

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
January 31, 2018

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, Dean Kiefer, J.D. Morscheck, and Brian Brill

Absent: Candace Mumm

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

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

Election of Chairperson

Mike Cavanaugh moved and Jim Tieken seconded the motion to elect Mike Coster as Board Chairperson for the year 2018. The motion passed unanimously

Minutes of the December 6, 2017 Meeting

Mike Cavanaugh moved and Dean Kiefer seconded the motion to approve the minutes of the December 6, 2017 meeting as presented.

Director's Report

Service Retirements

<i>Name</i>	<i>Age</i>	<i>Retirement Date</i>	<i>Years of Service</i>	<i>Option</i>
Mira Duong	50	08/10/2017	15.5	B
Terry M. Headley	67	12/03/2017	41.2	E
Ronda A. Stapleton	53	01/01/2018	9.9	ST
Robert M. West	64	01/03/2018	19.3	E
Eric M. Townsend	50	01/06/2018	17.4	ST
Virgil L. Stratton	63	01/08/2018	28.0	E
Carla J. Pearson	63	01/13/2018	9.8	ST
Raymond E. Rouse	66	01/13/2018	8.9	ST
Sharon J. Lukich	66	02/02/2018	16.8	D
Tia L. Tauscher	56	02/03/2018	27.5	D
Joyce L. Brede Stiles	66	03/31/2018	23.8	ST
Janice A. Ahmann	60	04/03/2018	25.6	E
William P. Craver	63	04/13/2018	10.4	D

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

Withdrawals for January 2017

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Angel D. Odle	0.3	11/27/2017
Michael P. Werner	2.0	02/24/2015

J.D. Morscheck moved and Brian Brill seconded the motion to approve the requests for withdrawal as presented on the December 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>
Keith M. Thackray	09/26/1985	91	12/11/2017	No Further Benefits
David F. Scarpelli	05/14/2001	66	12/18/2017	No Further Benefits
John H. Owen	07/12/2007	68	12/20/2017	E Option Continues
Richard A. Davis	06/21/2002	71	12/19/2017	No Further Benefits
Andrea E. Nierstheimer	07/23/2016	64	12/26/2017	No Further Benefits
Michael R. Jobe	10/02/2015	56	01/13/2018	No Further Benefits

Death information provided to the Board for review.

Expenditure Summary Report – November 2017

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

Mike Cavanaugh moved and Dean Kiefer seconded the motion to approve the November 2017 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – December 2017

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on November 30, 2017 was \$306.3 million with an estimated monthly rate of return of 1.5%.

Monthly Cash Reconciliation

The monthly cash reconciliation reports for November 2017 and December 2017 were presented to provide the Board with additional insight into the ongoing liquidity and cash position of the plan.

Rule of 90 Implementation Update

Mr. Tencick informed the Board that the Rule of 90 Implementation has been completed. PeopleSoft was updated with the RP-2000 Mortality Tables for retirement calculations

and the City's IT Department was able to make the necessary software changes in-house to add the Rule of 90 tier. HR sent an email to all employees notifying them of the updated contribution rate and the new tier, and a letter was included with the annual contribution statement that notified employees of the changes. City Council approved the Resolutions and the Ordinance necessary to make the changes under SMC to increase the contribution rate and add the new tier.

Annual Board Agenda

Mr. Tencick distributed a draft annual agenda for the year to the Board and asked for input on education topics within the next couples of weeks.

Investment Advisory Committee Update

Mr. Tencick presented the Investment Advisory Committee minutes.

Jim Tieken moved and Brian Brill seconded the motion to acknowledge the minutes of the January 29, 2018 SERS Investment Advisory Committee Meeting. The motion passed unanimously.

Other Business

Mr. Tencick informed that Senate Bill 5160 is starting to be discussed again. The Board suggested that the topic be brought back to the February meeting for further discussion.

Mr. Tencick informed the Board that the CEO of OrbiMed stepped down. Discussion ensued and OrbiMed will remain on watch.

Mr. Tencick updated the Board on the need to recalculate 49 pensions from 2017 due to the retroactive payment received by Local 270. Of the 49 pensions, only 16 pensions were impacted by the retroactive payment. The one-time payments totaled approximately \$1,013 for the year, and the total monthly increase was approximately \$309.

Board Rules

Mr. Tencick presented the draft Board Rules to the Board. Discussion ensued.

Jim Tieken moved and Dean Kiefer seconded the motion to defer the changes to Rule IX until the next meeting. The motion passed unanimously.

Dean Kiefer moved and Mike Cavanaugh second the motion to strike Rule XV and defer to the next meeting for discussion. The motion passed unanimously.

Jim Tieken moved and Mike Cavanaugh seconded the motion to approve the changes to Rules V, VII, and XI as presented. The motion passed unanimously.

Other Business

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

/s/

Phillip Tencick, Retirement Director