

**Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
April 30, 2014**

Bill Todd called the regular monthly meeting to order at 1:27p.m. in the 5th Floor Conference Room at City Hall.

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

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

Guests: Bill Dowd, Bill Reid, Joan Hamilton, Joe Cavanaugh, Dave Hanshaw, Jim Tieken, Bob Olsen, Mike Cavanaugh, Joan Hamilton, Heather Lowe and John Bjork

Bill Dowd and Bill Reid, SageView Consulting – 2013 Actuarial Valuation

Mr. Dowd and Mr. Reid presented the December 31, 2013 Actuarial Valuation. The actuarial funded status at December 31, 2013 was 68.7%, as compared to 66.2% at December 31, 2012. The Plan earned 18.9% with an actuarial smoothed returned of 11.6%. The return was higher than the actuarial assumed rate of return of 7.5% and the primary reason for the increase in the funded status. SERS uses a five-year actuarial smoothing technique coupled with a 90% - 110% corridor.

Mr. Brill asked if the contribution rate changed to the recommended 8.25% back when it was originally proposed, what that would have done to the funded ratio. Mr. Dowd indicated that he had done previously a quick calculation and it would have been approximately \$1.3 million in contributions each year, which would not have been a large amount over the two-year period, but it would have helped reduce the underfunding slightly.

Ad-Hoc

SageView recommended that the Board not grant an ad hoc increase, as the funded ratio is less than 90%. This is in accordance with Board policy.

Jon Snyder moved and Mike Coster seconded a motion for no ad hoc adjustment to retirees in accordance with Board policy. The motion passed unanimously.

Interest Rate Change

The Board asked Staff to work with SageView to formalize the process on how the Board reaches the decision to change, if necessary, the interest rate that is paid on the contributions.

Steve Sather moved and Jerry McFarlane seconded the motion to keep the current interest rate on contributions at 2.5%. The motion passed unanimously.

Retirement Director Search

Heather Lowe updated the Board on the search for a Retirement Director. To date, there have been no new applicants. Ms. Lowe indicated that all of the external applicants have withdrawn their applications and the next step would be to prepare a Request for Proposal (RFP) to executive recruitment firms. Mr. Todd asked for a timeline and Ms. Lowe indicated that she could have the RFP to the Board for review and input within the next couple of days and within the RFP, give the firms ten days to respond. Mr. Snyder acknowledged that there is an internal candidate and it has been the goal all along, for the Board to have multiple applicants to interview. Mr. Todd reminded the Board that the position is a Mayoral appointment and it would be preferred if there were a couple of candidates to submit to the Mayor.

Minutes of the March 26, 2014 Meeting

Ms. Shisler made note of two errors that were in the March 26, 2014 minutes. Ms. Shisler recommended to the Board the following changes: changing from Mr. Todd to Mr. Coster called the meeting to order and correcting Mr. McFarlane's name in the motion to approve the Expenditure Summary Report for February.

Steve Sather moved and Jon Snyder seconded the motion to approve the minutes of the March 26, 2014 meeting as corrected. The motion passed unanimously.

Service Retirements

Name	Age	Retirement Date	Years of Service	Option	30-day Notice
Russell D. Menke	64	04/26/2014	5.2	ST	N
Judy Y. Destito	62	05/03/2014	35.0	ST	N
Robert D. Wentworth	65	05/09/2014	30.9	ST	Y
Allen D. Schmelzer	65	05/10/2014	35.0	ST	Y
Jennifer S. Grimes	59	05/10/2014	21.7	ST	Y
Glen D. Federspiel	62	06/03/2014	14.1	E	Y
Carrie L. Aiken	58	07/01/2014	10.6	E	Y
Sheilah A. Collins	66	07/01/2014	3.0 (portability)	ST	Y
Nancy-Jane Dawson	73	07/08/2014	17.5	ST	Y

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

Withdrawals for April 2014

Name	Termination Date
Melissa D. Nystrom	03/10/2014

Jon Snyder moved and Jerry McFarlane seconded the motion to approve the requests for withdrawal as presented on the April Retirement Transaction Report. The motion passed unanimously.

Deaths

Name	Date of Death	Age	Information
Mary E. Richards	03/21/2014	70	D Option Continues
John W. Nickerson	03/31/2014	64	E Option Continues
John F. Henry	04/13/2014	67	D Option Continues
Floyd E. Lauersen	04/17/2014	80	No Further Benefits

Death information was provided to the Board for review.

Notice of Election for SERS Employee Board Member – June 10, 2014

Ms. Shisler informed the Board that there were currently no candidates running for the employee member position, held by Mr. Sather, on the SERS Board. Per the City Clerks' office, all nominations must be into their office by May 6, 2014 at 5:00p.m. and the election will be held June 10, 2014.

Director's Report

Expenditure Summary Report – March 2014

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

Mike Coster moved and Steve Sather seconded the motion to approve the March 2014 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – March 2014

The monthly investment report was presented to the Board for review. The approximate market value of the SERS portfolio on March 31, 2014 was \$282.9 million.

Other Business

Mr. Todd thanked Mr. Sather for his years of service to both the SERS Board and to the City of Spokane.

There being no other business, the meeting adjourned at 2:26 p.m.

/s/

Timothy Dunivant, Interim Retirement Director