



**BOARD OF TRUSTEES
REGULAR MEETING MINUTES
TUESDAY – MAY 15, 2018 – 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 15th day of May, 2018 at the City of Tampa, 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 Viola Dawson, Office Support Specialist III.

Consultants to Board: Jason Pulos and Elizabeth Sanborn - Asset Consulting Group (ACG); Brad Heinrichs, Foster & Foster.

I. ROLL CALL

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

Board Members Present Included: Ernest Carrera, Chairman; Stephen Hill, Vice Chairman; Derwin Bright, Trustee; Steve Kenny, Trustee; Sonya Little, Trustee; Elizabeth Mackie, Trustee; and Andy Waitman, Trustee.

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 April 17, 2018 meeting. Stephen Hill requested that the motion on Staff Report - Item 5) Review of Pension Holdings in Weapons Companies - be updated to reflect the following additional language, "Direction to the Board and staff to issue a statement related to the media inquiry." Ms. Wiederholt stated the requested revision to the minutes would be made.

MOTION: (Little/Hill) Motion was made by Sonya Little to approve the minutes from the April 17, 2018 Board Meeting with the amendment. Seconded by Stephen Hill. MOTION CARRIED.

IV. INTRODUCTION OF NEW BOARD MEMBER

Mr. Carrera welcomed Elizabeth Mackie to the Board. Ms. Mackie was recently appointed to the Board of Trustees by Mayor Buckhorn to fill the remainder of a three-year term from April 16, 2018 – October 31, 2020. Ms. Mackie replaces Trustee Alan Weiner whose term ended October 2017. Ms. Mackie shared details regarding her professional background, credentials and personal life and expressed her excitement at starting with the Board.



V. LARGE CAP GROWTH INVESTMENT MANAGER SEARCH

Jason Pulos, ACG presented an overview of the Large Cap Growth manager candidates for the Board's consideration to replace the existing Large Cap Growth manager, Ivy Investment Management. ACG recommended Fred Alger Capital Appreciation, Loomis Sayles Large Cap Growth, and Polen Capital Management Large Cap Growth.

Mr. Pulos provided a summary of their process for identifying investment managers to present to the Board including the mandate, a quantitative analysis and qualitative review. Manager characteristics were reviewed such as market capitalization allocations, sector allocations, investment performance, statistical metrics, and risk/return analyses. An overview of the investment managers' abstracts was also presented to the Board. A discussion ensued amongst the Board regarding the recommended firms and strategy details.

Timelines were discussed for conducting the Large Cap Growth manager finalist presentations, Investment Consulting Services RFP finalist presentations and the annual Small Cap Manager due diligence updates to the Board. The Board discussed reestablishing the July 17, 2018 Board meeting to spread out these agenda items over a three-month timeframe. It was decided that the Large Cap Growth Manager finalist presentations would be held at the June 19, 2018 Board meeting. Finalist presentations for the Investment Consulting Services RFP would be conducted at the July 17, 2018 meeting and the Small Cap Managers' presentations would be moved to the August 21, 2018 meeting.

MOTION: (Hill/Kenny) Motion was made by Stephen Hill to reestablish the July 17, 2018 Board Meeting. Motion was seconded by Steve Kenny. MOTION CARRIED.

MOTION: (Hill/Little) Motion was made by Stephen Hill to invite each of the recommended Large Cap Growth managers for finalist presentations at the June 19, 2018 meeting; to conduct finalist presentations for the Investment Consulting Services RFP at the July 17, 2018 meeting and to move the Small Cap Manager presentations to the August 21, 2018 meeting. Motion was seconded by Sonya Little. MOTION CARRIED.

Ernest Carrera departed the meeting at 1:30 p.m.

VI. DISABILITY RETIREMENT HEARING

Ms. Wiederholt briefed the Board on the comprehensive medical evaluation reports that were received from the Board's independent medical examiners with regards to the disability retirement application for Mary Dilworth.

We received a comprehensive evaluation/medical report from Eniola Owi, M.D. dated March 22, 2018. It states in relevant part, "After examining Ms. Dilworth, and reviewing the provided medical records, it is my opinion that Ms. Dilworth does not have a total and permanent disablement, and should be able to provide a useful and efficient service for the City of Tampa."



A comprehensive evaluation/medical report dated April 9, 2018 was also received from Robin R. Hughes, M.D., M.P.H. It states, "Based upon review of Ms. Dilworth's medical records, her independent medical exam by Dr. Owi and my examination today, it is this examiner's opinion that Ms. Dilworth does not have a total and permanent disablement and should be able to provide a useful service for the City of Tampa."

We received a review of the City's Job Classification System from Mike Swain, Employment Services Manager dated April 16, 2018. It states, "Based on the medical documentation received and a review of Ms. Dilworth's prior education and work experience, it has been determined that the following classifications within the City of Tampa would be within the capability of Ms. Dilworth, with or without ADA accommodations. The classifications listed are: Office Support Specialist II – IV, Customer Service Clerk I - III, and Customer Service Representative I - II. The minimum educational qualifications for these classifications are a high school diploma and Ms. Dilworth meets this requirement. Ms. Dilworth's physical limitations as cited by Dr. Owi and Dr. Hughes could be accommodated within these jobs."

Ms. Wiederholt made a staff recommendation for the Board to deny the disability retirement application for Ms. Dilworth.

MOTION: (Little/Kenny) Motion was made by Sonya Little to deny the disability retirement application for Mary Dilworth based on the recommendations of the Board's independent medical examiners and the guidelines provided in the law based on such applications. Motion was seconded by Steve Kenny. MOTION CARRIED.

VII. STAFF REPORT

1) Portfolio Performance Review – April 2018

2) Portfolio Performance Review – Q1 2018

Jason Pulos and Beth Sanborn reviewed the monthly investment performance report for the period ending 4/30/2018 and the quarterly investment performance report for the period ending 3/31/2018.

As of April 30, 2018, the total fund value stood at approximately \$720.1 million. Fiscal year to date as of April 30, 2018, the fund is up 3.50% gross of fees which is 0.17% above the Policy Index for the same period. Over the five-year period ending April 30, 2018 the Fund is up 7.93% gross of fees annualized compared to the policy index of 7.35% for the same period.

The one-year net of fee returns of the Total Fund as of 3/31/18 was 11.53% which was 1.42% above the return of the Policy Index and ranked in the top 13% of the Public Fund Universe. The trailing five year annualized net return of the Total Fund as of 3/31/18 was 7.84% which ranks in the top 25% of all Public Pension Funds for that period.

3) May 2018 Liquidity Needs

Ms. Wiederholt directed the Board to the three-month cash flow projection and advised that our liquidity needs are \$0 for May 2018 due to the \$4.5M liquidated at the end of April from Marathon-London for rebalancing. Approximately \$7.7M needs to be liquidated for June 2018 and \$4.2M is needed for July 2018. Advisement of liquidation will follow at the June Board Meeting.



4) Resolution 2018-03 – Actuarial Services Agreement

At the April meeting, the Board adopted a motion to enter into an agreement with Foster & Foster to provide actuarial services for the General Employees' Retirement Fund. Ms. Wiederholt advised the Board that a legal review has been conducted by Board Attorney, Justin Vaske. Ms. Wiederholt reviewed the agreement, the scope of services, and the RFP scope of services and found there to be no discrepancies compared to the final offer.

MOTION: (Kenny/Waitman) Motion was made by Steve Kenny to approve the agreement with Foster & Foster for actuarial services. Motion was seconded by Andy Waitman. MOTION CARRIED.

MOTION: (Waitman/Kenny) Motion was made by Andy Waitman to terminate the existing agreement with AON Hewitt for actuarial services. Motion was seconded by Steve Kenny. MOTION CARRIED.

5) Pension Holdings in Weapons Companies

ACG presented the Board with responses to their inquiry of the Fund's five separate account managers regarding their investment philosophies as it relates to gun and ammunition manufacturers/suppliers. ACG expressed the Board's concerns regarding such holdings and had asked for the investment thesis surrounding any such holdings that may be in the portfolios. They also inquired if the managers were currently managing any portfolios that have placed restrictions on such holdings.

A discussion ensued amongst the Board and they held their original statement from the April 17, 2018 meeting, "The Board has a fiduciary responsibility to run the plan solely in the interests of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses. The Board will continue to monitor State legislative action on this topic."

The Board determined that there was no further action required at this time.

6) Investment Consulting Services RFP Update

Ms. Wiederholt advised the Board that the Evaluation Committee met on May 8, 2018 and reviewed the nine (9) proposals received for the Investment Consulting Services RFP. The Evaluation Committee was comprised of the following individuals: Ernest Carrera, Chairman; Stephen Hill, Vice Chairman; Sonya Little, Trustee; Steve Kenny, Trustee; Lee Huffstutler, Chief Accountant; Terrie Williams, Accounting Operations Manager; and Natasha Wiederholt, GE Pension Plan Supervisor. The Committee reviewed and discussed all proposals and collectively decided on three firms to recommend to the Board to advance to the finalist presentations: Asset Consulting Group (incumbent), Graystone Consulting Tampa, and New England Pension Consultants. The three firms will be invited to present to the Board at the July 17, 2018 meeting.

The Board discussed a list of topics the firms should address during the finalist presentations. Board members should provide a list of items to Natasha Wiederholt by Friday, May 25, 2018 and she will send will notify the firms.



MOTION: (Kenny/Little) Motion was made by Steve Kenny to accept the recommendation of the Evaluation Committee on the three finalists. Motion was seconded by Sonya Little. MOTION CARRIED.

7) Annual Report – FY 2017

Ms. Wiederholt presented the first Annual Report for the General Employees' Retirement Fund. She advised the Board that the document was written specifically for our members and retirees and was one of the Fund's goals for the fiscal year. Production of the Annual Report will continue each year thereafter. The report describes the mission and vision statements and provides an overview of the administration and financials of the pension fund.

Ms. Little and Mr. Hill commended staff for this initiative. It was requested that a City-wide announcement be made so that all active members could access and view the report. Ms. Wiederholt advised the Board the report had already been published on the Fund's website and is accessible to retirees.

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.

Retirement Benefits & Estate Payments:

DROP Applications, Longevity Retirements, Early Retirements

Monthly Invoices:

1) City of Tampa Reimbursement – March and April 2018 - \$47,513.85

Quarterly Invoice:

- 1) Aberdeen – Q1 2018 - #83571 - \$95,287.96
- 2) ClariVest – Q1 2018 - # 131615 - \$40,961.41
- 3) Dodge & Cox – Q1 2018 - #43918 - \$78,353.54
- 4) Fisher Investments – Q1 2018 - #20180331-10112-10578A - \$124,305.40
- 5) State Street Global Advisors – Q1 2018 – SSGABA2701702 - \$9,319.86
- 6) Taplin, Canida & Habacht – Q1 2018 - \$35,910.70
- 7) Waddell & Reed – Q1 2018 - #305371 - \$108,584.69
- 8) Wellington Management – Q1 2018 - #20180331-103079-A - \$55,737.90

Auto-Deducted:

- 1) Brandywine Global – Q1 2018 – #20180331-482-4233-A - \$73,320.17
- 2) Marathon-London – Q1 2018 - \$23,945.00
- 3) UBS – Q1 2018 - \$99,956.08



Miscellaneous Invoices:

- 1) Charles D. Devine, MD PA - #21436 - \$38.00 (Miller)
- 2) HB Workman Design - #10467 - \$1,875.00
- 3) Partners in Allergy and Asthma Care, PA -\$14.00 (Miller)
- 4) Douglas R. Ramm, PhD - \$1,250.00 (Suhr)
- 5) Tampa Occupational Health & Wellness - \$1,200.00 (Suhr)

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

IX. ADJOURNMENT

There being no further business, Vice-Chairman Stephen Hill adjourned the meeting at 2:54 p.m. and advised the Board that the next meeting would be held on Tuesday, June 19, 2018 at the Fire & Police Pension Fund, Board Meeting Conference Room, 3001 N. Boulevard Tampa, FL 33603.

A handwritten signature in black ink, appearing to read 'Ernest P. Carrera', is written over a horizontal line.

BOARD CHAIRMAN – Ernest P. Carrera

A handwritten signature in black ink, appearing to read 'Natasha Wiederholt', is written over a horizontal line.

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