

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting Minutes**  
**April 29, 2015**

Mike Coster called the regular monthly meeting to order at 1:30 p.m. in the 5<sup>th</sup> Floor Conference Room at City Hall.

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

**Absent:** Bill Todd

**Staff:** Phillip Tencick, Christine Shisler, Donald Brown and Tim Szambelan

**Guests:** Bill Dowd, Bill Reid, Timothy Dunivant, Joan Hamilton, Joe Cavanaugh, Dave Hanshaw, Jim Tieken, Bob Olsen, Richard Czernik, Natalie Hilderbrand, Diane Reynolds and John Bjork

**Introduction of New Retirement Director**

Mike Coster introduced the new Retirement Director, Phillip Tencick to the Board and guests. Mr. Tencick briefly outlined his immediate priorities for the Board, which were completing a RFP for the investment consultant, conducting a subsequent asset allocation study, and having introductory meetings with key stakeholders.

**Election of New Board Chairperson**

Mike Coster informed the Board of Bill Todd's resignation from his position as Chairperson on the Board and asked for nominations to fill the position.

Mike Cavanaugh moved and Jerry McFarlane seconded the motion to elect Mike Coster as Board Chairperson for the remainder of 2015. The motion passed unanimously.

**Bill Dowd and Bill Reid, SageView Consulting – 2014 Actuarial Valuation**

Mr. Dowd and Mr. Reid presented the December 31, 2014 Actuarial Valuation.

The implementation of GASB 67 reduced the discount rate for the plan. The discount rate dropped from 7.5% to 5.5% because of GASB 67. The assumed rate of return remained unchanged at 7.5%. The actuarial funded status at December 31, 2014 was 58.2%, using the new discount rate. Without GASB 67, the funding status would have increased from 68.7% to 69.3%. The Plan's funded status remains in line with the long-term glide path strategy implemented in 2012 to ensure the Plan returns a fully funded status.

### **Ad-Hoc**

As the funded ratio is less than 90% and in accordance with SERS Board policy, SageView recommended an ad hoc increase not be granted.

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

### **Interest Rate Change**

Mike Cavanaugh moved and Dean Kiefer seconded the motion to keep the current interest rate on contributions at 2.5% and to develop a policy to set a benchmark for future interest rate changes. The motion passed unanimously.

### **Signature Resolution**

Dean Kiefer moved and Jon Snyder seconded the motion to approve the resolution that would give Mr. Tencick signatory authority and remove Mr. Dunivant's signatory authority. The motion passed unanimously.

### **Minutes of the March 18, 2015 Meeting**

Mike Cavanaugh moved and Jerry McFarlane seconded the motion to approve the minutes of the March 18, 2015 meeting as distributed. The motion passed unanimously.

### **Service Retirements**

<b>Name</b>	<b>Age</b>	<b>Retirement Date</b>	<b>Years of Service</b>	<b>Option</b>
Judy K. Babb	64	04/04/2015	24.0	ST
Debra A Lehinger	62	04/04/2015	22.1	ST
Kenneth A. Ristau	63	04/11/2015	35.0	D
William T. Todd	63	05/05/2015	35.0	E
Mary R. McIntyre	63	05/05/2015	20.5	ST
Deborah M. Stussi	61	05/11/2015	15.3	D
Meta S. Marshall	69	06/06/2015	15.3	E
Douglas C. Roberts	64	06/14/2015	35.0	D
Ngoc T. Nguyen	69	07/01/2015	33.3	E
Debra R. Devenport	58	07/07/2015	8.3	D

Jon Snyder inquired about the policy that addresses retirees returning to work as temporary/seasonal employees. Ms. Shisler explained the City's code limits retiree employment to 960 hours and informed the Board that she was currently tracking eleven retirees who have returned to work as temporary/seasonal employees. To date, only one retiree is close to the 960 hours cap set per the Code and will have their pension suspended if they continue to exceed the limit.

Jon Snyder 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 2015

<b>Name</b>	<b>Termination Date</b>
John D. Konen	07/31/2012
Justin R. Perry	01/27/2014
Matthew A. Klynstra	09/09/2014
Stanley A. Kempner beneficiary of Eric S. Kempner	01/04/2015
Anna M. Fagerland	02/03/2015
Samantha L. McCombs	02/07/2015
Erin M. Miller	02/21/2015
Marleen M. Clutter beneficiary of Clyde C. Clutter	03/11/2015
Zoraida A. Etter	03/13/2015
Janel S. Quintrall	04/01/2015

The Board asked for the transaction report to include years of service for the employees who are withdrawing their contributions.

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

## Vesting

<b>Name</b>	<b>Department</b>	<b>Years of Service</b>
Roy J. Antoine	Solid Waste Management	3.1 portability
Samuel B. Barham	Street	3.1 portability
Daniel J. Cotter	Code Enforcement	7.2

## Deaths

<b>Name</b>	<b>Date of Death</b>	<b>Age</b>	<b>Information</b>
Clyde C. Clutter	03/11/2015	85	No Further Benefits
Theodore S. Todd	04/08/2015	63	E Option Continues
Catherine D. Basta	04/13/2015	84	No Further Benefits

Mr. Hanshaw asked if the retirement date could be included with the information provided for the members who have deceased. Staff will modify the report to include the retirement date for retirees who have deceased.

Vesting and death information was provided to the Board for review.

**Notice of Election for SERS Employee Board Member – May 12, 2015**

Ms. Shisler informed the Board that James Tieken and Hunt Whaley are running for the employee member position on the SERS Board formerly held by Bill Todd. The election will be held May 12, 2015.

**Director's Report**

**Expenditure Summary Report – March 2015**

The Expenditure Summary Report was presented to the Board and discussed. Ms. Shisler advised the Board that she is expecting to receive the initial budget run for 2016 in May and will be working with Mr. Tencick on it.

Jon Snyder moved and Mike Cavanaugh seconded the motion to approve the March 2015 Expenditure Summary Report. The motion passed unanimously.

**Schedule of Investments – March 2015**

The monthly investment report was presented to the Board for review. The approximate market value of the SERS portfolio on March 31, 2015 was \$289.7 million.

**Other Business**

Mr. Tencick proposed to the Board, in an effort to reduce paper consumption, to only distribute paper copies of the Board packets to the members of the Board, and provide electronic copies to guests. Discussion ensued and Mike Coster recommended waiting to roll out this change until the process could be finalized.

There being no other business, the meeting adjourned at 2:45 p.m.

/s/

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**Phillip Tencick, Retirement Director**