



**Seattle City Employees' Retirement System  
Board of Administration Meeting  
Seattle City Hall, Boards and Commissions Room  
(206) 386-1293**

Minutes of Thursday, May 12, 2016

**Board Members Present:** Lou Walter (Chair), Robert Harvey, Jr., Jean Becker, Sherri Crawford

**SCERS Staff Present:** Ken Nakatsu, Jeff Davis, Jason Malinowski, Tony Smith, Jill Johnson, Cecelia Chen

**Others Present:** Mike Monaco (Song Mondress Law Firm), Michael Ryan (Seattle City Attorney's Office)

Lou Walter, Committee Chair, called the meeting to order at 9:00 a.m.

Mr. Walter asked if there was anyone present who wanted to make a public comment.

There was no public comment.

**Administrative Consent Agenda**

**Minutes:**

Provided in the Retirement Board packet was the minutes from the April 14, 2016 Retirement Board regular meeting.

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

<b>Service</b>	\$13,022,747.44
<b>Beneficiary</b>	\$ 922,496.92
<b>Disability</b>	<u>\$ 75,279.90</u>
<b>Pension Payroll – PPE April 2016</b>	\$14,020,524.26
<b>Office Payroll – PPE April 5 and 19, 2016</b>	\$ 195,952.56
<b>Vouchers Processed – April 2016</b>	
• Expert and Consultant Services	\$388,568.86
• Investment Management Fees	\$463,890.49
• Interdepartmental Charges	\$124,724.02
• Miscellaneous	\$ 13,220.89

**Immediate Withdrawals of Contributions for the month of April 2016:**

MEMBER	Ret #	Department Name	Position
Armstrong, Barbara May	50649	Library	Librarian
Byun, Robin Hyunwook	53171	City Light	Elec Pwr Sys Engr
Cole, Andrea Lynn	52988	SPU	Strat Advisor I
<b>Connaughton, Walter</b>	<b>41825</b>	<b>Parks</b>	<b>Carpenter</b>
Dietzel, Stacey Ann	53009	FAS	Cust Svr Rep, Sr
Fjetland, Sonja Marie	48545	HSD	Human Svcs Prgm Supv, Sr
Ford, Jerry Amos	51634	Parks	Rec Attendant
Hildreth, Casey Nelson	48805	SDOT	Transp Plner, Assoc
Huang, Xiao Qing	52508	Neighborhood	Acct Tech II
Kepu, Valerie Vilma	49661	Sea Ctr	Laborer

LaCorte, Brenton Miles	53328	Muni Court	Court Clerk
<b>Munoz, Cesar</b>	<b>45365</b>	<b>Parks</b>	<b>Util Laborer</b>
<b>Sawyer, Secora Lu</b>	<b>37859</b>	<b>SPU</b>	<b>Mgmt System Analyst</b>
Smith Jr, Roy Edward	47098	City Light	Pwr Structs Mechanic
Walsh, Jeremiah John	38630	FAS	Printing Equip Op
Williams, Lenette Renee	46673	FAS	Cust Svr Rep, Sr

**Withdrawals for a total of: \$654,147.57**

Bold entries (if any) above indicate refund payment made to beneficiary of a member dying while in active status

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
<b>Aubrey,Jack L</b>	<b>4/2/2016</b>	<b>65</b>	<b>28</b>	<b>261.38</b>	<b>SDOT</b>	<b>Truck Drvr</b>
Banks,Teresa A	3/10/2016	63	12	362.2	SeaTech	Info Technol TechI Support
Barnes,Dean E	4/1/2016	66	8	4	Vested	Executive2
Berry,L Neil	4/6/2016	69	10	258.54	SeaTech	Info Technol Prof B-BU
Bjorkman,Hal R	3/9/2016	63	31	171.5	SDOT	Constr&Maint Equip Op
Boyd,George W	3/25/2016	54	20	354.38	Vested	Maint Laborer
<b>Brady,Donald L</b>	<b>3/8/2016</b>	<b>73</b>	<b>47</b>	<b>15.73</b>	<b>Vested</b>	<b>#N/A</b>
Brice,Michael A	3/2/2016	61	29	118.31	City Light	Jrnywkr In Chg
Clausen,Diane C	4/6/2016	57	28	129.09	PublicUtil	StratAdvsr3 *
Dadashi,Steven H	3/9/2016	67	25	19.58	City Light	Pwr Marketer
Davies,Lawrence M	4/6/2016	60	11	292.28	PublicUtil	Info Technol Prof A,Exempt
<b>de Haan,Sibylla L</b>	<b>4/4/2016</b>	<b>66</b>	<b>39</b>	<b>45.32</b>	<b>Library</b>	<b>Librn</b>
DeLong,Danny G	4/1/2016	64	4	86	Vested	#N/A
Dereszynski,Karen L	3/23/2016	65	21	248.23	Library	Library Assoc IV
Dong,Raymond G	4/4/2016	62	42	104.36	Library	Asst Mgr-Library
Fleeks,Barbara A	3/2/2016	61	24	162.75	Muni Court	Admin Spec II-MC
Furman,Stephen D	4/6/2016	62	34	183.9	City Light	Comms Elctn II
Hampton,Preston L	4/6/2016	66	19	337.73	City Light	Info Technol Prof B-BU
<b>Heindsmann,Renee J</b>	<b>4/1/2016</b>	<b>62</b>	<b>13</b>	<b>287.73</b>	<b>Vested</b>	<b>#N/A</b>
Hemenway,Elise J	4/6/2016	62	30	75.69	City Light	Gardener
Hennings,Richard B	3/2/2016	64	19	88.8	FAS	StratAdvsr2,General Govt
Heyman,Walter H	3/4/2016	62	26	103.84	FAS	Manager1,P&FM
Hobson,Kevin R	4/2/2016	56	30	336.33	Police	Pol Comms Dispatcher II
Holman,James R	2/25/2016	56	26	266.15	Parks Dept	Laborer
Horiuchi,Timothy P	3/2/2016	55	25	254.56	City Light	Mat Suplr,Elec-Asg Phd/Cw/D
Jacobs,Martha W	3/18/2016	66	1	73.26	Vested	PIng&Dev Spec II *
Keese,Gary E	4/6/2016	65	17	287.95	VarDept	StratAdvsr1,Exempt
Keys,Lorrie C	4/6/2016	56	26	85.41	SDCI	Actg Tech II-BU
Kieval,Patricia W	4/1/2016	65	2	61.18	Vested	Personnel Spec
Laird,Robert J	4/6/2016	56	25	132.16	SDCI	Executive2
<b>Launceford,John E</b>	<b>3/9/2016</b>	<b>61</b>	<b>33</b>	<b>32.86</b>	<b>Parks Dept</b>	<b>Constr&amp;Maint Equip Op</b>
Leaf,Jen	3/2/2016	62	14	223.47	City Light	Mgmt Sys Anlyst,Asst
Lee,Oliver D	4/5/2016	60	10	315.6	Parks Dept	Maint Laborer
Logan,Jerry D	3/15/2016	62	18	205.1	SDOT	Maint Laborer
McClistter,Michael T	4/6/2016	65	8	273.24	City Light	Meter Reader,Sr
Moses,Miriam I	2/29/2016	65	7	118.87	Vested	StratAdvsr2,Exempt
Paige,Dwayne K	3/2/2016	65	26	236.34	PublicUtil	PIng&Dev Spec,Supvsng
Peda,Erma R	4/1/2016	62	6	271.72	Vested	Librn
Pulford,Alvin T	4/6/2016	65	23	234.24	City Light	Capital Prjts Coord,Sr
Puloka,Madelene L	4/2/2016	50	30	127.87	PublicUtil	Drainage&Wstwtr Coll CC



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Roberts, Kevin D	3/9/2016	62	19	4.12	FAS	Parking Meter Collector
Roberts, Paul C	3/9/2016	56	30	4.37	SDOT	Civil Engrng Spec, Assoc *
Rodol, Ali M	4/6/2016	61	31	3.85	City Light	Pwr Marketer
Schuh, John J	4/6/2016	67	22	231.82	City Light	Lnwkr
Schwedas, Daniela	4/2/2016	67	15	62.78	PublicUtil	Admin Staff Asst
Seifert, Thomas W	4/6/2016	62	15	216.76	FIRE	Fire Protection Engr, Sr
Sinclair, Nina J	3/23/2016	65	22	291.29	Parks Dept	Envrnmtl Anlyst, Sr
Specker, Christopher G	4/6/2016	55	25	306.44	City Light	Elecl Engr, Assoc
<b>Taylor, Dennis</b>	<b>4/6/2016</b>	<b>72</b>	<b>47</b>	<b>213.7</b>	<b>City Light</b>	<b>Jrnywkr In Chg</b>
Tuifua, Kilisitina M	3/16/2016	68	25	345.33	PublicUtil	Pmp Stat Maint Leadwkr
<b>Valentin, Charles M</b>	<b>4/3/2016</b>	<b>58</b>	<b>36</b>	<b>135.3</b>	<b>City Light</b>	<b>Enrgy Mgmt Anlyst, Asst</b>
<b>Ventoza, Linda J</b>	<b>4/6/2016</b>	<b>71</b>	<b>34</b>	<b>241.86</b>	<b>Police</b>	<b>Parking Enf Ofcr</b>
Villa, Christopher J	3/20/2016	57	19	195	Vested	Pressure Sys Insptor(J)
Wenderoth, Catherine A	3/3/2016	56	33	274.8	Police	StratAdvsr1 *
<b>Wenrick, Ricky A</b>	<b>3/9/2016</b>	<b>59</b>	<b>37</b>	<b>266.58</b>	<b>City Light</b>	<b>Passenger &amp; Tugboat Op, Sr</b>
West, Philip W	3/9/2016	62	6	240.83	City Light	Electric Util Exec 3, Ofcr
Wicklund, Jeanne M	4/6/2016	61	5	279.69	Police	Admin Spec I-BU
Wood, Carol A	4/6/2016	67	25	164.36	PublicUtil	Admin Spec II-BU
Yeouroukis, Sher A	3/9/2016	67	22	172.36	City Light	Elecl Engrng Spec, Asst III

**Motion:** Upon motion by Jean Becker, seconded by Robert Harvey, Jr., the Board of Administration approved the May 12, 2016 Administrative Consent Agenda. The motion passed unanimously (4-0).

- Minutes of the April 14, 2016 Board Meeting
- Minutes of the April 28, 2016 Special Meeting of the Board
- Ratification of Retirement Payroll, Office Payroll, Other Payments and Withdrawals
- Ratification of Service Retirements for the month of April 2016

**Administrative Committee Report – April 28, 2016:**

Ken Nakatsu reported on the April 28, 2016 Administrative Committee (AC) meeting. He stated that at the meeting they introduced retirement charters and policies that needed to be reviewed and revised and/or repealed as appropriate. The most urgent are the Environmental, Social, and Governance (ESG) Policy and the Credit Interest Rate Policy.

Mr. Nakatsu stated that SCERS also soon needs a policy guide for public disclosure of private fund information.

He stated that the ESG and Credit Interest Policies will be discussed at the May 26<sup>th</sup> Administrative Committee and invited all Board Members to participate.

**Investment Committee Report – April 28, 2016:**

Jason Malinowski reported on the April 28, 2016 Investment Committee (IC) meeting. He stated that the staff recommended a \$12M commitment to Global Infrastructure Partners III (GIP III), a global and sector diversified infrastructure strategy. Mercer gave GIP III high marks with respect to their ESG (environmental, social, and governance) processes, and GIP is on the Focused Placement List (FPL) for NEPC.

Mr. Malinowski said the IC recommended that the Board approve the commitment to GIP III.

Robert Harvey, Jr. stated Susan Coskey had voted “no” and asked whether this needed to be reflected in the motion.

Mike Monaco replied that the vote was still 4-1 so it still carries. Michael Ryan agreed with Mike Monaco’s assessment.

The minutes will reflect that Susan Coskey voted no in the IC rather than abstaining.

**Motion:** Upon motion of Sherri Crawford, seconded by Robert Harvey, Jr., the Board of Administration accepted the Investment Committee recommendation that the Board of Administration commit \$12 million to Global Infrastructure Partners III, pending satisfactory legal review. The motion passed unanimously (4-0).

### **Executive Director Report**

Ken Nakatsu stated that the Trustee Election for Jean Becker’s active seat began today and will end on June 6, 2016. There are two candidates on the ballot: Jean Becker and James Warren. SCERS members have the option of voting by mail or on-line.

Jeff Davis gave an update on the Pension Administration System (PAS). He stated that the project was going very well and the teams (SCERS staff and ViTech consultants) were working very well together. It was still very early but it was encouraging so far.

Mr. Nakatsu reported on the work plan. He stated that the 2016 Trustee Election results will be announced at the June 9<sup>th</sup> Board meeting. The next election will be for Lou Walter’s position.

Mr. Walter asked how we review our senior staff.

Mr. Nakatsu replied that we have annual performance evaluations and that senior staff generally receive the COLA. Mr. Nakatsu said that he has concerns with being competitive, e.g., for the CIO, CFOO. He said we have a great team and wants to make sure we are placing them appropriate in the market.

Ms. Becker stated that she would like to begin the discussion at the next meeting.

Mr. Walter said that he appreciates the people who work in the public sector and is aware that salaries are under the private sector pay. He wants to make sure the board is generating the appropriate packages.

Mr. Davis reported on the dashboard.

He stated that the retirement estimates are now being completed within three weeks. The Pension Administration System (PAS) schedule is now on the dashboard. The budget remains stable.

Mr. Walter asked what was the funding ratio.

Mr. Davis replied it was about 64% but the actuarial asset smoothing hasn’t been factored in yet.

Mr. Harvey asked if it is going to be a long time before we see an uptick in the funding.

Mr. Malinowski said that it will be challenging for the City to close that gap from investment performance. NEPC’s projections for the next 5-7 years are 6-6.5% which is less than the 7.5% assumed rate of return.



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Mr. Harvey asked if SCERS II will affect the funding level. Mr. Nakatsu replied that it will not directly affect the funding level, although the City and employees will be paying less.

**Adjournment**

**Motion:** Upon motion by Jean Becker, seconded by Sherri Crawford, the Board of Administration voted to adjourn the meeting at 9:42 a.m. The motion passed unanimously (4-0).

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Susan Coskey, Secretary