



TO: Elizabeth Pauli, Interim City Manager
FROM: Tim Allen, Retirement Director, Retirement
COPY: City Council and City Clerk
SUBJECT: Resolution for Approval of Professional Services Contract with Wilshire Associates –
February 21, 2017
DATE: February 6, 2017

SUMMARY:

The Tacoma Employees' Retirement System (TERS) requests City Council approval to enter into an agreement with Wilshire Associates for investment consulting services for the period April 1, 2017 through March 31, 2020 for an estimated three-year amount of \$612,100, plus two 1-year optional extensions for a total of \$1,041,000.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

Wilshire Associates currently provides investment consulting services to TERS on a contract that runs through March 31, 2017. At their October 13, 2016 Board meeting, the TERS Board of Administration approved a motion to enter into an agreement with Wilshire Associates for investment consultant services for the period April 1, 2017 through March 31, 2020. The contract cited an initial annual fee of \$200,000 and stipulated a CPI escalator for fees in subsequent years. The contract was for a three-year period and also included two one-year optional extensions for a Board approved total amount not to exceed \$1,075,000. The TERS Investment Advisory Committee members unanimously endorsed the new contract proposal. Substantial credit for TERS' strong investment performance over the years can be traced directly back to the timely and thoughtful advice of our investment consultant.

ISSUE:

Continue the reliable and seasoned relationship Wilshire Associates for investment consultant services to assist in the stability and viability of the Tacoma Employees' Retirement System.

ALTERNATIVES:

As the TERS Retirement Board has approved the contract with Wilshire Associates for these services and believes Wilshire is the best candidate to provide the services, there is not an alternative. The Board is not required to issue an RFP, although an RFP for investment consulting services was last issued in 2010 and after a thorough review of candidates, Wilshire was selected. TERS is seeking to ensure continuity in investment consulting advice with this action.

RECOMMENDATION:

Authorization by City Council for the Board of Administration of the Tacoma Employees' Retirement System to employ consultants to provide investment consultant services.



FISCAL IMPACT:

The is no fiscal impact.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Retirement Adm 6100-Adm	850010	5310100	\$612,100
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Retirement 6100	850010	6011000	\$612,100
TOTAL			\$612,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: 0

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES