



Advisory Committee Meeting

April 27, 2023

Approved Minutes

The Department of Retirement Systems (DRS) Advisory Committee met on April 27, 2023.

Committee Members Present

Bill Copland, Cheri Ingersoll, Darrell Heisler, Deirdre Walker, Jason Ashley, Kelly Snow, Nicole Phelps, and Roy Orlando.

Also Present

Ben Lachmann, Mark Feldhausen, Phil Paroian, Rocky Dimico, Rubi Reaume, Seth Miller, Shawn Merchant and Tracy Guerin.

Director Tracy Guerin called the meeting to order at 9:30 a.m.

Approval of Minutes

It was moved, seconded, and carried to approve the draft minutes for the meeting held on November 10, 2022. The motion passed unanimously.

WSIB Investment Performance

Ben Lachmann, Investment Officer in Public Equity at the Washington State Investment Board (WSIB), discussed Q1 performance metrics, emphasizing the global equity market's rebound and the challenges faced in 2022. He highlighted regional variations, the impact of rising interest rates on fixed income, and key risk factors like inflation and potential bank failures.

Phil Paroian, Senior Investment Officer for Public Equity at the WSIB, presented Q1 market values and performance for Plans 3 and Deferred Compensation Program, noting stable retirement savings and members' preference for long-term investments. He acknowledged positive fund performance but also mentioned the potential for increased market volatility in the future.

WSIB Socially Responsible Investment Manager Search Recommendation

Ben Lachmann, Investment Officer in Public Equity for WSIB, discussed modifications to the Socially Responsible Investment (SRI) option, announcing the WSIB's approval of staff's recommendation to adopt the Sustainable Global Thematic strategy managed by AllianceBernstein as the SRI option in the DC and Savings Plan menus. The approval marks the commencement of final stages, encompassing fee negotiations and member communication.

Director's Update

Tracy Guerin, Director of DRS, addressed Q1 challenges, emphasizing efforts to reduce workloads and improve member experiences. Additionally, plans for a Roth rollout and the

implementation of Secure Act 2 were highlighted to enhance retirement savings opportunities. The update on the Core project highlighted the selected bidder, with ongoing contract negotiations and alignment on a commitment to enhancing the member experience.

Pension Legislation Summary

Shawn Merchant, Legislative and Community Relations Director for DRS, provided an overview of the recently concluded legislative session, highlighting key pension-related bills.

Pro-Equity Anti-Racism Plan Update

Rocky Dimico, Diversity, Equity, and Inclusion (DEI) Consultant for DRS, provided an update on DEI initiatives, which involved creating a training plan, implementing inclusive hiring practices, and establishing an internal veteran's employee resource group. He emphasized that the agency actively engages with stakeholders and shares best practices with other state agencies.

Round Table and Agenda Setting

Without any suggestions, Director Guerin outlined that the November meeting agenda will encompass actuarial, budget, policy, and organizational updates.

The meeting adjourned at 10:48 a.m.

A recording of the meeting and accompanying materials can be found on the [DRS Advisory Committee page](#).