managed effectively and efficiently."

DONNA WITT, Director of Financial Services, City of Lynchburg, Virginia



Visit
www.gfoa.org
for more
information,
to view the
*Candidate's
Guide*, and to
register for
exams.

**We welcome
your
questions!**

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administrative
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Nonprofit
Assistance Center.*

Plan Funding Ratio

Funded Ratio	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>
	51.6%	49.8%	-1.9%
Assets	275,558,189	272,171,001	-1.2%
PV Liabilities	533,910,579	546,957,630	2.4%
Contributions	6,392,066	6,332,734	-0.9%
Benefit Payments	11,200,269	11,070,854	-1.2%
Investment Returns	8,065,101	4,607,830	-42.9%
Discount Rate	5.50%	5.37%	-2.4%

