

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
OF THE
TAMPA FIRE & POLICE PENSION FUND**

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July 22, 2020 1:30 p.m.

The Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met remotely on Wednesday, July 22, 2020 at 1:30 p.m. for a regular meeting with the following members present:

Douglas Burkett, Chairman
Matthew Belmonte
John Cannon
Trevor Hall

Patrick Messmer
Gregory Reed
Dennis Rogero
Ocea Wynn

Additional participants included Mr. Jay Bowen, Investment Manager; Mr. Robert Klausner, General Counsel; Mr. Mark Lenker, External CPA; and active and retired plan members.

1. Approved the minutes of the June 24, 2020 regular board meeting. **It was moved by Mr. Messmer, seconded by Mr. Reed and by unanimous vote to approve the minutes of the June 24, 2020 regular 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 – 6] **It was moved by Mr. Hall, seconded by Mr. Cannon and by unanimous vote to approve consent agenda items 2 – 6.**

2. Ratified retirement benefits.
3. Financial statements prepared by Mark Lenker, CPA of Nobles, Decker, Lenker & Cardoso
 - a. Month ended 03/31/2020 – market value of *assets* was \$1,874,690,598.46.
4. Approved billing for services rendered by Klausner, Kaufman, Jensen & Levinson during June 2020:
 - a. General Counsel: \$3,735.00
 - b. Houston, E: \$9,179.15
 - c. Houston, L: \$16,024.15
5. Approved 112.664 Compliance Report prepared by the Fund’s actuary, dated 07/14/2020.
6. Noted receipt of Disability Process Timeline of disabilities in process as of 07/15/2020.
7. Investment Management Presentation by Jay Bowen of Bowen, Hanes & Co. Inc. Noted receipt of the following:
 - a. Investment management report for the month ended 06/30/2020. Market value of *investments* was \$2,161,016,854.50. Investment return has been +5.6% on the total portfolio so far this fiscal year.
 - b. Investment Summary and Conclusion dated 07/03/2020 written by Jay Bowen.
 - c. Bond portfolio information and recommendation to hold.
 - d. Proxies voted during quarter ended 06/30/2020.
 - e. Addendum distributed at the meeting. Market value of investments was \$2,271,515,666 as of 07/21/2020. Investment return has been 11.0% on the total portfolio so far this fiscal year.

Mr. Bowen commented on the current market conditions, particularly the unprecedented market decline and subsequent unprecedented market upturn. He opined that it will be important to see how things transpire with regards to the unprecedented actions being taken by the Federal Reserve in terms of liquidity and the underlying economic fundamentals. It was noted that the market seems to want to look through the economic turmoil but is struggling with how far to look ahead.

Mr. Bowen advised that the portfolio will continue to focus on companies that will benefit from the new digital age and will thrive in the current environment. He also noted that the meeting in February provided an opportunity to build a very high quality, powerful portfolio in the REIT arena and that the September fiscal year end is really working in the Fund's favor this year. Longer term issues were also discussed, including the upcoming election and the associated policy uncertainty. Mr. Bowen also commented on China and the tension between our governments, as well as inflation and the potential for negative treasury yields.

Mr. Messmer inquired about the fund's REIT exposure and the potential for evictions and foreclosures to negatively impact the real estate market. Mr. Bowen advised that the portfolio focuses on digital companies, not the traditional retail or commercial office buildings. Mr. Messmer noted that with regards to proxies, some of the one-line descriptions sound good, but we are voting against them. He asked for confirmation that these are being scrutinized. Mr. Bowen advised that he typically votes with management because their policies often align with what his firm believes is right, but often the description does a disservice to the real underlying issue.

Item 7 was received and filed.

New Business

8. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any. **Item 8 was received and filed.**
9. Chair's call for any new business items from trustees to be placed on next agenda. None.
10. Chair's report. Nothing to report.
11. Plan Administration: Update on PAS implementation.

Ms. Ernst advised that the team is on track to participate in training and perform user acceptance testing for the second deliverable of the PAS project the week of August 13th. It was noted that this effort is expected to be completed by mid-September. Ms. Ernst also advised that another Board decision is needed for PAS programming purposes regarding maximum death benefits. It was explained that there is a maximum benefit payable when there is a surviving spouse and surviving minor children, and the past practice has always been to reduce to spousal benefit if the total exceeds the maximum. Mr. Klausner advised that the Board could continue with this practice or reduce both the spouse and minor child benefits on a pro-rata basis. Ms. Ernst advised that the pro-rata method would better suit the system and would eliminate potential issues should the minor children not be the natural children of the surviving spouse. It was noted that this change would be prospective in nature. **It was moved by Mr. Messmer, seconded by Mr. Rogero and by unanimous vote to adopt the pro-rata reduction methodology as it relates to maximum death benefits, as discussed.**

It was also reported that the office remodel project is almost complete.

12. Attorney's report. Mr. Klausner advised that the Governor has extended the emergency order, relaxing the quorum requirement through Labor Day. He continued that it would be good fiduciary practice to continue meeting remotely at this time. He advised that his office has requested written guidance looking forward from there. Mr. Klausner reported that he recorded a webinar with FPPTA that will be available on July 29, 2020 regarding the CARES Act.

