

**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
November 20, 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, September 25, 2019 at 1:30 p.m. for a regular meeting with the following members present:

Greg Reed, Chairman
Matthew Belmonte
John Cannon
Douglas Burkett
Sharon Fox

Trevor Hall
Patrick Messmer
Dennis Rogero

Also present were Dr. Bruce Bohnker, Medical Director, 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 October 16, 2019 regular board meeting. **It was moved by Mr. Messmer, seconded by Mr. Hall and by unanimous vote to approve the minutes of the October 16, 2019 regular board meeting.**
2. Approved the minutes of the October 17, 2019 Committee 1 meeting. **It was moved by Mr. Cannon, seconded by Mr. Belmonte and by unanimous vote to approve the minutes of the October 17, 2019 committee 1 meeting.**
3. Approved the minutes of the November 6, 2019 Steering Committee meeting. **It was moved by Mr. Messmer, seconded by Mr. Cannon and by unanimous vote to approve the minutes of the November 6, 2019 steering committee 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 4 – 8] **It was moved by Ms. Fox, seconded by Mr. Belmonte and by unanimous vote to approve consent agenda items 4 – 8.**

4. Ratified pension benefits.
5. Investment Management Report from Bowen, Hanes & Co. Inc. Noted receipt of the following:
 - a. Investment management report for the month ended 10/31/2019: market value of *investments* was \$2,139,934,855.23 and investment return on the total portfolio was 0.9%
 - b. Addendum distributed at the meeting. As of 11/19/2019, market value of investments was \$2,184,370,912 and investment return on the total portfolio was 3.0%.

6. Approved billing for General Counsel services rendered by Klausner, Kaufman, Jensen & Levinson during October 2019: \$8,125.00
7. Noted receipt of Memorandum from Klausner, Kaufman, Jensen & Levinson regarding USERRA.
8. Noted receipt of Disability Process Timeline of disabilities in process as of 11/13/2019.

Medical Disability

9. Initial hearing for LOD disability applicant A. Casale, 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, medical records, and other documents related to the case.

Ms. Casale and Dr. Bohnker were sworn in and responded to questions from the Board. Ms. Casale was represented by attorney, Tonya Oliver. It was noted that there is one trustee not present for this informal hearing and the applicant elected to proceed.

Ms. Oliver made an opening statement on the behalf of the applicant, noting that Ms. Casale is applying due to a work related injury that occurred while on duty and in uniform. She noted that despite all of Ms. Casale's efforts to return to duty, she has been unable to maintain a full duty status and all three IME doctors indicated that Ms. Casale has a disability that occurred in the line of duty.

Mr. Messmer inquired about a previous knee injury that was noted in Ms. Casale's pre-employment physical. Ms. Casale advised that the injury was related to her meniscus and occurred prior to her date of hire. Dr. Bohnker advised that he does not believe that the prior knee injury is related to the disabling injury.

It was moved by Mr. Burkett, seconded by Mr. Belmonte and by unanimous vote that the Board finds that there is a disability that occurred in the line of duty that incapacitates Ms. Casale from the regular and continuous duties of a police officer.

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

10. Initial hearing for LOD disability applicant H. Castillo, 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, medical records, and other documents related to the case.

Mr. Castillo and Dr. Bohnker were sworn in and responded to questions from the Board. Mr. Klausner advised that the member is aware that there is one trustee not present for this informal hearing and the applicant has elected to proceed. Mr. Castillo made an opening statement, providing a brief summary of his employment history in law enforcement. He also provided a brief description of how his shoulder injury occurred.

Mr. Messmer noted that the medical records indicate that prior to his surgery physical therapy was ordered, but Mr. Castillo stopped attending and he asked for an explanation. Mr. Castillo responded that his physical therapist told him that he would not be able to reach the level of recovery that he was aiming for, adding that he believes his insurance plan would not cover additional visits. He further commented that he does not recall anyone advising him to continue with physical therapy and believes he was released by the physical

therapist. Mr. Messmer noted that the medical records indicate that Mr. Castillo was attending physical therapy after his surgery and discontinued treatment. Mr. Castillo again stated that he was released from physical therapy. There was discussion regarding Mr. Castillo's injury not being covered by worker's compensation. Mr. Castillo explained that in lieu of worker's compensation, he had the option to see a doctor of his choice and receive treatment using his health insurance. He added that the decision to use his health insurance plan was due to his level of pain and the worker's compensation doctor's lack of immediate availability. Mr. Castillo commented that worker's compensation did not deny his claim and he was advised that electing to not use worker's compensation would not negatively affect his disability application. Mr. Messmer noted that Mr. Castillo was released to full duty on 11/22/2017 and thereafter is a 6-7 month window where no medical records exist except a person physician visit where there is no mention of the shoulder injury. Mr. Castillo responded that during that time, he was working while in a lot of pain and monitoring his recovery to see if he would be able to continue working. Ms. Fox advised that she contacted Risk Management and found out that there are several reasons an employee may choose to waive worker's compensation coverage, such as having an issue with a worker's compensation doctor or feeling that their case is not progressing quickly enough. She noted that with auto accidents, waiving worker's compensation coverage allows the employee to pursue the other individual involved for costs.

Mr. Messmer asked if Mr. Castillo resigned while under investigation. Mr. Castillo responded that he was being put on light duty and was very unhappy at work, so he elected to take a longevity retirement while finishing the disability application process. Inquiries were made about Mr. Castillo's use of time and submission of appropriate medical forms. Mr. Castillo maintained that he submitted every form provided to him by his physician and advised that the investigation was not related to his injury or his use of leave. Mr. Burkett noted that there appears to be a discrepancy between the provided verbal testimony and the information contained in the medical records. He explained that the medical records indicate that Mr. Castillo experienced improvement and was found to be at MMI with 0% impairment and then there is a gap in the medical records before he is seen again for his shoulder injury. Mr. Castillo responded that he attempted to follow every step in the process and his pain varied based on time of day and usage. Additional discussion ensued regarding Mr. Castillo's release to duty and subsequent full rotator cuff tear. Dr. Bohnker noted that while not common, it is possible to have a full thickness rotator cuff tear and not know it. Mr. Messmer commented that he takes issue with the 7-month gap in the medical records and the fact that Mr. Castillo did not follow the prescribed treatment plan by not attending physical therapy. Several trustees expressed the same concerns and it was noted that Dr. Lopez has not found the applicant to be at maximum medical improvement. Mr. Castillo maintained that he was released from physical therapy both times and was never told to return.

It was moved by Mr. Burkett and seconded by Mr. Messmer that the Board deny the line-of-duty disability application of Mr. Castillo because he has not met the burden of proof as to causation, permanency, or totality. Upon voting, the motion passed by a vote of 7 to 1 with Mr. Belmonte, Mr. Burkett, Mr. Cannon, Mr. Hall, Mr. Messmer, Mr. Reed and Mr. Rogero in favor of the motion and Ms. Fox opposed to the motion.

Mr. Klausner advised that he will prepare an order for the Board's approval at the next meeting.

[Brief recess from 2:31 – 2:36 p.m.]

[Items 20 – 25 taken out of order]

20. Attorney's report. Nothing to report.

administrative costs show some volatility due to annual liability insurance premiums paid and accruals of professional fees for work that occurred before fiscal year end.

Mr. Lenker reviewed the annual financial statements, noting that the statement of net assets reflects a \$26 million decrease when comparing the current and prior years. He explained that increases in the areas of cash equivalents, fixed income and partnerships were offset by decreases in equities resulting in a decrease in total assets of \$23.7 million between the two periods. The performance page was reviewed and Mr. Lenker advised that even though the portfolio saw investment income of \$85 million, investment income was down \$137 million this year versus last year. It was noted that benefits paid are up due to increases in longevity and DROP benefits and 13th check distributions. Mr. Lenker advised that administrative costs are up largely due to the pension administration system and the associated project work, but there were also increases in professional fees, occupancy, education, and salaries and benefits.

Mr. Messmer inquired about capitalizing the pension administration system since the Fund does not own any of the intellectual property. Mr. Lenker confirmed that it does need to be capitalized.

It was moved by Ms. Fox, seconded by Mr. Rogero and by unanimous vote to accept the financial statements for fiscal year ended 09/30/2019, as prepared by NDL&C.

12. Board approval of the following DROP statement components as per board policy and procedure, distributed and reviewed at meeting by Mr. Lenker:
 - a. DROP investment return calculation for fiscal year ended 09/30/2019. Mr. Lenker reviewed the components of the calculation for the regular investment return option, explaining that the Fund's net investment income is divided by the net assets available for investment plus the average net cash flow from non-investment activities, which yielded +3.80% for fiscal year 09/30/2019. **It was moved by Ms. Fox, seconded by Mr. Cannon and by unanimous vote to adopt the DROP investment rate of return, as prepared by NDL&C.**
 - b. DROP low-risk return calculation for fiscal year ended 09/30/2019. Mr. Lenker reviewed the components of the calculation for the low-risk, variable rate return option, explaining that the net investment income was divided by the average net assets available for investment, which yielded +2.17% for fiscal year 09/30/2019. **It was moved by Ms. Fox, seconded by Mr. Rogero and by unanimous vote to adopt the low-risk, variable rate of return, as prepared by NDL&C.**

[Mr. Messmer exited the meeting at 3:23 p.m.]

- c. DROP administrative fee calculation for fiscal year ended 09/30/2019. Mr. Lenker explained that this fee has always been discretionary and presented to the Board in the form of a recommendation. He noted that there was an increase of approximately \$300 in DROP expenses for fiscal year ended 2019 compared to the prior year, and recommended that the DROP administration fee remain 0.1300%. **It was moved by Ms. Fox, seconded by Mr. Rogero and by unanimous vote to accept the administrative fee recommendation, as prepared by NDL&C.**

Old Business

13. Committee #1 report. Mr. Cannon advised that the committee has been discussing the reinstatement of Pension 101 sessions and recording educational videos to be published online. Ms. Ernst advised that this work is currently on hold due to fiscal year end and the pension administration system project. She noted that educational sessions have been scheduled for January 2020 with Kurt Czarnowski for social security and Dee

Lee for financial planning. Ms. Ernst advised that the committee will meet again after the first round of sessions occur.

14. Steering committee report.

[Mr. Messmer provided the Steering Committee Report via teleconference and called in at 3:35 p.m.]

Mr. Messmer advised that the committee discussed electronic forms and is recommending that the Board allow for the electronic execution of certain forms, including those related to buy-backs, refunds, general account maintenance, and beneficiary elections. He explained that based on the advice of counsel, the committee is recommending a wet signature requirement for pension contracts, disability applications, and forms related to refunds of contributions to vested members. Mr. Messmer advised that some electronic forms, such as beneficiary elections, will have disclaimers that must be acknowledged by the member as part of the execution process. He noted that the Application for Participation, Acknowledgement, and Confidentiality Request forms were determined to be obsolete, so the committee is recommending that they be eliminated.

Mr. Messmer advised that the committee also discussed the accounts payable process and is recommending that it be handled internally. He noted that there is no delineation between what is being paid by the City and what is being paid by the Fund, which has created reconciliation and audit issues. Ms. Ernst noted that internal controls were previously drafted by committee for an internal accounts payable process and staff has already seen a demonstration of the software that was recommended by Mr. Lenker. **It was moved by Mr. Rogero, seconded by Mr. Cannon and by unanimous vote to adopt the recommendations of the committee, as discussed.**

[Mr. Messmer ended the conference call at 3:42 p.m.]

New Business

15. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any. Mr. Rogero disclosed that he would like to attend the FPPTA Trustee School in January. Mr. Cannon, Mr. Burkett, and Mr. Reed disclosed attendance to the same. Mr. Hall tentatively disclosed as well. **Item 15 was received and filed.**

16. Approved 2020 COLA increases prepared by actuary Foster & Foster, dated 10/18/2019. Noted that Exhibit A, containing the Cumulative COLAs for each class, is the best quick reference sheet. **It was moved by Mr. Burkett, seconded by Mr. Rogero and by unanimous vote to approve the 2020 COLA increases, as prepared by actuary.**

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

18. Chair's report.

a. Plan administrator evaluation.

Mr. Reed advised that Ms. Ernst did not receive a performance evaluation for the prior year, so his evaluation was for the full 24-month period. He explained that in lieu of a merit increase, he is recommending a 3% performance bonus for each of the 12-month evaluation periods. Mr. Reed commented that this is a way to reward Ms. Ernst for her excellent performance without inflating salaries. Ms. Fox advised that she is in favor of the bonus concept as a way to honor exceptional performance, but is more in favor of a mix of both a salary increase and performance bonus, especially when taking into consideration the additional work related to the pension administration system project. Discussion ensued regarding the compounding effects of a salary

increase versus a one-time bonus payment and various recommendations were taken into consideration. **It was moved by Mr. Burkett, seconded by Mr. Cannon and by unanimous vote to award the plan administrator a 3% salary increase for each 12-month assessment period contained in the 24-month performance evaluation and a one-time \$5,000 performance bonus.**

19. Plan Administration.

a. Update on PAS implementation and external audit.

Ms. Ernst advised that user acceptance testing for the first deliverable of the pension administration system has been scheduled for the week of December 9th, noting that the location has been moved from Fire Station 1 to the pension office to avoid office closures. She advised that a new SQL server programmer has been assigned to the data conversation project and the former on-site contact continues to work remotely on the project. Ms. Ernst noted that iPads are available for pick up and the old iPads can be returned to the office for use in retirement appointments with the new system. It was noted that open enrollment went well this year and she will continue to work with the City's benefits team to address mid-year changes and enrollments. Mr. Hall noted that permitting for the office renovations was rejected due to cabinet specifications, but the paperwork has been revised and Ferrell Constructions is waiting on approval from the City. Ms. Ernst advised that the office had a visit from a fire inspector this week and Mr. Hall agreed to review the report and assist in addressing the list of issues in the report.

[Items 20 – 25 taken out of order]

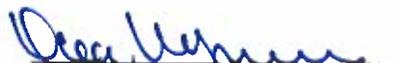
26. Election of Board Officers

Chair
Vice Chair
Secretary

Mr. Hall nominated Mr. Burkett to serve as Chairman and he was elected by acclamation. Ms. Fox nominated Mr. Reed to serve as Vice Chairman and he was elected by acclamation. Mr. Burkett nominated Ms. Wynn to serve as Secretary and she was elected by acclamation.

The motion to adjourn was made by Ms. Fox at 4:13 p.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. Notice is hereby given as provided in Section 286.0105, Fla. Stat., that any person who decides to appeal any decision made by the board, agency, or commission with respect to any matter considered 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.

December 18, 2019 (early due to holidays)

2020 Board meeting schedule – meetings begin at 1:30 p.m.

January 22, 2020
February 26, 2020
March 25, 2020
April 22, 2020
May 27, 2020
June 24, 2020

July 22, 2020
August 26, 2020
September 23, 2020
October 28, 2020
November 18, 2020 (early due to holidays)
December 16, 2020 (early due to holidays)