

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
January 25, 2017

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, Jim Tieken, Mike Cavanaugh, Candace Mumm, Dean Kiefer, and Brian Brill

Staff: Phill Tencick, Donald Brown, and Tim Szambelan

Guests: Joe Cavanaugh, Bob Olsen, Dave Hanshaw, Joan Hamilton, Natalie Hilderbrand and John Bjork

Election of Chairperson

Mike Cavanaugh moved and Dean Kiefer seconded the motion to elect Mike Coster as Board Chairperson for the year 2017. The motion passed unanimously

Minutes of the December 7, 2016 Meeting

Mike Cavanaugh moved and Jim Tieken seconded the motion to approve the minutes of the October 26, 2016 meeting as presented. The motion passed 5-0, with Candace Mumm abstaining since she was not at the meeting.

Director's Report

Service Retirements

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Mark Teaford	59	12/06/2016	8.7	E
Matthew W. Antush	51	01/07/2017	23.8	E
Robert V. Inwards	66	01/14/2017	28.8	D
Clinton L. Tucker	66	02/04/2017	17.7	E
Suzanne M. Tresko	61	04/08/2017	26.6	ST

Dean Kiefer moved and Brian Brill seconded the motion to approve the service retirements as amended on the January Retirement Transaction Report. The motion passed unanimously.

Withdrawals for December 2016

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Shelley M. Kilgore	6.6	12/21/2013
Jacquelyn B. Caro	2.7	04/01/2016
Cory L. Taylor beneficiary of Karen A. Taylor	12.3	09/30/2016
Bret M. Lancaster	0.2	10/24/2016

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

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Angela N. Pashon	Mayor	1.0

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Taylor K. Bressler	12/15/2012	66	12/04/2016	No Further Benefits
Dale F. Sciuchetti	07/02/2002	76	12/07/2016	E Option Continues
Billy J. Yokum	03/02/1999	78	12/14/2016	No Further Benefits
James D. West	05/05/1984	95	12/16/2016	No Further Benefits
James C. Daniel	07/01/1985	96	12/23/2016	No Further Benefits
John L. Boesel	04/03/1993	91	12/29/2016	E Option Continues
Nobuko Oka	02/01/1986	97	12/31/2016	No Further Benefits

Vesting and Death information provided to the Board for review.

Expenditure Summary Report – November 2016

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

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

Schedule of Investments – December 2016

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on November 30, 2016 was \$275.3 million with an estimated rate of return of 1.4%.

Monthly Cash Reconciliation

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

Current Investment Theses

Dean Kiefer moved and Jim Tieken seconded the motion to approve the three investment theses covering investment weights outside of the policy bands. The motion passed unanimously.

Other Business

The transition to US Bank has been completed and January will be the first payment cycle with US Bank processing the pension payments. Mr. Tencick reviewed with the Board the schedule of retirement cut-off dates, the dates when US Bank will process the transmitted file, and when they will distribute the advices and checks to retirees.

Mr. Tencick walked the board thru the white paper that discussed the plan's liquidity and cash management analysis.

The 2017 Board Meeting Agenda with education topics listed was reviewed by Mr. Tencick with each of the education topics briefly explained.

Mr. Tencick shared that Local 270 has finalized their contract and its impact on SERS. Within the contract, contribution rates were increased. Before the contribution rate change can be put into effect, the other bargaining units have to approve the increase.

Mr. Tencick presented the Investment Advisory Committee minutes. Mike Cavanaugh moved and Brian Brill seconded the motion to acknowledge the minutes of the January 24, 2017 SERS Investment Advisory Committee Meeting. The motion passed unanimously.

Mr. Tencick informed the Board that Senate Bill 5116 was introduced in the state legislature. The bill gives first-class cities the option to irrevocably transfer their assets to the Washington State Investment Board for management.

Mike Cavanaugh moved and Jim Tieken seconded the motion to draft a letter from the Board to Senator Carlyle, Senator Billig, and Council President Stuckart commenting on Senate Bill 5116. The motion passed unanimously.

Other Business

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

Phillip Tencick, Retirement Director