

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

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

**Present:** Mike Cavanaugh, Jim Tieken, Candace Mumm, Dean Kiefer, Brian Brill, and J.D. Morscheck

**Absent:** Mike Coster

**Staff:** Phill Tencick, Donald Brown, and Tim Szambelan

**Guests:** Joe Cavanaugh, Joan Hamilton, John Bjork, and Richard Czernik

**Minutes of the September 27, 2017 Meeting**

Dean Kiefer moved and Brian Brill seconded the motion to approve the minutes of the September 27, 2017 meeting as presented. The motion passed unanimously.

**Director's Report**

**Service Retirements**

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Aaron J. McDanold	61	10/20/2017	16.01	ST
Cassandra D. Friesen	50	12/01/2017	5.80	E
Daniel L. LaPorte	61	12/05/2017	9.78	ST
Chris J. Lampe	69	02/03/2018	3.69 portable	ST

Mike Cavanaugh moved and J. D. Morscheck seconded the motion to approve the service retirements as amended on the October Retirement Transaction Report. The motion passed unanimously.

Candace Mumm arrived at 1:32 p.m.

**Withdrawals for October 2017**

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Katherine V. Ross	0.84	02/05/2016
Grifynn M. Clay	0.98	05/06/2017
Judy T. Petrucci	3.15	06/08/2017
Gina R. Rogers	0.74	07/29/2017
Diana Whaley beneficiary of Hunt Whaley	3.86	08/11/2017

Dean Kiefer 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.

### Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Virginia M. Watt	09/16/2000	80	08/28/2017	No Further Benefits
Alice M. Hartford	07/01/1993	86	09/27/2017	No Further Benefits
Bernice H. Rosendahl	11/11/2013	92	10/15/2017	No Further Benefits
Russell W. Beseler	04/02/2011	68	10/17/2017	D Option Continues

Death information provided to the Board for review.

### Expenditure Summary Report – October 2017

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

Mike Cavanaugh moved and Candace Mumm seconded the motion to approve the September 2017 Expenditure Summary Report. The motion passed unanimously.

### Schedule of Investments – October 2017

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on September 30, 2017 was \$302 million with an estimated rate of return of 1.5% for the month.

### Monthly Cash Reconciliation

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

### Rule of 90 Implementation

Mr. Tencick updated the Board on the process and challenges for implementing the new Rule of 90 tier. The biggest obstacles to implementing by year-end are the PeopleSoft updates, Plan document revisions, and the approval of all bargaining units. At the time of the Board meeting, the Managerial and Professional Association, Local 29 Civilians, Local 270 Library, and Local 270 Prosecutors have not entered into a tentative agreement or MOU regarding the Rule of 90. Discussion ensued.

### 3Q Funding Ratio

On a pro-forma, market basis, the funding ratio for the plan as of September 30<sup>th</sup> was 59.7%, which was 820 basis points higher than projected. This increase is due primarily to investment returns that are 120% higher than assumed.

### 2018 Educational Opportunities

Mr. Tencick gave a brief overview of the educational opportunities that were included with the Board packet and encouraged Board members to contact staff if they were interested in attending any of the conferences.

Plan Design Benchmarking Review

Mr. Tencick presented a benchmarking study comparing the new Rule of 90 plan design provisions to other large government plans. Overall, the Rule of 90 provisions are not as generous as many other plans, but the trend with other plans is moving towards less generous defined benefit plans similar, or more restrictive, than the Rule of 90 design.

There being no other business, the meeting adjourned at 2:47 p.m.

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**Phillip Tencick, Retirement Director**