



**GENERAL EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES - REGULAR MEETING MINUTES
TUESDAY – OCTOBER 17, 2017 - 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 October, 2017 in the Third Floor Conference Room of the Fort Brooke Garage, 107 N. Franklin Street, Tampa, FL 33602.

Support Staff: Natasha Wiederholt, Pension Plan Supervisor and Recording Secretary; Justin Vaske, Assistant City Attorney and Board Attorney; Terrie Williams, Accounting Operations Manager; Rosie Rivera – Accountant; and Carleigh Blesing, Office Support Specialist III.

Consultants to Board: Jason Pulos and Nathan Burk - Asset Consulting Group (ACG); Stephen Lambert Oswald – AON Hewitt

I. ROLL CALL

Mr. Carrera, Chairman, presiding, brought the meeting to order at 1:05 p.m.

Board Members Present Included: Ernest Carrera, Chairman; Stephen Hill, Vice Chairmen; Steve Kenny, Trustee; Derwin Bright, Trustee

Trustee Sonya Little advised she would be delayed and arrived at 1:28pm. Trustee Alan Weiner advised in advance of the meeting that he was unable to attend.

II. PUBLIC COMMENTS- Ten (10) Minutes Total – Three (3) Minutes per Speaker

None.

III. APPROVAL OF MINUTES

Ms. Wiederholt requested the Board approve the minutes from the September 19, 2017 meeting.

MOTION: (Hill/Kenny) Motion was made by Stephen Hill to approve the minutes from the September 19, 2017 Board meeting. Motion was seconded Steve Kenny. MOTION CARRIED.

IV. RECOGNITION OF KARL CRAIG'S LEADERSHIP & SERVICE AS BOARD TRUSTEE

Ms. Wiederholt advised the Board that Trustee Karl Craig resigned from the City of Tampa, General Employees' Retirement Fund effective October 13, 2017. She recognized Mr. Craig's leadership and service as Board Trustee:

"We'd like to recognize Karl Craig's leadership and service as Board Trustee to the City of Tampa, General Employees' Retirement Fun from November 1, 2015 - October 13, 2017.

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Karl Craig was originally elected to the Board by the active employees of the Fund for a three-year term spanning November 1, 2015 to October 31, 2018. He was elected to fill Randy Goers' trustee position after his term ended on October 31, 2015.

We would like to thank Karl Craig for his service, leadership and guidance. His experience and expertise has been of great value to our members, GE Retirement Fund staff and the Board. We know that it was an "add-on" to the many other things he did, including his career, his family and his social life. We are most grateful for the time and effort he has volunteered. It is a reflection of his commitment to making a positive difference in our community and is very much appreciated."

V. INTRODUCTION OF NEW BOARD TRUSTEE, ANDY WAITMAN

Ms. Wiederholt introduced Mr. Andy Waitman to the Board. Mr. Waitman was recently elected to the Board of Trustees by the active members of the Fund for a three year term from November 1, 2017 – October 31, 2020. Mr. Waitman replaces Trustee Steve Kenny whose term ends on October 31, 2017. Mr. Waitman shared details regarding his professional background, credentials and personal life and expressed his excitement at starting with the Board next month.

VI. PLAN AMENDMENT UPDATE

Ms. Wiederholt reminded the Board of the actions taken at prior meetings regarding the plan amendment updates. At the August 15, 2017 meeting, the Board approved a markup of the plan amendments and requested that staff meet with the City Administration regarding the success of bill sponsorship. Ms. Wiederholt advised the Board that the feedback received stressed that now was not the ideal political climate for such sponsorships. Mr. Carrera inquired as to what would be an ideal political climate as well as who makes the determination. Ms. Wiederholt advised that those details were not made available but the decision itself came from the Mayor and his administration. Mr. Hill inquired what the next steps would be instead and Ms. Wiederholt advised that the plan would continue to operate within the guidelines as written, which was supported by Mr. Pulos. Mr. Hill posited that it may be due to the concern of the State absorbing the local pension plan and that would be something to avoid for the present time. As Ms. Little was not yet in attendance, the matter was tabled for a time.

MOTION: (Hill/Kenny) Motion was made by Stephen Hill to table the plan amendment update agenda item until Trustee Little's arrival. Motion was seconded by Steve Kenny. MOTION CARRIED.

Upon her arrival at the meeting, conversation continued regarding bill sponsorship. In the course of same, it was noted that the likelihood of requesting these types of changes to mirror the State plan would more likely result in absorption of the local plan.

VII. STAFF REPORT

1) Portfolio Performance Review – September 2017 – Jason Pulos, ACG

ACG reviewed the monthly report for the period ending September 30, 2017.

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As of September 30, 2017 the total fund value stood at approximately \$710.1 million. The one year gross of fees return (which is also the fiscal year 2017 return) of the total fund as of September 30, 2017 was 14.58% which was 2.63% above the return of the policy index. Very good absolute returns from equities across market cap and geography has driven performance over the last year. While relative performance from active management has also been a positive driver of returns relative to the policy index, specifically within domestic equities and fixed income as a whole.

Mr. Hill requested that a footnote be added to the bottom of the investment performance reports to indicate the returns are presented on a gross of fees basis as well as to indicate which investment managers' returns are being recorded on a one quarter lag.

2) October 2017 Liquidity Needs

Ms. Wiederholt reviewed the October 2017 cash flow projection and rebalancing analysis with the Board and advised that \$1.3M was needed to fund benefit payments. ACG recommended the liquidation of \$1.3 million from the Wellington small cap equity strategy.

MOTION: (Kenny/Hill) Motion was made by Steve Kenny to approve the liquidation of \$1.3M total from Wellington for October benefit payments. Motion was seconded Stephen Hill. MOTION CARRIED.

3) Trading Evaluation Analysis and Review of Brokerage Transactions & Associated Costs

Ms. Wiederholt and Mr. Pulos presented and discussed some proposed revisions to the Board Policies and Procedures Manual. A redline version of the document with proposed revisions was reviewed. Mr. Pulos mentioned that this document should speak only to the policies and procedures accomplished by the Board directly rather than speaking to execution of actions being taken by the investment consultant and investment managers. Ms. Wiederholt pointed out some inconsistencies between the Board Policies and Procedures Manual and the Investment Policy Statement (IPS).

It was recommended that the Investment Consultant/Manager Duties section on page 2c as well as the Trading and Brokerage Policies on pages 3f-1 to 3f-3 of the Board Policies and Procedures Manual be removed. These sections describe the duties of third parties and not the Board which is inconsistent with the purpose of the document. The IPS describes the duties of the Investment Consultant and Investment Managers. The IPS is communicated to and agreed upon by the Investment Consultant and Investment Managers. Pages 5 – 7 of the IPS describe the duties of the Investment Managers and the Investment Consultant. These requirements have been communicated to and agreed upon by the Investment Managers and Investment Consultant. Pages 12 - 13 of the IPS describe policies on Trade Execution, Directed Brokerage and Reporting.

Mr. Hill requested that Section D of the Trading and Brokerage Policies from the Board Policies and Procedures Manual be added to the IPS in the Reporting Section. The section relates to Trading and Brokerage Review/Evaluation and states, "Each manager shall submit to the Board on November 15 and May 15 of each year a written report with respect to brokerage transactions and associated costs. The report should include an accounting of research services obtained in consideration of broker activity, along with a brief description of efforts used to comply with each of the policies and guidelines of the Board. Additionally, the Board will evaluate transaction activity on at least an

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annual basis through an independent Transaction Cost Analysis. Each manager's trading effectiveness will be monitored relative to both market impact and commission costs."

MOTION: (Hill/Kenny) Motion was made by Stephen Hill to remove the proposed items from the Board Policies and Procedures Manual and to amend the Investment Policy Statement to include Section D - Trading and Brokerage Review/Evaluation from the Board Policies and Procedures. Motion was seconded by Steve Kenny. MOTION CARRIED.

4) 2018 Board Annual Planner Review

Ms. Wiederholt presented the Board with the 2018 Annual Planner and reviewed the agendas for the upcoming year. Ms. Wiederholt inquired of the Board their interest in recessing during one month during the summer (July or August) so as to ensure a quorum is met during typical vacation times. Discussion ensued regarding best execution of same.

MOTION: (Hill/Kenny) Motion was made by Stephen Hill to approve the agenda with a recess in July 2018. Motion was seconded Steve Kenny. MOTION CARRIED.

5) Investment Consulting Services RFP

Ms. Wiederholt advised the Board that as our consulting agreements come up for expiration it is a best practice to go out to market and issue an RFP to ensure we receive the best price and quality of services. She reminded the Board that in fiscal year 2016 we completed an RFP for our custodian bank. As a result of the effort we switched banks and realized greater technology offerings, a higher level of service and savings of \$25K annually. Ms. Wiederholt advised the Board that we are in the process of issuing an RFP for actuarial services as the agreement with AON Hewitt dates back more than ten years and we have not gone out to market during that timeframe. Likewise, the original agreement with Asset Consulting Group was from April 1, 2011 to March 31, 2015 and has since been renewing on an automatic annual basis.

The Board discussed the best means of shopping around, noting that they would like to review a draft of the actuarial services RFP prior to going out to market. The Board also discussed the investment consulting services RFP and authorized Ms. Wiederholt to begin preparing the RFP and to bring the document to the Board for review in early 2018.

It was stressed that the Board be involved in these decisions along with staff as these consultants will work closely with the Board for the terms of the agreements. The top three candidates should be brought to the Board for finalist presentations.

MOTION: (Hill/Little) Motion was made by Stephen Hill to bring a draft of RFP for actuarial services. Motion was seconded Sonya Little. MOTION CARRIED.

MOTION: (Little/Kenny) Motion was made by Sonya Little to direct staff to bring draft of investment consultant RFP not to be distributed until January. Motion was seconded Steve Kenny. MOTION CARRIED.

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6) Training on Robert's Rules of Order

Mr. Vaske provided a general overview of the parliamentary procedure manual, "Robert's Rules of Order" to the Board. Mr. Vaske noted that while Robert's Rules were vast and significant, as it is also utilized for much larger bodies, there were components that the Board could utilize to streamline meetings and increase efficiency. Mr. Vaske provided a "cheat-sheet" for Robert's Rules of Order that detailed some of the most often utilized terms and phases. The Board opened discussion on how this would impact the proceedings and agreed that these changes would be helpful. The Board directed Ms. Wiederholt to prepare written motions in future agenda packages, to add the DROP Rates of Return to the Consent Agenda as well as to list the Consent Agenda as a Unanimous Consent item.

7) FPPTA October 2017 Conference Update

Ms. Wiederholt opened the floor to the Board to discuss the Florida Public Pension Trustees Association (FPPTA) conference that had taken place the previous week. Those who had been in attendance discussed the events and lectures they found to be most informative. Mr. Hill noted that at the previous event that occurred during the summer, he found the open forum meetings most helpful and had hoped this would be offered at this event as well.

VIII. CONSENT AGENDA

Ms. Wiederholt advised that the Consent Agenda has been reviewed and the items listed are true, correct, and have been found to be accurate. Justin Vaske has also reviewed all the legal invoices.

Retirement Benefits & Estate Payments:

Early Retirements, DROP Applications, DROP Exits, Deferred Retirements, Survivor Allowances, Estate Payments

Monthly Invoice:

1) City of Tampa Reimbursement - September 2017 - \$37,881.90

Quarterly Invoices:

- 1) Asset Consulting Group – #8067 - Q3 2017 - \$31,250.00
- 2) LMCG – Q3 2017 - \$32,191.80
- 3) Northern Trust Company - #01622269 – Q3 2017 - \$35,646.43

Annual Invoice:

1) AON Hewitt - #M10-0179791 - \$38,220.00

Auto-Deducted:

1) Marathon-London Int'l Group – September 2017 - \$22,956.00

Miscellaneous Invoices:

- 1) Allegra - #82450 - \$34.95
- 2) Division of Administrative Hearings - #004540A - \$186.25
- 3) Division of Administrative Hearings - #004569A - \$2,048.75

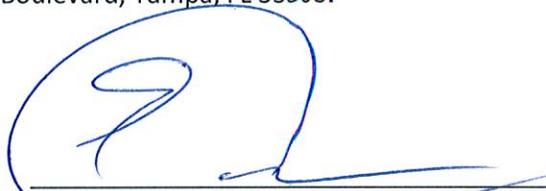
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- 4) Ford & Harrison - #701080 - \$1,601.69
- 5) Ford & Harrison - #701081 - \$134.46
- 6) Ford & Harrison - #701082 - \$1,275.00
- 7) Shumaker, Loop & Kendrick, LLP - #000649382 - \$3,063.90

The Board Chairman requested a unanimous approval of the consent agenda, and there were no objections to same. MOTION CARRIED

VIII. ADJOURNMENT

There being no further business, Chairman Ernest Carrera adjourned the meeting at 3:00 p.m. and advised the Board that the next meeting would be held on November 21, 2017 at the Fire & Police Pension Fund, Board Meeting Room, 3001 N. Boulevard, Tampa, FL 33603.



BOARD CHAIRMAN – Ernest P. Carrera



**GE PENSION PLAN SUPERVISOR – Natasha Wiederholt
& RECORDING SECRETARY**