

**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
August 28, 2019 1:30 p.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, August 28, 2019 at 1:30 p.m. for a regular meeting with the following members present:

Greg Reed, Chairman
Matthew Belmonte
John Cannon
Douglas Burkett

Trevor Hall
Patrick Messmer

Also present were Dr. Bruce Bohnker, Medical Director, Mr. Jay Bowen, Investment Manager, Mr. Robert Klausner, General Counsel, Mr. Mark Lenker, External CPA, and active and retired plan members.

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 June 26, 2019 regular board meeting. **It was moved by Mr. Messmer, seconded by Mr. Hall and by unanimous vote to approve the minutes of the June 26, 2019 board meeting.**

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 2 – 10] **It was moved by Mr. Messmer, seconded by Mr. Cannon and by unanimous vote to approve consent agenda items 2 through 10.**

2. Ratified pension benefits.
3. Financial statements prepared by Mark Lenker, CPA of Nobles, Decker, Lenker & Cardoso
 - a. Month ended 05/31/2019 – market value of *assets* was \$2,039,269,848.73.
 - b. Month ended 06/30/2019 – market value of *assets* was \$2,127,311,024.99.
4. Approved billing for General Counsel services rendered by Klausner, Kaufman, Jensen & Levinson during June 2019:
 - a. General – \$7,040.79
 - b. Appel – \$625.00
 - c. Bulger – \$60.00
 - d. Houston, L. – \$900.00

5. Approved billing for General Counsel services rendered by Klausner, Kaufman, Jensen & Levinson during July 2019:
 - a. General – \$13,378.75
 - b. Appel – \$625.00
 - c. Bulger – \$940.00
 - d. Houston, E. – \$10,030.00
 - e. Houston, L. – \$3,995.00
6. Noted receipt of client memorandum from Klausner, Kaufman, Jensen & Levinson regarding cyberattack and cyber liability insurance coverage. (Per prior board directive, the Fund added this line of coverage in July 2019.)
7. Noted receipt of independent performance measurement report prepared by IPS for the quarter ended 06/30/2019.
8. Noted receipt of Disability Process Timeline of disabilities in process as of 08/21/2019.
9. Noted receipt of letters from the Division of Retirement regarding the state premium tax money dated 08/19/2019.
 - a. Spreadsheet reflecting historical Chapter 175/185 state premium tax money received, including this year's receipt of \$7,008,388.32, an increase of \$247,684.14, or +3.66%, over the prior year.
10. Admitted Tampa Police Department new hires to pension fund effective 08/27/2019, contingent upon:
 - 1) furnishing a list of all medical providers and authorizations to obtain such medical records, and
 - 2) passing a complete medical examination:

Burbridge, William
Comegno, Anthony
Czop, Bryan
Donaldson, James
Filer, Stefon
Green, Lincoln
Guevara, Christian
Haase, Andrew

Hall, Sondra
Lassiter, Austin
Loydgren, Brian
Nadeau, Derek
Pellegrine, Brooke
Ryan, Matthew
Saulsberry, Trevarris
Savelli, Joseph

Schryver, Warren
Singleton III, Gill
Torres Rivera, Angelica
Vargas, Nico
Velazquez, Bryan
Walker, Austin
Williams, Joshua
Williams Jr, Michael

11. Investment Management Presentation by Jay Bowen of Bowen, Hanes & Co. Inc. Noted receipt of the following:
 - a. Investment management report for the month ended 06/30/2019. Market value of *investments* was \$2,118,168,852.19. Investment return has been +2.9% on the total portfolio so far this fiscal year.
 - b. Summary and Investment Summary letters dated 07/03/2019 written by Jay Bowen.
 - c. Bond portfolio information and recommendation to hold.
 - d. Proxies voted during quarter ended 06/30/2019.
 - e. Investment management report for the month ended 07/31/2019. Market value of *investments* as of was \$2,135,738,773.97. Investment return has been +4.3% on the total portfolio so far this fiscal year.
 - f. Addendum distributed at the meeting. Market value of investments as of 08/27/2019

Mr. Bowen commented on a recent Wall Street Journal article that caused some confusion, noting that the article was using a June 30th measurement date so he reported the Fund's numbers accordingly. He

advised that Tampa was highlighted in the article because the Fund does not participate in alternative investments.

Mr. Bowen advised that the year has been volatile and there are only a few weeks remaining in the fiscal year. He noted that there are enormous capital flows in the Treasury bond market and negative yields through the foreign markets, which is indicative of a flight to quality and safety. He also noted that the yield curve is inverted, which is signaling risk aversion and longer maturities. Mr. Bowen continued that historically, an inverted yield curve presages a recession that is likely 12 to 16 months out, but advised that he is not yet concerned about recession and opined that the Federal Reserve will likely cut rates soon. Mr. Bowen advised that he will continue to monitor the variables. It was noted that there is a lot of negativity in terms of uncertainties such as Hong Kong disruptions, Brexit, a potential German recession, and the communist regime in China. The situation in China was discussed, and Mr. Bowen opined that their lawful participation in a trade deal would benefit the global economy. Mr. Bowen noted that it would be very hard to pull another double-digit earning year. **It was moved by Mr. Messmer, seconded by Mr. Hall and by unanimous vote to receive and file items 11 a-f.**

12. Discussion regarding securities litigation. Mr. Klausner explained that securities litigation is a lawsuit filed by a group of investors who bought or sold a company's stock and suffered economic injury as a result of misconduct or fraud. He explained that the monitoring firm would have access to the Fund's custody statements and would advise when the Fund has a case and monitor the return of funds. Mr. Klausner noted that pension funds are often the lead plaintiffs in these cases because they are heavily invested, but opined that it would be unusual for Tampa F&P to be the lead plaintiff when considering the Fund's holdings. He advised that should the Board choose to engage in securities litigation monitoring, he recommends that the Fund be monitored by more than one company. Mr. Klausner advised that staff time should be minimal and hourly rates would be recovered. It was noted by Mr. Bowen that the Fund participates in these class action lawsuits already. Mr. Klausner advised that monitoring does not cost anything and will only impact the Fund if it experiences the biggest loss. Mr. Klausner advised that he and Mr. Kaufman intend to travel to Atlanta next month to meet with Mr. Bowen and further discuss the issue.

Medical Disability

13. Initial hearing for LOD disability applicant J. Day, TPD. Noted receipt of disability application, qualifying letter, notice of injury reports, pre-employment physical, job description, sample letter to Medical Board, Medical Board reports, Medical Director's summary, and medical records.

Mr. Klausner advised that the applicant has been made aware that his application requires five affirmative votes and there are three trustees who are not present. The applicant expressed his understanding of the situation and chose to proceed with the informal hearing. Mr. Day and Dr. Bohnker were sworn in and responded to questions from the Board. It was noted that the injury occurred in 2016 and since that time Mr. Day has had four surgeries and is still having issues with his partial knee replacement. When asked if the applicant could improve with extended recovery time, Dr. Bohnker advised that it is unlikely. It was noted that Mr. Day is not at maximum medical improvement (MMI) and Dr. Bohnker advised that would require a total knee replacement, which would not return him to full duty.

It was moved by Mr. Burkett, seconded by Mr. Messmer and by unanimous vote that the Board find that there is a disability that occurred in the line of duty that permanently incapacitates Mr. Day from the regular and continuous duties of a police officer.

It was moved by Mr. Burkett, seconded by Mr. Belmonte and by unanimous vote that the Board grant a line-of-duty disability pension to Mr. Day due to a knee injury effective close of business today.

[Mr. Cannon out of room from 2:35 to 2:37 p.m.]

14. Initial hearing for LOD disability applicant M. Cason, TFR. Noted receipt of disability application, qualifying letter, notice of injury reports, pre-employment physical, job description, sample letter to Medical Board, Medical Board reports, Medical Director's summary, and medical records.

Mr. Klausner advised that the applicant has been made aware that his application requires five affirmative votes and there are three trustees who are not present. The applicant expressed his understanding of the situation and chose to proceed with the informal hearing. Mr. Cason made an opening statement thanking the Board for their time and consideration. Mr. Cason and Dr. Bohnker were sworn in and responded to questions from the Board. It was noted that there were many undisclosed medical providers and the applicant was asked to comment. Mr. Cason advised that he completed the application to the best of his ability, but did assume that some of the records would be automatically collected such as those of Dr. Wood. He noted that he did his best to assist with records collection when staff identified these providers. Mr. Cason provided a brief summary of his case beginning with the 2012 injury through the 2017 re-injury, identifying times where he was seen by the City's employee assistance program (EAP) doctor voluntarily and involuntarily for substance abuse. Concerns were raised about the possibility of the applicant using substances at the time of the initial injury. The Board and the applicant discussed this issue at length. Mr. Klausner advised that there is nothing in the records before the Board that connects usage with the injury, but if the Board has doubts, they can vote accordingly and move to a formal hearing. There was a brief discussion about an informal administrative investigation involving Mr. Cason's seemingly high administration of certain medications, but no action was taken. There was also a brief discussion about the inconsistencies in Mr. Cason's statements and paperwork. Mr. Cason iterated that his 2012 injury did not involve substances and when he was injured again in 2017, which was the injury that did not allow him to continue working, it was not under questionable circumstances. He noted that there are records proving his sobriety during that time. Mr. Messmer advised that he understands the general concerns regarding this case, but does not foresee there being additional evidence at the formal hearing that will provide clarity and Mr. Burkett agreed.

It was moved by Mr. Burkett and seconded by Mr. Belmonte that the Board find that there is a disability that occurred in the line of duty that permanently incapacitates Mr. Cason from the regular and continuous duties of a firefighter. Upon voting, the motion passed by a vote of 5-1 with Mr. Belmonte, Mr. Burkett, Mr. Cannon, Mr. Messmer, and Mr. Reed in favor of the motion and Mr. Hall opposed to the motion.

It was moved by Mr. Burkett and seconded by Mr. Messmer that the Board grant a line-of-duty disability pension to Mr. Cason due to a back injury effective close of business today. Upon voting, the motion passed by a vote of 5-1 with Mr. Belmonte, Mr. Burkett, Mr. Cannon, Mr. Messmer, and Mr. Reed in favor of the motion and Mr. Hall opposed to the motion.

15. Authorized referral to Orthopedic Medical Board comprised of Drs. G. Canizares, P. Lopez, and M. Smith for LOD disability applicant A. Casale, TPD, as recommended by Medical Director. **It was moved by Mr. Burkett, seconded by Mr. Messmer and by unanimous vote to authorize the referral of disability applicant A. Casale to orthopedic medical board, as recommended by the Medical Director.**

16. Discussion on firefighters' cancer bill, F.S. 112.1816. Ms. Ernst advised that the office has received a few calls regarding the benefits contained in the bill and asked Mr. Klausner to comment on the applicability here. Mr. Klausner advised that the insurance component would be handled outside of the Fund, but essentially allows eligible firefighters to elect worker's compensation coverage or the benefits afforded by the presumption. In terms of line-of-duty disability, the process will be the same except applicants will have to apply with one of the 21 listed cancers as the disabling condition. He noted that the bill does not allow for post-retirement disability applications and the other provisions of the bill do not apply here.

Old Business

17. Committee #3 report. Nothing to report.
18. Committee #1 report. Nothing to report.
19. Steering committee report. Nothing to report. It was noted that this committee is on standby for work related to the new pension administration system.

New Business

20. Note receipt of listing of upcoming conferences. Disclosure of planned attendance, if any.
- a. Rescheduling of October board meeting due to IFEBP conference date conflicts.

Mr. Belmonte advised that he plans to attend the FPPTA Trustees School in October. Ms. Ernst advised that staff members Adam Hollen and Angie Ford will also be attending. Mr. Reed, Mr. Hall, Mr. Messmer, and Mr. Burkett all disclosed for the FPPTA Wall Street conference in April 2020.

Ms. Ernst advised that the October board meeting conflicts with the IFEBP Annual Conference, which will be attended by three trustees. It was agreed upon by general consensus to reschedule the meeting for October 16, 2019 at 1:30 p.m. **Item 20 was received and filed.**

21. Discussion on draft administrative expense budget. Ms. Ernst advised that this budget is published annually, per statute and has been reviewed by Mr. Lenker. Mr. Hall asked if the increase to salary was due to the staff pension fund and Ms. Ernst confirmed, adding that a cushion was added for overtime related to the pension administration system project. **It was moved by Mr. Cannon, seconded by Mr. Burkett and by unanimous vote to approve the administrative expense budget for FYE 09/30/2020.**
22. Chair's call for any new business items from trustees to be placed on next agenda. None.
23. Chair's report.
- a. Review of Fund professionals.
- Mr. Reed assigned the review of professionals to Committee 2.
24. Plan Administration.
- a. Outstanding PVQs.
 - b. Pension office upgrades and boardroom chairs.
 - c. Update on PAS implementation.

at such meeting or hearing, will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be 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 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.

September 25, 2019

October 23, 2019 (to be rescheduled)

November 20, 2019 (early due to holidays)

December 18, 2019 (early due to holidays)