

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

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

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

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

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

Minutes of the June 29, 2016 Meeting

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the minutes of the June 29, 2016 meeting. The motion passed unanimously.

Director's Report

Service Retirements

Name	Age	Retirement Date	Years of Service	Option
Brenda J. Nelson	58	07/07/2016	24.9	ST
Laurie B. Burchell	54	08/02/2016	21.8	ST
Roger K. Burchell	55	08/02/2016	32.6	ST
Teresa Hopkins	63	08/03/2016	8.8	ST
Raymond G. Gaines	60	09/07/2016	18.2	E

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

Withdrawals for July 2016

Name	Years of Service	Termination Date
Alesha R. Horrocks	3.5	06/14/2016
James A. Hacker	2.9	05/20/2016
Leini E. Ena	0.6	06/23/2016
Pradeep A. Hatcher	2.0	07/01/2016

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

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Samuel H. Song	Parks & Recreation	9.7

Deaths

Name	Date Retired	Age	Date of Death	Information
David R. Dehn	02/02/1994	78	06/29/2016	E Option Continues
Mary L. Piggott	04/02/2013	72	07/11/2016	No Further Benefits
Kenneth A. Esperas	07/02/2011	64	07/12/2016	E Option Continues

Vesting and death information provided to the Board for informational purposes.

Breenan Beggs arrived at 1:36 p.m.

Expenditure Summary Report – June 2016

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

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

Schedule of Investments – June 2016

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on June 30, 2016 was \$269.7 million, with an estimated rate of return for the month of -0.43%. The July pension payments were funded by a cash distribution from the OrbiMed Royalty Opportunities I investment and excess cash resulting from decreased allocation to cash.

Other Business

Mr. Tencick gave an update on the implementation of the new asset allocation. A spreadsheet was provided showing the investments as of June 30 and the subsequent trades. The implementation began on July 1, 2016 and was substantially completed except for two more trades scheduled to take place on July 29 and September 30.

Also enclosed in the packets was a draft slide for the City's Finance Committee updates. Mr. Tencick prepared the slide for the Finance Committee that showed the financial impact of the Plan, its funding ratio and investment performance.

Mr. Tencick informed the Board that staff will be putting together an RFP for actuary services and asked if any members of the Board desired to be part of the review committee. Mike Cavanaugh, Jim Tieken and Dean Kiefer stated that they would like to be part of the committee. A draft RFP will be presented to the Board before release to the public.

Mr. Tencick informed the Board that as the Audit is complete staff should have the Annual Report ready for the August Board Meeting.

An update was given on the temp-seasonal Memorandum of Understanding (MOU) and is expected to be completed shortly.

Fiduciary Training

Mr. Szambelan led a presentation on the Board's roles and responsibilities to the Plan as fiduciaries.

There being no other business, the meeting adjourned at 2:23 p.m.

/s/

Phillip Tencick, Retirement Director