

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
September 26, 2012**

Bill Todd called the regular monthly meeting to order at 1:30 p.m. in the 5th Floor Conference Room at City Hall.

Present: Bill Todd, Jon Snyder, Mike Coster, Steve Sather, Dean Kiefer, Brian Brill, and Jerry McFarlane

Staff: Leo Griffin, Christine Ellingson, Donald Brown and Tim Szambelan

Guests: Joan Hamilton, Joe Cavanaugh, Mike Cavanaugh, Dean Vercruysse, Bob Olsen, Richard Czernik and Bill Dowd by telephone.

Actuarial Presentation

Mr. Griffin stated that the interest rate reduction on employee contributions would be moving forward to City Council this fall. Mr. Griffin then introduced Bill Dowd from SageView Consulting who participated in the first part of the SERS Board meeting via telephone. Mr. Dowd was presenting today as a follow-up to his July 26, 2012 presentation. The city administration had asked for three scenarios: A) Project the 30 year funded status assuming City and employee contributions are increased from 7.75% to 8.25% with no other change in benefits. B) Determine the defined benefit Tier 3 benefit that, if enacted for new hires only, would result in a 30 year projected funded status of 100% assuming City and employee contributions remained at the current 7.75% level. C) Develop a hybrid plan alternative (part defined benefit and part defined contribution) for new hires that would result in a 30 year projected funded status approaching 100%. Mr. Dowd presented a chart, which showed scenarios A and B at or near a 100% funded level after 30 years and scenario C (a hybrid plan) in the mid-80s percentile after 30 years. The Board discussed the scenarios with Mr. Dowd. It is not expected that any more scenarios will be run.

Minutes of the August 29, 2012 Meeting

Jon Snyder moved and Dean Kiefer seconded the motion to approve the minutes of the August 29, 2012 meeting as distributed. The motion passed unanimously.

Retirements

Name	Age	Retirement Date	Years of Service	Option	30-day Notice
Richard R. Mauget	60	12/04/2012	26.7	E	Y
Pamela Ames	50	11/26/2012	22.1	B	Y

Steve Sather moved and Mike Coster seconded the motion to approve the retirements as presented on the September Retirement Transaction Report. The motion passed unanimously.

Withdrawals for September 2012

Name	Termination Date
Timothy Kyker	06/08/2012
Carrie Holton	07/06/2012
Alfred Bierlair	08/03/2012
Rebecca Huss	08/25/2012
Charmaine Dauterman	08/30/2012

Steve Sather moved and Jerry McFarlane seconded the motion to approve the requests for withdrawal as presented on the September Retirement Transaction Report. The motion passed unanimously.

Deaths

Name	Date of Death	Age	Information
Floyd W. Thon	09/16/2012	91	No Further Benefits

Death information was provided to the Board for review.

Director's Report

Expenditure Summary Report – August 2012

The Expenditure Summary Report was presented to the Board and discussed. Mr. Griffin noted that expenditures through August 31, 2012 were down 12% compared to the same period last year.

Mike Coster moved and Jon Snyder seconded the motion to approve the August 2012 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – August 2012

The monthly investment report was presented to the Board for review. The market value of the SERS portfolio on August 31, 2012 was \$236.2 million. Mr. Griffin projected that the MV, as of market-close today, was approximately \$242 million with an approximate \$23 million YTD gain. It has been a great quarter but the equity markets have given up a little in the last few days.

November/December 2012 Board Meeting

Mr. Griffin asked the Board if the November and December Board meetings could be combined. It was decided to hold a combined November/December meeting on Wednesday, December 5, 2012 beginning at 12:30 pm with Jayson Davidson from the Hyas Group in attendance for the third quarter 2012 performance report.

Other Business

Mr. Griffin informed the Board that a SERS Public Records Request was received by the City. The request was regarding a deceased SERS retiree. The family has requested a copy of the retiree's file, and the entire file was provided to the City Clerk's Office.

There being no other business, the meeting adjourned at 2:03 p.m.

/s/

Leo F. Griffin, Retirement Director