



MINUTES

Board Members Present: Councilmember Tim Burgess; Robert Harvey; David Stewart; Glen Lee; Lou Walter; Sherry Crawford; Jean Becker

SCERS Staff Present: Cecelia M. Carter; Tony Smith; Jeff Davis; Claire Foster; Beverly Yapp; Lisa Carns

Others Present: Mike Monaco, Song Mondress Law Firm; Carlton Seu, Seattle City Attorney's Office; Nate Van Duzer, Council Staff; John McCoy, Legislative Central Staff; Tom Kirn; Finance and Administration; John Masterjohn, Retiree; Steve Viney, Retiree.

Councilmember Burgess, Board Chair called the meeting to order at 9am.

Public Comment: No public comment.

Administrative Consent Agenda

Minutes:

Provided in the Retirement Board packet was the minutes from the December 13, 2012 Retirement Board regular meeting.

Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals

Service	\$10,312,967.80
Beneficiary	\$907,470.37
Disability	\$76,173.65
Pension Payroll – PPE December 31, 2012	\$11,296,611.82

Office Payroll – PPE December 14 and 28, 2012	\$88,079.83
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Vouchers Processed – December 31, 2012	\$272,060.89
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- *Expert and Consultant Services – \$9,605.20
- *Investment Management Fees – \$176,471.48
- *Interdepartmental Charges - \$58,858.60
- *Miscellaneous - \$27,125.61

Immediate Withdrawals of Contributions for the month of December 2012:

Member	Department Name	Position
Alina, Kristopher S	Parks	Rec Leader
Batson, Tracy A	City Light	Admin Spec II
Bell, Vaughn E	Arts	Arts Prgm Spec Sr
Caros, Charmaine A	Personnel	Acct Tech II
Davis, Cory William	FAS	Strat Advr
Dizard, Lawrence D	City Light	Painter
Farmer, Jessica A	Exec	Strat Advr
Fitzpatrick, Kori A	City Light	Ofc Maint Aide
Galvez, Sherri L	SPU	Util Acct Rep I
Galvin, Daniel M	Parks	Cashier Sr
Holiday, Kaliha M	FAS	Cust Svc Rep
Hong, Thuy T	FAS	Plng & Dev Spec Sr
Ivory-Ndiaye, Angelo L	Library	Page
Kelly, Laura Yvonne	SPU	Admin Spec II
Krantz, Roger M	Seattle Center	Stage Tech
Morgenroth, Brian C	SPU	Civil Eng Sr

Member	Department Name	Position
Nakano, Kellie K	HSD	Program Supv Sr
Ovbiebo, Kehinde O	SDOT	Accountant
Yiu, Alice Kee-Ping	FAS	Mgmt Sys Anylst Sr
Youngblood, Mark J	City Light	Hydro Op I

Bold entries above indicate refund payout made to beneficiary of a member dying while in active status.

Withdrawals for a total of: \$371,917.02

Ratification of Service Retirements for the month of December

Retiree	RetireDt	Years	Days	Age	DeptName	Position
Allen,Greg L	12/1/2012	18	118	64	Neighborhoods	Info Tech Prof C
Anderson,Sherry G	12/4/2012	25	135	66	SPU	Solid Wst Fld Rep,Lead
Baird,Gary O	12/5/2012	22	136	61	City Light	Hydro Op Chief
Booth,Richard L	12/4/2012	29	326	63	Parks	Maint Laborer
Brisbois,Dwight D	12/5/2012	30	45	62	SDOT	Civil Engrng Spec, Sr
Brooks,Renee T	12/5/2012	31	52	54	City Light	Real Property Agent Sr
Broom,David C	12/3/2012	17	312	66	Vested	Vested
Clemence,Doris	12/5/2012	13	58	64	City Light	Pwer Anylst,Sr
Dahle,Carolyn J	11/20/2012	10	164	58	Vested	Vested
De Anguera,Paul G	12/5/2012	38	144	64	FAS	Info Tech Prof
Donnelly,Kevin S	12/5/2012	21	157	63	DPD	Civil Engrng Spec,Sr
Eisner,Nancy E	12/4/2012	26	223	59	Parks	Aquatic Cntr Coord
Hoover,Sidney D	12/4/2012	28	175	68	Municipal Courts	Prob Counsler II
Johnson,Debra A	12/1/2012	23	242	57	City Light	Manager 3
Larson,Michael C	12/5/2012	26	233	66	SDOT	Parking Pay Stat Tech
Schluter,Catherine A	12/5/2012	6	20	62	City Light	Info Tech Prof B
Sellers,Lillie H	11/21/2012	5	51	67	Municipal Courts	Admin Spec II
Siverson,Rodrick F	12/4/2012	34	350	62	City Light	Manager 3
Skiffington,Daniel D	11/17/2012	30	177	66	SPU	Maint Laborer
Ward,Michael D	12/5/2012	33	280	58	SPU	Drainage & Wstwr Coll Wkr I

For the month of December 2012: 34 new Members entered the System, 38 terminations, 20 Members retired in the System, 20 Members removed (\$23,287.21), 1 option C, 6 Option D/E continuation, 3 Option F, 2 over 60% benefit.

Motion: Upon motion by Tim Burgess, seconded by Bob Harvey, the Retirement Board approved the below items contained in the Administrative Consent Agenda.

- Minutes of the December 13, 2012, Board Meeting
- Ratification of Retirement Payroll, Office Payroll, Other Payments and Withdrawals
- Ratification of Service Retirements for the month of December 2012

Executive Director Report:

Ms. Carter reported the contracts with PIMCO and Research Affiliates will be funded no later than February 2013.

Introduction of New Staff / Assignments

Ms. Carter introduced Claire Foster to the Board of Administration. Ms. Foster was hired into the IT Professional (A) position at SCERS. Ms. Foster transferred from the Finance and Administration Services Department on January 2, 2013.

Ms. Carter introduced Jeff Davis. Mr. Davis is on loan from the Department of Planning and Development to oversee the Accounting and Operations of SCERS.

Overview of SCERS Board of Administration 2013 Agenda Plan

Ms. Carter provided the Board with an outline of the 2013 projects and reports. The document includes expected deadline dates. The item noted was the Strategic Planning session. The Board asked Ms. Carter to schedule the Strategic Planning session for a half day in February.

Ms. Carter announced the upcoming 2013 conferences. The upcoming conferences include:

Council of Institutional Investments – Spring 2013: April 17-19, 2013

National Council of Public Employees Retirement Systems (NCPERS): May 18-23, 2013

Government Finance Officers Association Conference – June 2-5, 2013

Council of Institutional Investments – Fall 2013: September 25-27, 2013

Ms. Jean Becker arrived at 9:06am.

Ms. Carter announced she would follow-up with an email with the location and deadlines for each of the above conferences.

Overview of RFP's for 2013

Ms. Carter provided the Board with a scheduled outline of the 2013 RFP's. Ms. Carter reminded the Board that the contract with PCA expires June 2013. Ms. Carter requested the Board authorize the Executive Director to develop for review an RFP for an Investment Consultant to be presented to the Investment Committee on January 31, 2013 and to the Board of Administration at the February 14, 2013 meeting.

Motion: Upon motion by Tim Burgess, seconded by Lou Walter, the Retirement Board of Administration authorizes the SCERS Executive Director to develop for review an RFP for an Investment Consultant for review at the Investment Committee meeting on January 31, 2013 and at the Board of Administration meeting on February 14, 2013.

Ms. Carter reported the Custodial Services agreement with BNY Mellon expires April 30, 2014. Ms. Carter reminded the Board changing the custodian services requires the Staff begin drafting an RFP in June 2013.

2013 Furlough Program

Ms. Carter reported there seems to be confusion surrounding Council Bill 117617. SCERS Executive Management recommends the Board of Administration authorize staff to move forward with a proposed Amendment to Council Bill 117617. The proposed Amendment will define the repayment method under this and any future furlough programs that may be adopted by City Council to deduction of equivalent vacation or compensatory hours only. This redefinition of repayment method affects only Personnel HRIS having to deduct the equivalent number of hours from the affected member's vacation or compensatory accrued hours. The member is responsible for ensuring he or she has saved enough accrued hours of vacation and/or compensatory time to cover the period that should have been taken as a furlough day. John McCoy recommended that Personnel and the City Budget Office be included on the proposed changes. Councilmember Burgess requested the Executive Director include the Personnel Department and the City Budget Office in the discussions and ensure they agree with the proposed revisions. Councilmember Burgess also requested the proposed language is reviewed by the union representatives.

The Board of Administration requested an update on this subject matter at the February 14, 2013 Board of Administration meeting.

New Business

Governance Committee

Ms. Becker (Governance Committee Chair) reported the Governance Committee met January 8, 2013 from 10am – 12pm at the SCERS office. Present at the meeting were Jean Becker, Chair; Robert Harvey, Sherry Crawford, Cecelia Carter, John McCoy and Lisa Carns. Ms. Becker provided the Board of Administration with draft charters for the Board Chair, SCERS Executive Director and the Administrative Committee. Ms. Becker requested the Board of Administration review the charters and provide her with any feedback. Ms. Becker indicated she will request the attorney's review the charters as well. The next Governance Committee meeting is scheduled for January 24, 2013 at 9am. At this meeting the Committee will review the Charters for the Board of Administration Treasurer and Secretary and Delegation of Authority. Ms. Becker recommended to the Board of Administration that once the draft charters are complete that the Board meet to review. This could be an item at the Strategic Planning Session or a specific item at a Board of Administration meeting. The Board was reminded the Treasurer is Glen Lee by virtue of his position as Director of Finance and the Secretary is David Stewart by virtue of his position as Director of Personnel. Councilmember Burgess commended the Governance Committee for the great work.

IT Strategic Overview

Ms. Carter reported that the RBASE data system is not compatible with the Windows 7 upgrade. SCERS is working with DoIT to determine alternatives for this issue. SCERS has been moved down the list for the upgrade to the end of the 3rd Quarter. Staff is reviewing the operational systems (processing, reconciliations, calculating procedures). Claire Foster will work on a strategic plan for the Pension System Project and will report to the Board of Administration for approval.

Operations Overview

Mr. Jeff Davis reported he will be working as the Acting CFO for the SCERS department for about six months. He will oversee the Finance, Accounting and Operations. Mr. Davis' focus at this time are in the following areas: (1) staffing (roles and responsibilities); (2) review staff's workload and ensure adequate tools and training are provided; (3) review of the technology and system maintenance; (4) overall operations of SCERS (clear processes surrounding buy-backs, system replacement, and cash management).

There was dialogue between Board and SCERS staff. Mr. Davis reported he would work closely with the SCERS' Executive Director and provide the Board of Administrations with an outline of his recommendations.

Mr. Walter and Ms. Becker expressed their concern regarding the operating system. Ms. Foster responded that she will keep the Board of Administration updated on the process and outcomes.

Mr. Walter acknowledged Mr. Rodney (Rod) Rich's service on the Board of Administration. Mr. Rich served the Board of Administration from 2006 – 2012.

Councilmember Burgess announced at 9:30am that the Board would go into executive session to discuss a personnel matter until 10am.

At 10am a 15 minute extension was announced.
The Board resumed to public session at 10:20am.

Motion: Upon motion by Tim Burgess, seconded by Lou Walter, the Board of Administration (the "Board") retracts its earlier motion to develop an RFP for an Investment Consultant and instead directs the Executive Director to engage in discussion and negotiations for a one year extension on the Pension Consulting Alliance (PCA) consulting contract scheduled to expire June 30, 2013 (and to report status at the February 14th Board meeting). Additionally, the Board requested PCA to be present at the scheduled February 14, 2013 Board meeting to present an overview of SCERS' investment portfolio to include assessments of performance differences between the SCERS' portfolio and the Washington State Investment Board's Commingled Trust Fund as well as the University of Washington Foundation's Endowment Funds.

Adjournment:

Motion: Upon motion of Tim Burgess, seconded by Glen Lee the Retirement Board voted to adjourn the meeting at 10:23am.

David L. Stewart, Secretary