

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
June 26, 2013

Bill Todd called the regular monthly meeting to order at 1:28 p.m. in the 5th Floor Conference Room at City Hall.

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

Staff: Timothy Dunivant, Christine Shisler, Donald Brown and Tim Szambelan

Guests: Tammy Erickson, Jennifer Blake, Joe Cavanaugh, Mike Cavanaugh and John Bjork

Moss Adams – December 31, 2012 Audit Report

Moss Adams presented a draft report for the 2012 SERS independent audit. The auditors explained how they test critical areas such as the investment assets, investment income, contributions, benefit payments and participant data. Moss Adams expects to issue an unqualified (clean) opinion. Additionally, they expect no comments in the management letter, which is a reflection of the continuing efforts being made by staff.

Ms. Erickson addressed the two new GASB statements that will have an impact on SERS. GASB Statement No. 67, Financial Reporting for Pension Plans, is effective for financial statements for periods beginning after June 15, 2013 (SERS is expected to implement Standard No. 67 for its year ended December 31, 2014.) This statement will mainly affect the footnote disclosures and supplemental information in SERS' annual report. GASB Statement No. 68, Accounting and Financial Reporting for Pensions applies to the employer, the City of Spokane, and is effective for fiscal years beginning after June 15, 2014. This statement will affect how the City discloses the financial liability of SERS in their annual report.

Minutes of the May 29, 2013 Meeting

Steve Sather moved and Jerry McFarlane seconded the motion to approve the minutes of the May 29, 2013 meeting as distributed. The motion passed unanimously.

Service Retirements

Name	Age	Retirement Date	Years of Service	Option	30-day Notice
Wilma C. Beddow	53	06/08/2013	12.2	E	N
Lori A. Meakin	55	06/29/2013	23.6	ST	Y
Ann M. Murphy	65	07/06/2013	22.0	ST	Y
Ashley C. Hallam	61	07/06/2013	20.8	D	N
Michael Wilhelm	58	07/06/2013	29.9	E	N
Sandra J. Decker	54	07/13/2013	29.9	ST	Y
Gregory G. Shields	63	08/02/2013	8.1	ST	Y
Brian O. Miyamoto	62	08/31/2013	32.7	A	Y

Steve Sather moved and Dean Kiefer seconded the motion to approve the service retirements as presented on the June Retirement Transaction Report. The motion passed unanimously.

Withdrawals for June 2013

Name	Termination Date
Paul Masiello	04/10/2013
Paul Van Sickle	04/22/2013
Kristina Sabestinas	11/30/2012

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

Director's Report**Expenditure Summary Report – May 2013**

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

Steve Sather moved and Mike Coster seconded the motion to approve the May 2013 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – May 2013

The monthly investment report was presented to the Board for review. The market value of the SERS portfolio on May 31, 2013 was \$260.1 million.

Other Business

Mr. Dunivant updated the board on the search for the Retirement Director. The first review date had been scheduled for June 21, 2013; however there were only two applicants and as a result, the first review date has now been extended. Mr. Dunivant said he will check with Ms. Heather Lowe and find out the new review date and will update the Board with the progress of the search.

Ms. Shisler informed the board that she will be attending the Public Pension Financial Forum (P2F2) conference in October to help understand the new GASB statements and how they will impact the reporting of the SERS' financial statements.

There being no other business, the meeting adjourned at 1:59 p.m.

/s/

Timothy Dunivant, Interim Retirement Director