

Minutes

Seattle City Employees' Retirement System Regular Board Meeting

Wednesday, April 2, 2008 - 9:00 a.m.
Pacific Building, 10th Floor

Present: Jean Godden, Dwight Dively, Lou Walter, Mary Norris, Rod Rich and Frank Mathews.

Absent: Mark McDermott.

Also Present: Ken Leask – ARSCE, Jack Fahlstrom – ARSCE / RCLEA, Bill Kruller – ARSCE, Bill Farrell - ARSCE, Jon Gehle, Ed Carlson – Wedbush Morgan, Tom Kelly, Carlton Seu – Law Department, Alan Smith (via speakerphone) and Elizabeth Barclay Bekiroglu – Fenwick & West, Mike Monaco – Song Mondress, Cecelia M. Carter and Mel Robertson.

Public Comment: Tom Kelly read a letter that he had prepared regarding his request for a refund of excess contributions. He provided a copy of the letter to the Board and staff.

Minutes:

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the minutes from the March 5, 2008 Retirement Board meeting.

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

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

Service	\$ 7,542,487.09
Beneficiary	866,752.71
Disability	74,113.84
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Pension Payroll – March 2008	\$ 8,483,353.64
Office Payroll - pay period ending March 4, 2008	\$ 28,731.08
Office Payroll - pay period ending March 18, 2008	\$ 27,786.55
Vouchers Processed - from February 27, 2008 through March 26, 2008	\$ 44,832.20 *
* \$ 3,958.33 Expert and Consultant Services	

Immediate Withdrawal of Contributions:

<u>Member</u>	<u>Department</u>	<u>Position</u>
Anderson, Tod J	DEA	License & Standards
Bentley Jr, Bruce A	SPU	Water Pipe Worker
Brunner, Pamela Suzanne	City Light	Meter Reader
Campagnini, Joni Marie	SPU	Admin Spec II
Ferguson, Clarence Bates	Seattle Center	Laborer
Hadi, Lydia D	ESD	Strategic Advisor 1
Hendrix, Michael R	SDOT	Civil Engineer Associate
Lee, Robert L	Muni Court	Probation Counselor II
Markendorf, Joyce F	Housing	Nurse Care Manager
McLaughlin, Matthew E	Parks	Cashier
Nguyen, Thuc Huu	Human Service	Reg Nurse Consultant
Nozlic, Vrlina	Seattle Center	Stage Tech
Olson, Thomas Jon	Fleets	Auto Mechanic
Pond, Julie A	SPU	Manager 2
Powell, Jewell A	DEA	Civil Rights Analyst

Sek,Somaly	SPU	Scale Attendant
Solomon-Minarchi,Amy L	Library	Library Assist 1
Vivion,Matthew	Library	Admin Secretary
Walby,Joanne T	Neighborhoods	Admin Spec II
Whalen,David S	SEATRAN	Truck Driver

Upon motion by Dwight Dively, seconded by Frank Mathews, 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>
Bezona, Ellen Diane	3/5/2008	7	159	Human Services	Program Supv Sr	66	S
Black, Helen A	3/1/2008	23	242	Muni Courts	Admin Spec I	57	C10
Briggie, Howard F	3/5/2008	30	243	City Light	Elect Engrng Spec Sr	61	E
Britt, Mary E	3/4/2008	29	246	SDOT	Admin Spec III	57	S,G-100
Brown, Kathryn H	3/5/2008	30	335	City Light	Accounting Tech II	81	A
Chew, David E	3/5/2008	36	136	SDOT	Manager 2	57	D,F
Clore, Robert A	3/5/2008	26	288	City Light	Meter Electn Wrkg CC	56	E
Dare, James W	2/20/2008	29	190	SDOT	Executive 2	55	D,F
Dunkel, Sandra I	3/5/2008	17	240	SPU	Wtr Quality Analyst Sr	69	A
Greenlee, Julia H	3/1/2008	10	318	Vested	Vested	65	S
Hoffman, William A	2/22/2008	19	283	Vested	Vested	57	B
Kors, Jeannette R	3/1/2008	27	325	KC Health	Public Health Nurse	55	S
Ludwig, Monica	1/3/2008	12	73	Parks	General Laborer	39	Disab
Metzdorf, Martin E	3/4/2008	24	118	Vested	Vested	56	B
Ngo, The Van	3/5/2008	25	44	City Light	HVAC Tech	56	D,F,G-100
Noahr, Gerald D	3/5/2008	23	21	City Light	Painter	65	D,G-100
Patten, Thomas Leroy	3/4/2008	20	6	City Light	Electrician Constructor	65	D
Saxby,Douglas G	3/5/2008	30	75	City Light	Cblspl-jrnwkr in charge	51	D,F
Schornack, Ray P	3/5/2008	39	229	City Light	Power Structure Mechanic	76	E,G-100
Shoshana, Judith R	2/19/2008	10	76	Muni Courts	Pro-Tem Magistrate Judge	60	S,G-100
Sutherland, Mark A	3/5/2008	32	273	City Light	Electrician Constructor	52	E
Tiffit, David M	3/5/2008	28	20	DoIT	Computer Operations Supv	52	C5
Tyson, Christy	3/1/2008	15	6	Library	Branch Mgr II	60	S,G-100
Vranish, Robert D	3/5/2008	33	102	City Light	Lineworker	63	E

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

Last month 35 new members entered the System, 24 retired and 46 others terminated City employment.

Ratification of Investment Transactions and Statement of Securities and Cash:

Mel reviewed the funding ratio along with monthly and year-to-date performance numbers on the Investment Summary report for February 2008. Mel also highlighted items in the Investment Summary report and commented on likely investment results in March.

Upon motion by Dwight Dively, seconded by Mary Norris, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

The Investment Committee is scheduled to meet at noon on Thursday, April 24, 2008 in the Retirement Office.

Cecelia reported on the Committee meeting that was held March 27, 2008. The Committee met with representatives from Western Asset Management regarding their lagging investment performance. The Committee agreed to place Western Asset Management on the Watchlist and to continue to monitor their investment performance through March 31, 2009 at which time the firm will be re-evaluated for performance.

Cecelia informed the Board that the contract with Bank of New York Mellon will be expiring April 30, 2008. The Investment Committee recommends that we extend the contract for a period of 2 years and then seek competing bids.

Upon motion by Rod Rich, seconded by Dwight Dively, the Retirement Board approved the Investment Committee recommendation to extend the current contract with Bank of New York Mellon to April 30, 2010.

Executive Director Report:

Cecelia reported that our auditors from Moss Adams have completed their fieldwork and would be wrapping up the audit soon. They are tentatively scheduled to present the results of their audit to the Board at the June meeting.

Cecelia reminded the Board that the required Financial Interest Statements for 2007 are due April 15, 2008.

Cecelia provided a brief review of the six-month buyback program that is currently underway. To date, 17% of eligible participants have taken advantage of this opportunity.

Old Business:

(1) Status of Benefit Enhancements

The estimated current funding level of the Retirement Fund is 86.86% as of February 29, 2008.

(2) Investment Policy Project

Cecelia told the Board that a draft of a revised Investment Policy has been distributed to the Advisory Committee and to the Investment Committee. She estimated the completion of this project will coincide with the completion of the strategic review, which will be underway shortly.

(3) Sudan Divestment Request

Cecelia told the Board that a request has been made of the State Investment Board for a copy of a recent resolution regarding matters such as this one. Mel told the Board that the Investment Committee continues to wait for information that it has requested regarding the alternative investment vehicle that was proposed, including the relative investment vehicle structure and performance.

New Business:

The Board entered closed session at 9:14 a.m. to discuss a potential investment opportunity.

The Board returned to open session at 10:05 a.m. No actions were taken during closed session.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board authorized the Investment Committee to evaluate and potentially commit additional funds for the re-capitalization of Imperium Renewables. The Board wishes to make the final decision, however, if time constraints were to make that problematic, the Committee would have the authority to make the decision to commit additional capital.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board authorized the Investment Committee to hire additional legal or investment counsel to assist in the decision process when evaluating the Imperium Renewables re-capitalization term-sheets.

Members of the Board that are also on the Investment Committee agreed to engage Cascadia Capital to provide investment advice regarding the Imperium Renewables re-capitalization.

The Board entered closed session at 10:10 a.m. to discuss a legal matter.

The Board returned to open session at 10:40 a.m. No actions were taken during closed session.

Adjournment

Upon motion by Rod Rich, seconded by Dwight Dively, the Retirement Board voted to adjourn the meeting at 10:41 a.m.

Mark McDermott, Secretary