

Spokane Employees' Retirement System (SERS)
Board Meeting Minutes
June 25, 2014

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, Mike Coster, Dean Kiefer, Brian Brill, Jerry McFarlane, Mike Cavanaugh and Jon Snyder

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

Guests: Tammy Erickson, Emily Ogden, Joe Cavanaugh, Joan Hamilton and John Bjork

Appointment of Board Member

Bill Todd congratulated Mike Cavanaugh on being elected to serve on the SERS Board and appointed him to fill the remainder of the term vacated by Steve Sather.

Moss Adams – December 31, 2013 Audit Report

Moss Adams presented a draft report for the 2013 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 upcoming new GASB statements that will have an impact on SERS and the City of Spokane. 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 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 28, 2014 Meeting

Jon Snyder moved and Dean Kiefer seconded the motion to approve the minutes of the May 28, 2014 meeting as distributed. The motion passed unanimously.

Service Retirements

Name	Age	Retirement Date	Years of Service	Option	30-day Notice
Denise A. Lewis	60	05/23/2014	11.6	ST	N
Carolee S. Giersdorf	63	07/04/2014	10.3	ST	Y
Gary S. Nelson	66	07/05/2014	11.0	E	Y
Michele P. Yake	67	07/08/2014	15.7	ST	Y
Dennis D. Bergstrom	66	07/13/2014	16.2	B	Y
Darla Copeland Grose	65	08/02/2014	17.1	ST	Y
Edwin C. Meyers	59	08/02/2014	33.3	E	Y
Candice L. Huddleston	62	08/23/2014	12.4	ST	Y
Steven M. Hansen	59	09/20/2014	14.8	D	Y

Mike Coster moved and Jerry McFarlane seconded the motion to approve the service retirements as presented on the June Retirement Transaction Report. The motion passed unanimously.

Withdrawals for June 2014

Name	Termination Date
Russ R. Al-Urfali	05/02/2014

Dean Kiefer moved and Jon Snyder 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 2014

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

Jon Snyder moved and Mike Coster seconded the motion to approve the May 2014 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – May 2014

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on May 31, 2014 was \$286.7 million.

Other Business

Mr. Dunivant informed the Board that the Request for Proposals (RFP) for the Retirement Director Executive Search was now available. The RFP is scheduled to close on July 14, 2014. Bill Todd asked for the responses to be emailed to the Board members for review, in hopes that they can be discussed at the July 30, 2014 Board meeting.

Other Business

Ms. Shisler distributed a sheet with statistical information to the Board that showed a breakdown of the population of SERS by number of participants in each of the plans.

Joan Hamilton informed the Board that the M&P labor group had voted on the change in contribution rate from 7.75% to 8.25% for its members and it had passed.

There being no other business, the meeting adjourned at 2:00 p.m.

/s/

Timothy Dunivant, Interim Retirement Director