

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES  
OF THE  
TAMPA FIRE & POLICE PENSION FUND  
3001 North Boulevard Tampa, FL 33603 (813) 274-8550  
June 26, 2019 9:00 a.m.**

The Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met in the Pension Office Conference Room on Wednesday, June 26, 2019 at 9:00 a.m. for a regular meeting with the following members present:

Greg Reed, Chairman  
Matthew Belmonte  
John Cannon  
Sharon Fox

Trevor Hall  
Patrick Messmer  
Ocea Wynn

Also present were Mr. Robert Klausner, General Counsel, Mr. Mark Lenker, External CPA, and active and retired plan members. Mr. Matthew Belmonte participated telephonically.

Public Comments: Pursuant to Florida Statutes, Section 286.0114(4) members of the public may comment on items requiring Board action, other than ministerial matters. Speakers are limited to two minutes each, and not more than 20 minutes will be set aside for comments, without further Board approval. Speakers shall fill out a card identifying the speaker and the agenda item(s) they wish to address. Speakers may also submit a card supporting or objecting to an item without speaking. Rules of conduct are available from the Plan Administrator.

*The statements made by speakers under Public Comments are solely the opinion of each speaker and do not necessarily reflect the views of the Board of Trustees, its staff, or its professionals.*

1. Approved the minutes of the May 20, 2019 Steering committee meeting. **It was moved by Mr. Messmer, seconded by Mr. Cannon and by unanimous vote to approve the minutes of the May 20, 2019 steering committee meeting.**
2. Approved the minutes of the May 22, 2019 regular board meeting. **It was moved by Mr. Cannon, seconded by Ms. Fox and by unanimous vote to approve the minutes of the May 22, 2019 regular board meeting.**
3. Approved the minutes of the June 17, 2019 Steering committee meeting. **It was moved by Mr. Messmer, seconded by Ms. Wynn and by unanimous vote to approve the minutes of the June 17, 2019 steering committee meeting.**
4. Approved the minutes of the June 18, 2019 committee 3 meeting. **It was moved by Ms. Fox, seconded by Mr. Cannon and by unanimous vote to approve the minutes of the June 18, 2019 committee 3 meeting.**

[Mr. Belmonte joined the meeting at 9:06 a.m. via phone]

**Consent Agenda** Items on the consent agenda shall be acted upon in one motion. If an item requires additional discussion, that item shall be removed from the consent agenda for discussion. [Items 5 – 11] **It was moved by Mr. Messmer, seconded by Mr. Cannon and by unanimous vote to approve consent agenda items 5 – 11.**

5. Ratified pension benefits.

6. Investment Management Report from Bowen, Hanes & Co. Inc. Noted receipt of the following:
  - a. Investment management report for the month ended 05/31/2019. Market value of *investments* as of 05/31/2019 was \$2,028,357,266.66. Investment return has been -2.6% (*negative 2.6%*) on the total portfolio so far this fiscal year.
  - b. Addendum distributed at the meeting. Market value of investments as of 06/25/2019 was \$2,101,541,501. Investment return has been +2.3% (*positive 2.3%*) on the total portfolio so far this fiscal year.
7. Approved billing for General Counsel services rendered by Klausner, Kaufman, Jensen & Levinson during May 2019:
  - a. General – \$10,268.57
  - b. Appel – \$2,040.00
  - c. Houston, L. – \$825.00
8. Noted receipt of independent performance measurement report prepared by IPS for the quarter ended 03/31/2019.
9. Approved the 112.664 Compliance Report prepared by the Fund's actuary, dated 06/17/2019.
10. Noted receipt of Disability Process Timeline of disabilities in process as of 06/20/2019.
11. Admitted Tampa Fire Rescue new hires to pension fund effective 06/17/2019, contingent upon:
  - 1) furnishing a list of all medical providers and authorizations to obtain such medical records, and
  - 2) passing a complete medical examination:

Casey, Shane  
Catena, John  
Contino, Joseph  
Daugharty, Daniel

DiLeo, Craig  
Jones, Timothy  
Mikowski, Evan  
Nieves Jr, Orlando

Rivera Jr, Troy  
Rosario, Steven  
Rutledge, Dylan

12. Financial Reporting Presentation by Mark Lenker, CPA of Nobles, Decker, Lenker & Cardoso. Financial statements to be reviewed at meeting by Mr. Lenker:
  - a. Month ended 01/31/2019 – market value of *assets* was \$2,012,971,896.34.
  - b. Month ended 02/28/2019 – market value of *assets* was \$2,067,391,020.02.
  - c. Month ended 03/31/2019 – market value of *assets* was \$2,078,742,002.46.
  - d. Month ended 04/30/2019 – market value of *assets* was \$2,134,283,559.35.

Mr. Lenker provided the quarterly overview for January through March 2019. He advised that the three months, as a whole, were decent, with total assets and investments staying over \$2 billion during each of the three periods. It was noted that performance has been volatile, but results follow the market. Mr. Lenker noted that contributions and benefits paid were as expected, and administrative fees are starting to trend up as a result of work related to the new pension system, including data cleansing and scanning.

[Mr. Belmonte disconnected at 9:15 a.m.]

Mr. Lenker also reviewed the financial statements for the period ending April 30. He noted that there was an \$86 million increase in the area of investments, with equities representing \$73 million, fixed income representing \$36 million, and ventures representing negative \$20 million. He also noted that there has been a decrease in the area of limited partnerships and an increase in fixed assets. Mr. Lenker advised that the new

pension administration system is being reported under construction in progress and this number represents the dollars that have been capitalized. The performance page was also reviewed, where Mr. Lenker noted investment expenses are down due to the change in the portfolio size and contributions are up. It was also noted that benefits paid have increased due to an increase in longevity and DROP rates, which are normal increases. Overall, Mr. Lenker opined that changes are all as expected and performance is a demonstration of the Fund reacting to the market. **It was moved by Mr. Messmer, seconded by Ms. Wynn and by unanimous vote to accept the financial statements, as prepared by NDL&C.**

### Medical Disability

13. Authorized replacement of Dr. M. Wasylik for Dr. R. Pigeon to Orthopedic Medical Board for LOD disability applicant M. Cason, TFR, as recommended by Medical Director. **It was moved by Ms. Fox, seconded by Mr. Cannon and by unanimous vote to authorize the referral of disability applicant M. Cason to Dr. M. Wasylik, as recommended by the Medical Director.**
14. Authorized referral to Orthopedic Medical Board comprised of Drs. C. Davis, A. Moreno, and M. Wasylik for LOD disability applicant J. Kissick, TFR, as recommended by Medical Director. **It was moved by Ms. Fox, seconded by Mr. Cannon and by unanimous vote to authorize the referral of disability applicant J. Kissick to orthopedic medical board, as recommended by the Medical Director.**
15. Authorized referral to Orthopedic Medical Board comprised of Drs. G. Canizares, P. Lopez, and M. Smith for LOD disability applicant H. Castillo, TPD as recommended by Medical Director. **It was moved by Mr. Messmer, seconded by Ms. Fox and by unanimous vote to authorize referral of disability applicant H. Castillo to orthopedic medical board, as recommended by the Medical Director.**

### Old Business

16. Committee #3 report.
  - a. Policy 427 – Direct Deposit of Pension Benefits (redline version)
  - b. Policy 816 – Pension Plan Administrator Authority (redline version)

Ms. Fox noted that policy 427 was forwarded to committee 3 to review for change in anticipation of the new pension administration system (PAS). Ms. Ernst explained that currently members with direct deposit are allowed to submit an alternate directive for 13<sup>th</sup> check payments. She continued that in the new PAS, the regular June benefit and the 13<sup>th</sup> check will be processed concurrently and separate 13<sup>th</sup> check directives cannot be accommodated, so the policy was updated accordingly. Ms. Ernst advised that the committee is also recommending that direct deposit be required for all benefit recipients, noting that there are approximately two dozen members who receive paper checks. It was noted that members have also been allowed to submit separate tax directives for 13<sup>th</sup> check as well, but going forward regular June pension benefits and 13<sup>th</sup> check benefits will be taxed and deposited in the same manner. Ms. Fox noted that the system has gotten too large to handle these special accommodations and the Fund shouldn't put accuracy in peril for personal preference. Ms. Wynn inquired about how these changes will be communicated to the retiree population and Ms. Ernst advised that staff will conduct a targeted mailing. **It was moved by Ms. Fox, seconded by Mr. Messmer and by unanimous vote to amend policy 427 as written.**

Ms. Fox advised that the committee is recommending a minor change to policy 816 that separately identifies fees associated with independent medical examinations (IMEs) for disability applicants as an

expense to be authorized by the plan administrator. She explained that this change was necessary because IME expenses have become more costly than \$2,000. **It was moved by Ms. Fox, seconded by Mr. Cannon and by unanimous vote to amend policy 816 as written.**

17. Committee #1 report. Ms. Ernst advised that the committee has not met.

18. Steering committee report. Mr. Messmer reported that the committee met and discussed the calculation of average final compensation (AFC), the health insurance module within the new pension administration system (PAS), and the full-scale contribution rate. He explained that the committee is recommending that AFC be calculated based on fiscal year earnings, putting the regular and overtime earnings on the same schedule. He advised that this would allow the Fund to truly cap pensionable overtime earnings at 300 hours per year. It was noted that the committee recommends that this change be implemented with the new PAS.

Mr. Messmer advised that the committee is also recommending the removal of all health insurance administration requirements from the PAS project. He noted that health insurance administration is not contained in the pension contract, so it is the opinion of the committee that the Fund should not pay to implement a system module of this purpose. Mr. Messmer noted that the approximate cost of implementing the health insurance module is \$50,000 and the the committee understands that the City will be taking over the responsibilities related to health insurance administration. There was also a brief discussion related to the possibility of deducting health insurance premiums for retirees enrolled in non-City sponsored health insurance plans. It was noted that this was discussed at a board meeting a few years ago and requirements for this purpose were contained in the PAS project plan, however, the committee is recommending that those also be removed for liability purposes.

Mr. Messmer explained that there is currently a smoothing formula that runs along with the FSCR formula that is supposed to smooth the volatility of contributions. He advised that the committee is recommending the elimination of the smoothing formula from the contribution calculation. Ms. Ernst noted that the removal of the smoothing formula would have to be coordinated with T&I and thoroughly tested. She also advised that eliminating the smoothing formula will allow staff to reconcile contribution deductions in the new system and prevent negative contributions for those on military leave. Mr. Klausner advised that his recommendation is to follow the contract as it is written.

**It was moved by Mr. Messmer, seconded by Ms. Fox and by unanimous vote to approve the recommendations of the steering committee as discussed.**

#### New Business

19. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any.  
a. NPEA Conference agenda.

Mr. Hall and Mr. Reed disclosed that they will both attend the FPPTA Annual Conference in Orlando. Ms. Ernst disclosed that she and Ms. Corry will be attending the LRS conference in September. Mr. Cannon disclosed that he plans to attend the FPPTA Trustees School in October. **Item 19 was received and filed.**

20. Chair's call for any new business items from trustees to be placed on next agenda. None.

21. Chair's report.

a. Termite treatment - \$3,800 (Pension Office closed – July 8<sup>th</sup> through July 10<sup>th</sup>)



26. Appel Petition for Writ of Certiorari      2<sup>nd</sup> District Court of Appeals Case No.      2D18-4443  
Hillsborough County Circuit Court Case No. 17-CA-10758

Update by plan attorney, if any.

Mr. Klausner advised that his office contacted the Clerk at the Florida Supreme Court who confirmed that nothing needed to be filed in response to Mr. Appel's filing. He noted that the Florida Supreme Court issued an order indicating that the case is over and the Clerk will not accept further filings. Mr. Klausner noted that it is now appropriate to move for fees.

27. Bulger Petition for Writ of Certiorari      Hillsborough County Circuit Court Case No. 18-CA-002900  
Update by plan attorney, if any.

Mr. Klausner advised that he is still working with the member's attorney on the agreement to reduce future 13<sup>th</sup> checks in order to recover fees.

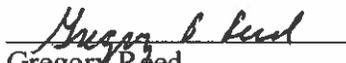
28. Houston, E. Appeal      2<sup>nd</sup> District Court of Appeals Case No.      2D19-2119

Noted receipt of:

- a. Notice of Appeal of Final Administrative Order dated 06/05/2019.
- b. Acknowledgement of New Case dated 06/05/2019.
- c. Update by plan attorney, if any.

Mr. Klausner advised that Mr. Houston filed an appeal with the 2<sup>nd</sup> District Court of Appeals (DCA) and the case will likely be heard sometime next year. He noted that all of the district courts of appeal in Florida are adopting a policy that allows the 2<sup>nd</sup> DCA to determine which cases will go to oral argument.

The motion to adjourn was made by Ms. Fox at 10:34 a.m.

  
Gregory Reed  
Chairman

  
Ocea Wynn  
Secretary

  
Tiffany Corry  
Recording Secretary

#### Notice

No verbatim record by a certified court reporter will be made of this Board meeting, except as noticed for any executive sessions. Any person who desires to appeal any decision of the Board of Trustees with respect to any matter considered at this Board meeting will be responsible for providing a record of the proceedings and for this purpose, may need to ensure that a verbatim record of the proceedings is made, including testimony and evidence upon which the appeal is based.

Persons needing a special accommodation to participate in any noticed meeting should contact the F&P Pension office at (813) 274-8550 or (888) 335-8550 or the Florida Relay Service at (800) 955-8770 (voice) or (800) 955-8771 (TTY). You may also dial 711 from any landline or mobile phone. Additional options for contacting the Florida Relay Service may be found on their website: [www.ftri.org](http://www.ftri.org) Please make your request at least five (5) working days before the scheduled meeting date.

2019 Board meeting schedule – meetings begin at 1:30 p.m.

July 24, 2019

August 28, 2019

September 25, 2019

October 23, 2019

November 20, 2019 (early due to holidays)

December 18, 2019 (early due to holidays)

