GENERAL EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES - REGULAR MEETING MINUTES
TUESDAY – NOVEMBER 14, 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 14th day of November, 2017 at the Fire & Police Pension Fund, 3001 N. Boulevard, Board Meeting Room, Tampa, FL 33603.

Support Staff: Natasha Wiederholt, GE 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); Mark Meyer – AON Hewitt

I. ROLL CALL

Mr. Carrera, Chairman, presiding, brought the meeting to order at 1:00 p.m.

Board Members Present Included: Ernest Carrera, Chairman; Steve Kenny, Trustee; Derwin Bright, Trustee; Sonya Little, Trustee; Andy Waitman, Trustee.

Ms. Wiederholt advised the Board she received prior notification that Vice Chairman Stephen Hill would not be in attendance. Mr. Alan Weiner's 3-year term was completed October 31st, 2017 and at this time, a new mayoral appointee had not yet been selected.

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

None.

III. ANNUAL ELECTION

Ms. Wiederholt informed the Board that the annual terms for Chairman and Vice-Chairman were coming to a close and both roles would need to be elected for 2018. Ms. Wiederholt advised that Stephen Hill expressed an interest in running for Vice Chairman of the Board in 2018.

MOTION: (Carrera/Little) Motion was made by Ernest Carrera to nominate Stephen Hill as Vice-Chairman for 2018. Motion was seconded by Sonya Little. MOTION CARRIED.

MOTION: (Little/Waitman) Motion was made by Sonya Little to nominate Ernest Carrera as Chairman for 2018. Motion was seconded Andy Waitman. MOTION CARRIED.

IV. TRUSTEE ELECTION RESULTS

The Board was advised by Ms. Wiederholt that Mr. Steve Kenny ran unopposed for the vacant seat created by Mr. Karl Craig's resignation the previous month, and will complete the remainder of the term through October 31, 2018.

V. APPROVAL OF MINUTES

Ms. Wiederholt requested the Board approve the minutes from the October 17th, 2017 meeting.

MOTION: (Kenny/Waitman) Motion was made by Steve Kenny to approve the minutes from the October 17, 2017 Board meeting. Motion was seconded Andy Waitman. MOTION CARRIED.

VI. PENSION FORFITURE – TONIA BRIGHT

Ms. Wiederholt introduced Mr. Luis Santos of Ford & Harrison and advised the Board that this was the final pending pension forfeiture that was remaining. Mr. Santos provided an overview of the case details and the Administrative Law Judge's Recommended Order. The Board engaged in a discussion of the case and voted to support the Administrative Law Judge's recommendation of Tonia Bright's pension forfeiture.

MOTION: (Kenny/Bright) Motion was made by Steve Kenny to support the recommendation of pension forfeiture. Motion was seconded by Derwin Bright. MOTION CARRIED.

VII. REAL ESTATE MANAGER PRESENTATIONS

1) **Blackstone**

Ms. Wiederholt introduced Mr. Mike Casey to the Board. Mr. Casey started by thanking the Board for the relationship they have built thus far, advising that no major organizational changes had occurred that would affect the operations of the Board. Mr. Casey provided a broad strokes overview of the operations of Blackstone, noting that their philosophy was to create teams that could take on very large, very complicated deals that would result in the best assets in the best markets at the best price. This centralizes Blackstone's focus in large markets, predominantly in New York City and California. The investments also continue to follow trends in diversification, including the shift away from new buildings and instead focus on enhancing current assets.

2) **UBS Realty Investors, LLC**

Ms. Wiederholt introduced Ms. Maria Bascetta to the Board. Ms. Bascetta started by thanking the City of Tampa, General Employees' Retirement Fund for the long standing relationship. At this time, there have been no significant organizational changes that would affect the operations of the Board. Ms. Bascetta advised that performance overall is satisfactory in quality and stability. UBS continues to focus on diversifying to reduce risk, specifically in their moves away from office and retail space and more towards apartment "lifestyle centers." The Board and Ms. Bascetta discussed the differences between UBS strategy and Blackstone, noting that they are complementary in their differences.

VIII. STAFF REPORT

1) **Portfolio Performance Review – Q3 2017 – Jason Pulos, ACG**
2) **Portfolio Performance Review – October 2017 – Jason Pulos, ACG**
3) **November 2017 Liquidity Needs**

Mr. Jason Pulos reviewed the quarterly investment performance report for the period ending 9/30/17 and the monthly report for the period ending 10/31/17. The one year net of fee return of the Total Fund as of 9/30/17 was 13.99% which was 1.96% above the return of the Policy Index and ranked in the top 7% of the Public Fund Universe. On a dollar basis the return on investment for the one year period ending 9/30/17 was $93.4 million. The trailing five year annualized net return of the total fund as of 9/30/17 was 8.85% which ranks in the top 18% of the Public Fund Universe.

As of October 31, 2017 the total fund value stood at approximately $731.3 million. Through October 31, 2017 the fund is up 17.84% gross of fees which is 2.35% above the Policy Index for the same period. Over the five year period ending October 31, 2017 the Fund is up 9.72% gross of fees annualized compared to the policy index of 9.08% for the same time period.

Ms. Wiederholt advised the Board that our liquidity needs were $4.1M for the month of November 2017. Mr. Pulos made the initial recommendation to liquidate funds equally from Ivy Investments and Dodge & Cox. Conversation ensued once it was noted by Ms. Wiederholt that Dodge & Cox was one of the investment managers that received an allocation of $4M of the City's $17.6M FY 2018 contribution that the Board reinvested amongst several investment managers on October 2, 2017. She questioned the prudence of incurring transaction costs and fees of funding this investment manager $4M in early October and then liquidating $2.05M the following month. Mr. Pulos made the recommendation to liquidate $2.1 million from Ivy Investments (large cap growth), $1 million from ClariVest (small cap growth) and $1 million from Wellington (small cap core) to provide for the liquidity needs for the month.

MOTION: (Little/Kenny) Motion was made by Sonya Little to source $2M from Ivy Investments, $1M from Wellington and $1M from ClariVest for November liquidity needs. MOTION CARRIED.

4) **Investment Policy Statement Revision**

Ms. Wiederholt directed the Board to the Investment Policy Statement (IPS) and advised that the proposed revision is a follow up item from the previous month's Board meeting. Last month, it was recommended that the Trading and Brokerage Policies be removed from the Board Policies and Procedures Manual as these sections describe the duties of third parties and not the Board which is inconsistent with the purpose of the document. The IPS contains policies on Trade Execution, Directed Brokerage and Reporting. Ms. Wiederholt advised the Board that at the request of Mr. Stephen Hill last month, Section D of the Trading and Brokerage Policies from the Board Policies and Procedures Manual were added to the IPS in the Reporting Section.

She directed the Board to page 23 of the Board Agenda Packages and read the addition, "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."

The changes were reviewed by the Board, and it was noted that the changes that had been discussed and made to the document were sufficient and should be approved.

MOTION: (Kenny/Bright) Motion was made by Steve Kenny to approve the revision as noted on page 23 of the November 14, 2017 General Employees' Retirement Fund Board Meeting Agenda Package. Motion was seconded by Derwin Bright. MOTION CARRIED.

5) Semi-Annual Review of Reports of Brokerage Transactions & Associated Costs

Handouts were provided to the Board regarding the Investment Managers' Brokerage Transactions & Associated costs. Conversation ensued amongst the Board and consultants regarding same. The Board reviewed best practices from these reports to ensure compliance. Mr. Pulos advised that at present, there were no issues regarding reporting.

6) Resolution 2017-02 - Pension Administration System Project MOU

Ms. Wiederholt brought the Board's attention to Resolution 2017-02 and the Pension Administration System Project Memorandum of Understanding provided in the Board Agenda Package, advising that it had been negotiated and drawn up between the General Employees' Retirement Fund and the Fire & Police Pension Fund regarding the procurement process, anticipated schedule and additional cost sharing details. Conversation ensued regarding details of same. She updated the Board on the RFP timelines and shared that the next step upon approval of the MOU and the resolution would be submission to City Council in December 2017.

MOTION: (Kenny/Little) Motion was made by Steve Kenny to approve Resolution 2017-02 and the MOU as written. Motion was seconded by Sonya Little. MOTION CARRIED.

7) Actuarial Services RFP

Ms. Wiederholt reminded the Board that in the previous meeting, it was requested that staff prepare a draft Request for Proposal for Actuarial Services, noting the original agreement with the incumbent dates back to 2001. She advised the Board it is a best practice to issue an RFP as agreements come up for expiration/renewal to ensure the Fund receives the highest quality of services for the price paid. Per this recommendation, Ms. Wiederholt presented an overview of the RFP, noting that it included a detailed overview of the scope of services of the actuarial firm. A brief conversation ensued regarding inclusion of specific CAFR deadlines and it was noted they were.

MOTION: (Kenny/Little) Motion was made by Steve Kenny to approve and proceed with the Actuarial Services RFP as written. Motion was seconded by Sonya Little. MOTION CARRIED.

IX. 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, Survivor Allowances, Estate Payments

Monthly Invoice:

1) City of Tampa Reimbursement - October 2017 - $17,146.90

Quarterly Invoices:

1) Aberdeen Asset Management, LLC - #81983 – Q3 2017 - $91,703.17
2) ClariVest Asset Management, LLC – #129469 - Q3 2017 - $40,477.10
3) Dodge & Cox - #41440 – Q3 2017 - $74,866.19
4) Fisher Investments - #JR9213-0001 – Q3 2017 - $122,730.83
5) Taplin, Canida & Habacht – Q3 2017 - $36,146.20
6) Waddell & Reed - #305133 – Q3 2017 - $105,710.55
7) Wellington Management - #20170930-103079-A – Q3 2017 - $62,222.94

Auto-Deducted:
1) Brandywine Global - #20170930-482-4233-A – Q3 2017 - $70,711.36
2) Long Wharf Capital – Q3 2017 - $2,886.34
3) Marathon-London – October 2017 - $23,329.00
4) UBS – Q3 2017 - $97,024.21

Miscellaneous Invoices:
1) Ford & Harrison - #704218 - $75.00
2) Ford & Harrison - #704219 - $175.00
3) Ford & Harrison - #704220 - $175.00

MOTION: (Kenny/Waitman) Motion was made by Steve Kenny to approve the consent agenda. Motion was seconded by Andy Waitman. MOTION CARRIED.

X. ADJOURNMENT

There being no further business, Chairman Ernest Carrera adjourned the meeting at 3:17 p.m. and advised the Board that the next meeting would be held on December 19th, 2017 at the Fire & Police Pension Fund, Board Meeting Room, 3001 N. Boulevard, Tampa, FL 33603.

BOARD CHAIRMAN – Ernest P. Carrera

Natasha Wiederholt

GE PENSION PLAN SUPERVISOR – Natasha Wiederholt
& RECORDING SECRETARY