



MINUTES

Board Members Present: Councilmember Nick Licata, Chair; Lou Walter; Susan Coskey (via phone); Glen Lee; Jean Becker; Sherri Crawford

SCERS Staff Present: Ken Nakatsu; Jeff Davis; Claire Foster; Tim Morrison

Others Present: Mike Monaco, Song Mondress Law Firm; Carlton Seu, Seattle City Attorney's Office; Tom Kirn, FAS; George Emerson, FAS; Erik Sund, Council Central Staff.

Councilmember Licata called the meeting to order at 9:05 a.m.

Councilmember Licata asked if there was anyone present who wanted to make public comment.

There was no public comment.

Administrative Consent Agenda

Minutes:

Provided in the Retirement Board packet was the minutes from the July 10, 2014 Retirement Board regular meeting.

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

Service	\$11,518,452.65
Beneficiary	\$919,320.30
Disability	\$75,467.71
Pension Payroll – PPE July 31, 2014	\$12,513,240.66

Office Payroll – PPE July 1 and July 15, 2014	\$112,303.21
--	---------------------

Vouchers Processed –July 31, 2014

- *Expert and Consultant Services – \$89,236.23
- *Investment Management Fees – \$311,899.04
- *Interdepartmental Charges - \$105,947.35
- *Miscellaneous - \$22,742.76

Immediate Withdrawals of Contributions for the month of July 2014:

Member Name	Department Name	Position
Cunningham, Michael Shane	Police	Pol Comms Dispatcher III
George, Graim	DOIT	Info Technol Prof A, Exempt
Glenn Jr, Maurice L	Parks	Maint Laborer
McClelland, Grace	HSD	Executive1
Mulvenon, Austin V	City Light	Bldg/Facilities Opns Supv-BU
Nicholas, Hillary O	SPU	Accountant, Prin
Prince, Laurisa A	City Light	StratAdvsr1
Sato, Michele N	SPU	Util Act Rep I

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

Withdrawals for a total of: \$402,646.37

c. Ratification of Service Retirements

The following list represents the retirements that have been processed since the last Retirement Board meeting.

Retiree	RetireDt	Age	Years	Days	DeptName	Position
Amaro Jr, Frank	6/6/2014	64	29	274	Vested	
Bennett, Dennis R	6/18/2014	74	44	236	City Light	Electn - Con
Chandler, Robert M	7/2/2014	66	46	20	SDOT	Strategic Advisor III
Chapman, Dennis	7/2/2014	62	7	9	DPD	Sr. Electrical Inspector
Daly-White, Rita L	7/2/2014	58	9	255	Muni Court	Court Clerk
Dierich, Peter D	6/18/2014	52	25	86	Parks Dept	civil Engr Spec, Ass
Droppelman, Nancy J	7/2/2014	59	22	53	Parks Dept	Assistant Personnel Specialist
Garske, Toni J	7/2/2014	62	34	148	SDOT	Assoc Civil Engineering Spec
Harvey, Karla K	6/27/2014	57	10	186	Vested	Vested
Hilmoe, David J	7/2/2014	59	30	297	PublicUtil	Executive 2
Hinman, Keith R	7/2/2014	61	12	181	PublicUtil	Manager 3
Hogan, Kevin M	7/2/2014	62	29	152	Police	Chief Warehouse
Hollingsworth Jr, Raft T	7/2/2014	64	29	257	Parks Dept	Rec Program Coordinator
Knopf, Julie L	6/18/2014	55	30	6	City Light	Generation Supervisor - BU
LaVergne, Steven E	7/2/2014	72	9	192	Vested	Vested
Madden, Charles	7/2/2014	58	30	8	PublicUtil	Manager 3
Nelson, Leslie G	7/2/2014	66	40	78	PublicUtil	Sr. Civil Engineer
Reichert, Darlene M	7/2/2014	62	27	45	PublicUtil	Heavy Truck Driver
Rosenstock, Joan	7/2/2014	62	28	198	Sea Center	Strategic Advisor 2
Schneider, George H	6/18/2014	58	19	198	PublicUtil	Manager 3
Sidles III, George B	7/2/2014	55	9	358	PublicUtil	Strategic Advisor 2
Takema, Yasuyuki	6/18/2014	67	6	185	FAS	Admin Spec I - MC
Walls, Susan K	7/2/2014	66	23	271	Parks Dept	Admin Spec II
Zolton, Larry	7/2/2014	62	27	222	Parks Dept	trng&ed Cord, Sr
	Average	62	24	133		
	Median	63	27	134		

For the month of July 2014: 44 new Members entered the System, 21 terminations, 24 Members retired in the System, 19 Members removed (\$20,780.51), 12 D/E Option, 3 F Option, and 6 over 60% benefit.

Councilmember Licata asked the Board if they had any questions concerning the Administrative Consent Agenda.

There were none.

Motion: Upon motion by Nick Licata, seconded by Lou Walter the Retirement Board of Administration approved the Administrative Consent Agenda. (Unanimously, 7-0)

- Minutes of the July 10, 2014, Board Meeting
- Ratification of Retirement Payroll, Office Payroll, Other Payments and Withdrawals
- Ratification of Service Retirements for the month of July 2014

The motion carried unanimously.

Credit Interest

Tim Morrison summarized the memo prepared for the meeting. Staff recommended that the 2015 credit interest rate for contributions made after December 31, 2011 be set at 3.66%, which is the average return on 30-year U.S. Treasury Bonds from June 1, 2013 through May 31, 2014. Staff further recommended that the Boards Credit Interest Rate Policy be amended to

explicitly recognize the Board's prerogative and to set the rate below the policy target of the treasure bond rate plus 0.25%. Board members requested separating the credit interest rate for 2015 from the policy that might apply in the future and that staff develop options that contain criteria and/or thresholds for the Board to use when setting the rate. Staff will present these options at the September meeting.

Motion: Upon motion by Nick Licata, seconded by Glenn Lee, the Retirement Board of Administration set the 2015 credit interest on all employee contributions received into the pension trust after December 31, 2011 at 3.66%.

The motion carried with a vote of 5 in favor. Lou Walter and Susan Coskey voted Nay.

Conflict of Interest

Ken Nakatsu presented a conflict of interest resolution to the Board. A resolution had been presented in July that applied to investment managers. At the request of the Board the resolution was broadened to include all consultants.

Motion: Upon motion by Nick Licata, seconded by Lou Walter, the Retirement Board of Administration adopts the Consultant Conflict of Interest Policy.

The motion carried unanimously, 7-0.

Susan Coskey signed off from the meeting at 9:50 a.m.

Investment Committee Report

Tony Smith summarized the notes included in the meeting agenda.

Executive Director Report

Ken Nakatsu summarized the work plan that was included in the meeting packet. There are no significant changes to project schedules. The contract with Adams Street, the private equity consultant selected by the Board in June, has not yet been signed.

The Board of Administration entered into Executive Session at 10:35am for 10 minutes to discuss quasi-judicial matter relating to a Disability Retirement Application.

Executive session ended and the meeting resumed to public session at 10:45 a.m.

Motion: Upon motion by Lou Walter, seconded by Nick Licata, the Retirement Board of Administration approved Ms. Regina Sparks' disability retirement application.
The motion carried unanimously

Adjournment

Motion: Upon motion of Nick Licata, seconded by Lou Walter, The Retirement Board of Administration Voted (6-0) to adjourn the meeting.

The meeting adjourned at 10:50 a.m.

Susan Coskey, Secretary