

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
October 26, 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, Donald Brown, and Tim Szambelan

Guests: Joe Cavanaugh, Natalie Hilderbrand, Deborah Wardwell, and John Bjork

Minutes of the September 28, 2016 Meeting

Mike Cavanaugh moved and Dean Kiefer seconded the motion to approve the minutes of the September 28, 2016 meeting as presented. The motion passed unanimously.

Mr. Tencick introduced Ms. Wardwell, who gave a brief background on herself.

Director's Report

Service Retirements

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Jeffrey S. Burke	50	10/17/2016	8.9	ST
Harry A. McLean, Jr.	72	11/04/2016	27.6	A
Wanda T. Clark	64	11/19/2016	11.2	ST
Charles D. Fletcher	62	01/07/2017	28.1	E
Richard J. Gow	71	01/07/2017	11.0	E
Robert A. Lincoln	67	01/21/2017	18.6	ST
William A. Flatt	76	02/02/2017	17.7	E

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

Withdrawals for October 2016

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Gina R. Dempsey	1.7	07/21/2016
David R. Parker	0.6	08/04/2016
Tyler R. Whitney	0.7	10/03/2016

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

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Shukwo Chan Palmer	IT	7.9
Kyndrin M. Tenny	Police	6.4

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Clyde H. Kramer	04/09/2005	75	09/15/2016	E Option Continues
Joyce C. Allenton	11/13/2003	85	09/22/2016	No Further Benefits
Harold W. Roan	09/07/1996	88	10/05/2016	No Further Benefits
Raymond D. King	12/05/1992	85	10/06/2016	No Further Benefits
Shirley J. Rickard	02/05/1994	84	10/10/2016	No Further Benefits
Eileen C. Quorn-Peters	03/31/1983	94	10/12/2016	No Further Benefits
Earl W. Cox	04/10/1993	79	10/17/2016	No Further Benefits

Vesting and Death information provided to the Board for review.

Breean Beggs arrived at 1:37 p.m.

Expenditure Summary Report – September 2016

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

Mike Cavanagh moved and Dean Kiefer seconded the motion to approve the September 2016 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – September 2016

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on September 30, 2016 was \$278 million with an estimated rate of return of 0.5%.

Monthly Cash Reconciliation

A new monthly cash reconciliation report was presented to provide the Board with additional insight into the ongoing liquidity and cash position of the plan.

Funding Level Update

The 3rd quarter funding ratio was below the glide path, 49.1% versus 50.1%. The decrease was due to a lower discount rate caused by lower municipal bond interest rates.

Other Business

Mr. Tencick notified the Board that he will send a survey to help frame the educational topic schedule for the upcoming year. Mr. Brill also suggested soliciting feedback for 2017 goals.

Mr. Tencick presented the results of a survey that polled the Board members regarding the experience and traits they would like to see for the open position on the Board.

Mr. Tencick updated the Board on the Actuary RFP. The Actuary RFP committee is scheduled to meet on November 1, with their recommendation being presented at the December Board meeting. Mr. Tencick will send electronically to the Board members his list of questions for their review and copies of the proposals that were submitted.

Investment Policy Statement

A redline version of the Investment Policy Statement was presented and discussed. Suggested edits were discussed and the final version with those edits will be presented at the next Board meeting for a vote.

Introduction to Core Real Estate

Mr. Tencick presented an Open-Ended Core Real Estate Primer that introduced the Board to the open-ended core real estate asset class.

Other Business

There being no other business, the meeting adjourned at 2:44 p.m.

Phillip Tencick, Retirement Director