



**GENERAL EMPLOYEES RETIREMENT FUND  
BOARD OF TRUSTEES - REGULAR MEETING MINUTES  
TUESDAY – JUNE 17, 2014 - 1:00 p.m.**

The Board of Trustees for the General Employees Retirement Fund convened in a regular session at 1:00 p.m. on this 17th day of June, 2014 in the City Council Chambers, City Hall, 3<sup>rd</sup> Floor, 315 E. Kennedy Blvd., Tampa, FL 33602.

**Support Staff:** Mark L. Boghich III, Pension Plan Supervisor; Justin Vaske, ACA and Board Attorney; Mark L. Boghich III, Recording Secretary; Lee Huffstutler, Chief Accountant; Terrie Williams, Accounting Operations Manager; Deborah Hodo, Pension Reporting Accountant; Rosie Santos, Pension Relationship Accountant; and Jill Wood Office Support Specialist II.

**Consultants to Board:** Jason Pulos and Andrew Gillentine, Asset Consulting Group; Stephen Lambert Oswald and Bruce Crosswhite, AON Hewitt;

**I. ROLL CALL**

Mr. Carrera, Chairman, presiding, brought the meeting to Order at 1:00 p.m.

**Board Members Present Included:** Ernest Carrera, Chairman; Alan Weiner, Vice Chairman; Steve Kenny, Trustee; Derwin Bright, Trustee; Julio Muniz, Trustee. Absent were: Sonya Little, Chief Financial Officer; Randy Goers, Trustee.

**II. PUBLIC COMMENTS- Ten (10) Minutes**

There were no public comments.

**III. APPROVAL OF MINUTES**

Mr. Boghich requested the board approve the minutes from the May 20<sup>th</sup> meeting.

**MOTION: (Muniz-Kenny ) On a motion made by Mr. Muniz, and seconded by Mr. Kenny, to approve the minutes from the May Board meeting stands approved as presented. MOTION CARRIED.**

**IV. STAFF REPORT**

**1. May 2014 Fund Performance Report**

Mr. Boghich advised the Board as of the end of May the total Market Value of funds was 687,000,695. Through inception our total portfolio has had a 9% return, the last 10 years at 7.8%, and last 5 years at 13.2%.

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### 2. DROP Option 1 Rate Approval

Return for October 1 through March 31, 6 month period, the return is 7.55%, actual rate for that period, not annualized rate.

**MOTION: (Kenny-Muniz) On a motion made by Mr. Kenny, and seconded by Mr. Muniz, to approve the rate of return for DROP Option 1, approved as presented. MOTION CARRIED.**

### 3. DROP Option 2 Rate Approval

Per the board's request for locating an instrument for continued preservation of the capital for the DROP participants and at the same time increase the return. ACG is still working on it and we expect a report for July's meeting. Need to approve DROP Option 2 annualized rate of return of .01% .

**MOTION: (Weiner-Kenny) On a motion made by Mr. Weiner, and seconded by Mr. Kenny, to approve the DROP Option 2 at .01%, stands approved as presented. MOTION CARRIED.**

Mr. Carrera requested that 1. The staff look into the community banks that are approved to hold the funds and 2. See what the rate might be on their money market accounts. Mr. Boghich advised that we are going outside of our custodian. We need to look into that aspect.

**MOTION: (Weiner-Kenny) Mr. Weiner made a motion that we direct staff to investigate Money Market rates that might be available from local community banks for the purpose of evaluating whether there is a reasonable alternative to consider for our DROP Option 2. The motion was seconded by Mr. Kenny. MOTION CARRIED.**

Mr. Carrera requested the balance of DROP Option 2 at present. Mr. Boghich advised about \$ 5 million.

### 4. DROP Holding Account Rate Approval

Mr. Boghich advised the holding account is where drop funds are held in an account from the end of March to the Payout which should be this week. The rate paid on the account is 0.01%.

**MOTION: (Weiner-Kenny) On a motion made by Mr. Weiner, and seconded by Mr. Kenny, to approve the .01% on the holding account.. MOTION CARRIED.**

Mr. Carrera requested the balance of the DROP Holding account. Mr. Boghich advised \$ 2.7 million. The amount varies quarterly. Mr. Carrera asked for verification that the pensioners (when paid their drop monies) received the interest earned while in the holding account. Mr. Boghich advised that was correct.

Mr. Carrera also requested the balance in DROP Option 1 at present. Mr. Boghich and Ms. Hodo advised between \$ 8 and \$ 9 million. About 55 to 60 percent chose option 1 and remaining chose option 2.

### 5. Robbins Geller Rudman & Dowd LLP Securities Monitoring Report

Mr. Boghich advised the first page is a cover sheet that explains the report. No action required of the board at this point in time.

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### 6. Upcoming Events

**a. DROP Participant Investment Selection**-We contact those individuals on DROP and give them the option of either investing in Option 1 or 2 in the month of August.

**b. Trustee Election**-We have one elected position on the board that their tenure is up and so we will be doing an election during August or September.

**c. Retiree Health Insurance Enrollment**-We have between 400 and 500 individuals who are retirees who are currently on the city health insurance plan. We will be reaching out to those individuals, we will be having several seminars to allow them to come and talk to the insurance professionals to determine whether they continue with the City's insurance or go elsewhere for their insurance.

Mr. Carrera questioned the education that the pensioners, receive concerning fully understanding their options on the pension. Mr. Boghich advised about the information on the web site and that we have one on one assistance for those who visit the office. For the DROP participants we go out annually and work with participants to decide if they want Option 1 or 2. We hold seminars in various Department locations and are currently scheduling sessions, with Parks and Recreation Department. Mr. Carrera stated in the past they were notified of any workshops that were taking place in the city and request for that to happen.

Mr. Boghich also advised during the month of October, annual medical insurance option selection is available at different department locations and he is there at that time to discuss retirement and DROP options with them.

### V. CONSENT AGENDA

Mr. Boghich advised the items on the Consent Agenda were in order. Mr. Boghich stated they were reviewed and they are true and correct.

#### Retirement Benefits & Estate Payments:

Longevity Retirements, DROP Applications, DROP to Longevity, Deferred to Longevity Retirements, Surviving Spouse Benefits, Surviving Child Benefits and Estate Payments

#### Monthly Invoices:

1. City of Tampa Reimbursement - \$28,748.69
2. COMSERV - (May 30) - \$ 62.00
3. COMSERV - (June 10) - \$ 62.00

**MOTION: (Kenny-Weiner) On a motion made by Mr. Kenny, and seconded by Mr. Weiner the Consent Agenda was accepted and approved as presented. MOTION CARRIED.**

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**VI. NEXT MEETING**

The next Regular Board meeting will be held at 1:00 p.m., Tuesday, July 15, 2014, in City Council Chambers.

**VII. ADJOURNMENT**

There being no further business, Chair Carrera adjourned the meeting at 1:30 p.m.

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CHAIRMAN – Ernest P. Carrera

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PENSION PLAN SUPERVISOR - Mark L. Boghich, III

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RECORDING SECRETARY - Mark L. Boghich, III