

Minutes

Seattle City Employees' Retirement System Regular Board Meeting

Wednesday, August 6, 2008 - 9:00 a.m.
Pacific Building, 10th Floor

Present: Jean Godden, Mark McDermott, Mary Norris, Rod Rich and Lou Walter.

Absent: Dwight Dively and Frank Mathews.

Also Present: Robert Sugden – ARSCE / RCLEA, Walt North – ARSCE, Gwen Jensen – ARSCE, Bill Kruller – ARSCE, Kevin Brooks - T-Rowe Price, Phil Ginsberg – Save Darfur, Brad Axel – Save Darfur, Deborah Jones – Save Darfur WA State, Ned Laskowski – Save Darfur WA State, Rachael Mathisen – STAND: UW (Darfur), Kiri Sparks – STAND: UW (Darfur), Jake Sommer – STAND: UW (Darfur), Carlton Seu – Law Department, Mike Monaco – Song Mondress, Charlie Carter – The Summit Law Group, and Cecelia M. Carter – SCERS.

The Meeting was called to order at 9:04am

Public Comment: Public comment was given by Mr. Ned Laskowski representing Save Darfur WA State and others interesting in seeing SCERS divest assets from companies engaging in business with the government of the Sudan (Darfur region). Board members engaged in dialogue with the representatives asking questions such as: (1) what would determine a “sunset” to a divest movement; (2) how such a movement would work with so many companies working through and with foreign subsidiaries; and (3) what cost would there be to the Retirement System to engage in this movement.

Minutes:

Upon motion by Rod Rich, seconded by Lou Walter, the Retirement Board approved the minutes from the July 2, 2008 Retirement Board.

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

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 7,618,158.35
Beneficiary	838,076.06
Disability	73,144.74
	<hr/>
Pension Payroll – July 2008	\$ 8,529,379.15
Office Payroll - pay period ending June 24, 2008	\$ 27,691.89
Office Payroll - pay period ending July 8, 2008	\$ 27,347.81
Office Payroll - pay period ending July 22, 2008	\$ 28,158.90
Vouchers Processed – July 1 – July 31, 2008	\$ 106,247.87*
* \$ 49,166.66 Expert and Consultant Services	

Immediate Withdrawal of Contributions:

<u>Member</u>	<u>Department</u>	<u>Position</u>
Yu, Tony Y	Neighborhoods	Accounting Tech II
Olson, Amanda S	Library	Library Technician
Metz, Suzanne	Personnell	Workers Comp Specialist
Williams-James, Maggie L	Parks	Laborer

Howell, Marlana	SPU	Admin Spec II
Wang, Xiaoping	Police	SR. Police
Slettevold, Amy K	Light	Customer Service Rep
Faulding, Sophia M	Parks	SR. Lifeguard
Yeager, Joanne Ellen	Police	Admin Spec I
Bernales, Leticia	SDOT	Accountant
Burdin, Judy L.	Light	Manager II
Quan, Jun B	FFD	Architectr, Engrng & Space
Buchanan, Roxanne	DOIT	Information Tech Spec
Watson, Steele, Cheryl	Library	Assistant Manager

14 Withdrawals for a total of: \$866,675.02

Upon motion by Lou Walter, seconded by Rod Rich, the Board ratified the Retired Payroll, Office Payroll, other Payments and Withdrawals.

Ratification of Service Retirements:

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

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Anderson, Kenneth B	06.18.2008	20	3	Parks	Pool Maintenance	54	S, G-50
Benedict, Charlene L	07.08.2008	30	118	Library	Library Tech III	53	C10
Bentson, Alan R	07.01.2008	24	355	Library	Library Assoc IV	55	C-10
Blattenberger, L Beth	07.09.2008	23	353	City Light	Strat Advsr 2	62	S
Brannan, Barbara L	07.05.2008	23	54	Fleet & Facil	Sr. Real Property Agent	58	S
Carey, Daniel J	07.09.2008	9	134	City Light	Sr. Elect Svc Rep	57	S
Crouthamel, Kevin G	07.05.2008	26	137	Parks	Plan & Dev Spec II	60	E
Evan, Katherine D	07.03.2008	14	296	Human Servs	Proj Fund & Agmts Coord	66	S
Louie, Clifford J	07.09.2008	11	186	Neighborhoods	Plng & Dev Spec II	60	C, G-100
McCarthy, Walter T	07.01.2008	27	275	Parks	Maintenance	65	A, C-50
Moore, Gary L	07.09.2008	35	282	City Light	Strucl Iron - Crew Chief	63	B
Peppard, David A	07.01.2008	11	237	Police	Parking Enf Officer	57	A,C-50
Placek, Kerry W	07.08.2008	41	290	City Light	Cable Splicer CC	64	S
Trias, Fe A	07.08.2008	28	180	SDOT	Admin Specialist III	53	E, G-50
Van Tuyl, Joyce B	07.01.2008	22	229	Library	Braille Prog Coord	82	S
Wetter, Margaret Anne	07.08.2008	30	5	Seattle Center	Executive II	50	B
Woodworth, John T	07.09.2008	26	109	City Light	Carpenter Crew Chief	68	E

Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board approved the service retirements listed above, pending final review.

Last month 56 new members entered the System, 17 retired there was 1 retirement continuation and 14 others terminated City employment.

Ratification of Investment Transactions and Statement of Securities and Cash:

Ms. Carter reviewed the fund's funding ratio and presented an outline of investment holdings and transactions for the month of July.

Upon motion by Rod Rich, seconded by Lou Walter, the Retirement Board accepted the Investment Summary report.

Investment Committee Report:

The Investment Committee is scheduled to meet next at noon on Thursday, August 28, 2008 in the Retirement Office.

At the July meeting the committee reviewed the portfolio and discussed whether the appropriate benchmark was measuring the fixed income assets currently held in the portfolio. After discussion with our investment consultants and consensus; the committee favored recommending to the Board a change in fixed income policy benchmark to the Lehman Brothers Universal.

Motion: Upon motion by Lou Walter, seconded by Mark McDermott, the Retirement Board approved the recommendation of the Investment Committee to cease using the Lehman Brothers Aggregate Index effective June 30, 2008 as the fixed income policy benchmark and adopt the Lehman Brothers Universal Index effective July 1, 2008 as the fixed income policy benchmark for the System.

Ms. Carter further advised the Board that there will be an impending decision to be made regarding a direct investment made by SCERS into Imperium Renewables Energy. After much discussion...

Motion: Upon motion by Mark McDermott, seconded by Lou Walter, the Retirement Board approved to revoke the Executive Director's authority to fund additional investment into Imperium Renewables Energy and require a full Board meeting and Board approval to fund any additional investment into Imperium Renewables Energy.

After continued discussion and questions amongst the Board...

Motion: Upon motion by Mark McDermott, seconded by Lou Walter, the Retirement Board approved that unless the Board affirmatively acts; staff is not authorized to make direct loans with pension funds to any entity without Board approval.

Executive Director Report:

Ms. Carter reviewed for the Board the following reports:

- The Employee Six-month Buy Back Report
- Budget Variance Report for the period ending June 30, 2008.
 - There was a question regarding the line item 741190 which Ms. Carter committed to following up with after further research.

Old Business:

(1) Status of Benefit Enhancements

The estimated current funding level of the Retirement Fund is 83.70% as of June 30, 2008.

(2) Investment Policy Project

This item is to be continued.

(3) Sudan Divestment Request

This item is to be continued.

New Business:

(1) Board Resolution to delete Melvin (Mel) L. Robertson from the Corporate Resolution

Motion: Upon motion by Mark McDermott, seconded by Rod Rich, the Retirement Board authorized that Melvin (Mel) L. Robertson be removed from the Corporate Resolution as an authorized signer on behalf of the Seattle City Employees' Retirement System.

Motion: Upon motion by Rod Rich, seconded by Lou Walter, the Retirement Board approved the Executive Director is authorized to designate an alternate to transact investment related business with the understanding the alternate seeks consultation with legal counsel prior to execution of any documents on behalf of Seattle City Employees Retirement System.

Executive Session to Discuss a Legal Matter

The Board entered closed session at 9:45 a.m. to discuss a legal matter.

The Board returned to open session at 11:02 a.m.

- **Motion:** [REDACTED WHILE TRANSACTION IS STILL UNDER NEGOTIATIONS]

Adjournment

Upon motion by Lou Walter, seconded by Rod Rich, the Retirement Board voted to adjourn the meeting at 11:05a.m.

Mark McDermott, Secretary