



**BOARD OF TRUSTEES
REGULAR MEETING MINUTES
TUESDAY – AUGUST 21, 2018 – 1:30 P.M.**

Support Staff: Natasha Wiederholt, GE Pension Plan Supervisor and Recording Secretary; Justin Vaske, Assistant City Attorney and Board Attorney; Lee Huffstutler, Chief Accountant; 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 1:30 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.

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

Mr. Lee Huffstutler informed the Board that Natasha Wiederholt has given her resignation and her last day would be September 7, 2018. He stated that they will be placing a temporary supervisor, Mike Cascone, in the position to guide the group until the position is filled. It was also expressed that the transition should go smoothly with a full staff and having the team work together and receive training and information from Ms. Wiederholt in her final days in order to keep everything in order and moving forward.

Mr. Huffstutler praised the work and initiatives that Ms. Wiederholt has accomplished and informed the Board that we would continue to follow through with those initiatives moving forward. He also stated that they would work at transitioning all the needs with the Investment Companies and Financial Institutions.

Ms. Little expressed her gratitude for all of Ms. Wiederholt's hard work, contributions and changes to move the Pension forward.

Mr. Carrera stated that in his tenure in business and working with many supervisors with he City, he finds Ms. Wiederholt a true professional with great strides in the work she has accomplished for the Board and the fund. On behalf of myself and the Board, we are sorry to see you leave but wish you the very best.

Ms. Wiederholt expressed the pleasure of working with the Board and serving The City of Tampa.

III. APPROVAL OF MINUTES

Mr. Carrera requested the Board approve the minutes from the July 17, 2018 meeting.

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



Mr. Stephen Hill began a discussion concerning the actuarial rate of return assumption and wanted to know if there was going to be a possible change. Ms. Wiederholt advised that this was to be addressed at the September meeting bringing Foster & Foster to present the 5 year Experience Study and Actuarial rate of return to include quantitative analysis.

Ms. Wiederholt explained that due to the continued difficulties with AON Hewitt in requesting more fees to be paid, we have experienced issues with filing to the State and issues providing the correct information for the transfer to Foster & Foster. The data files required from AON Hewitt includes 8 questions that must be answered in order for Foster & Foster to complete the actuarial experience study and rate of return analysis.

MOTION: (Little/Hill) Motion was made by Sonya Little for the Board to instruct staff to proceed with outlining the expectations of information to be received, not to exceed \$4,000 and communicate the Board's position on the filing with the State as part of the original contract and to receive the filings to the State. Motion was seconded by Stephen Hill. MOTION CARRIED.

IV. DISABILITY RETIREMENT HEARING

Ms. Wiederholt briefed the Board on the comprehensive medical evaluation reports that were received from the Board's independent medical examiner along with one specialist with regards to the disability retirement application for Dale Martinez.

We received a comprehensive evaluation/medical report from Eniola Owi, M.D. dated May 17, 2018. It states, "After review of Mr. Martinez's medical records and performance of history and physical examination, it is my opinion that Mr. Martinez does not have a total and permanent disablement and should be able to provide a useful service for the City of Tampa."

A Comprehensive Evaluation/Medical Report dated June 28, 2018 was also received from Robin R. Hughes, M.D., M.P.H. It states, "Based upon a review of Mr. Martinez's medical records, his independent examination by Dr. Owi and my independent evaluation, it is this examiner's opinion that Mr. Martinez is incapable of usefully and efficiently performing any job within the City of Tampa."

Since there was a difference of opinion amongst the medical examiners, additional clarification was requested from Dr. Hughes. As stated, "The reason my opinion differs from Dr. Owi's opinion is that Mr. Martinez's psychiatric condition has significantly worsened over the last month since he was seen by Dr. Owi. Due to his progressive and chronic worsening of his above discussed psychiatric condition, he is on higher doses of his 8 different mental medications which further complicates his mental status with associated side-effects as mentioned above to such a degree that Mr. Martinez is a safety risk at work to himself and others."

Ms. Wiederholt made a staff recommendation for the Board to approve the disability retirement application for Mr. Martinez.

MOTION: (Hill/Kenny) Motion was made by Stephen Hill to approve the disability retirement application for Dale Martinez 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.



V. U.S. LARGE CAP EQUITY MANAGER PRESENTATION

Ms. Hallie Marshall with Dodge and Cox presented an update on the Dodge and Cox Large Cap Value Equity portfolio. Through the month of July, the portfolio is well ahead of the Russell 1000 Value Index on a year-to-date basis, as well as on a trailing 1, 3, 5, and 10 year basis. There have been no notable changes to the investment team or in firm structure. Assets under management remain stable.

VI. STAFF REPORT

1) Portfolio Performance Review – Q2 2018

ACG reviewed the quarter report for the period ending 6/30/18 and the monthly report for the period ending 7/31/18.

The one year net of fee return of the Total Fund as of 6/30/18 was 8.12% which was 0.21% above the return of the Policy Index and ranked in the top 34% of the Public Fund Universe. On a dollar basis the Return on Investment for the One Year period ending 6/30/18 was \$60.18 million. The trailing five year annualized net return of the Total Fund as of 6/30/18 was 7.95% which ranks in the top 26% of all Public Pension Funds for that time period.

2) Portfolio Performance Review – July 2018

ACG reviewed the monthly performance report as of July 31, 2018 for the General Employees' Retirement Fund and the total fund value stood at approximately \$727.3 million. Year-to-date through July 31, 2018 the fund is up 2.95% gross of fees which is 0.65% above the Policy Index for the same period. Over the five year period ending July 31, 2018 the Fund is up 8.20% gross of fees annualized compared to the policy index of 7.67% for the same time period.

3) August 2018 Liquidity Needs

Ms. Wiederholt directed the Board to the cash flow projection and advised that \$4.3 million was needed to fund benefit payments for the month of August 2018. Elizabeth Sanborn, ACG, recommended the liquidation of \$4.3 million from Wellington Small Cap Core Equity strategy to provide liquidity needs for the month, as domestic small cap equities currently hold a slightly overweight position in the portfolio. ACG's 3Q 2018 Asset Class Relative Rankings continue to favor equities over fixed income, and the portfolio will remain slightly overweight to equities after this rebalancing transaction.

MOTION (Hill/Mackie): Motion was made by Stephen Hill to liquidate \$4.3M from Wellington to fund benefit payments for August 2018. Motion was seconded by Elizabeth Mackie. MOTION CARRIED.

4) Trustee Election Results

Ms. Wiederholt presented the Trustee elected official report and advised that Mr. Steve Kenny ran unopposed, and will begin his new term November 1, 2018 - October 31, 2021.

MOTION (Waitman/Hill): Motion was made by Andy Waitman to approve the new term for Steven Kenny for November 1, 2018 – October 31, 2021. Motion was seconded by Stephen Hill. MOTION CARRIED.



5) Pension Administration System RFP Update

Ms. Wiederholt announced that the RFP went live on Friday, August 17, 2018. A schedule was provided with estimated dates for the Procurement Process.

6) Investment Consulting Services RFP Discussion

Ms. Wiederholt requested that we continue the Investment Consulting Services RFP discussion from the previous Board Meeting to determine our position on hiring the next Investment Consultant. The 3 finalist that presented to the Board were Graystone Consulting, Asset Consulting Group, and New England Pension Consultants.

Ms. Wiederholt discussed issues we are having with the former actuary, AON. Discussion included AON's failure to file the actuarial reports with the State for 2017 & 2018, the refusal to file, how they wouldn't release our data files to us, not providing answers to eight (8) of the questions required for the new actuary Foster & Foster to complete their work, and requiring more money from us for work we believe they should have included within their services.

The Board deliberated and concluded that with all the changes that will happen: actuary issues with missing data that doesn't seem to be available to help us make decisions, staff changes, etc., bringing a new consultant on board along with a new actuary may complicate things too much. Whatever the outcome, we should have a more detailed outline of our expectations of ACG.

Discussion further ensued to keep ACG as the Investment Consultant and prepare an agreement with specific expectations and improvements on the services already agreed upon. We shall put together a list of items that we are concerned with and write concerns to inform ACG the needs to meet those expectations. The new agreement shall be negotiated with the requirements in the RFP incorporated, including the scope of services that were outlined in the RFP, adding a clause that we are the owner of our data files, and including "right of termination" language into that agreement.

MOTION: (Kenny/Hill) Motion was made by Steve Kenny to hire ACG as Investment Consultant. Motion seconded by Stephen Hill. MOTION CARRIED.

Mr. Carrera requested that at the next Board Meeting we should all bring concerns noticed since ACG's hire date so that we could reiterate the issues and concerns formally. Ms. Wiederholt will gather a list of concerns from a staff perspective, the concern list, an agreement with all the inclusions we just discussed, and the City's contribution of \$20.6 million to be allocated in September's meeting. Make sure that all of that is agenda items for the meeting.

MOTION: (Kenny/Hill) Motion was made by Steve Kenny to add to the September agenda ACG concerns and rebalancing amount. Motion seconded by Stephen Hill. MOTION CARRIED.

VII. 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:



Longevity Retirements, DROP Entrants, DROP Exit, Survivor Allowances, Estate Payments, Death Benefit Payments

Monthly Invoices:

1) City of Tampa Reimbursement – June & July 2018 - \$57,749.41

Quarterly Invoices:

- 1) Aberdeen - #84423 – Q2 2018 - \$86,634.01
- 2) ClariVest - #132951 – Q2 2018 - \$42,150.59
- 3) Dodge & Cox - #44985 – Q2 2018 - \$78,045.58
- 4) Fisher Investments - #20180630-10112-10578-A – Q2 2018 - \$121,040.41
- 5) State Street Global Advisors - #SSGABA2737245 – Q2 2018 - \$9,303.71
- 6) Taplin, Canida & Habacht – Q2 2018 - \$35,875.52
- 7) Waddell & Reed (Ivy Investments) – #305561 - 04/01 – 04/16/2018 - \$18,438.85
- 8) Waddell & Reed (Ivy Investments) - #305596 – 04/17 – 06/30/2018 - \$86,432.10
- 9) Wellington Management - #20180630-103079-A - \$57,896.32

Auto-Deducted:

- 1) Blackstone – Q1 2018 - \$53,201.00
- 2) Brandywine - #20180630-482-4233-A – Q2 2018 - \$69,539.75
- 3) Marathon-London – July 2018 - \$22,657.00
- 4) UBS – Q2 2018 - \$92,811.41

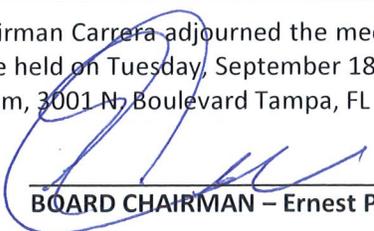
Miscellaneous Invoices:

- 1) Tampa General Hospital - #ROI-122655 - \$36.75 (Anderson)
- 2) Tampa Occupational Health & Wellness - #GERF08072018 - \$1,000.00 (Anderson)
- 3) Tampa Occupational Health & Wellness - #GERF07162018 - \$800.00 (Graedel)

MOTION: (Hill/Mackie) Motion was made by Stephen Hill to approve the Consent Agenda. Motion was seconded by Elizabeth Mackie. MOTION CARRIED.

VIII. ADJOURNMENT

There being no further business, Chairman Carrera adjourned the meeting at 4:06 p.m. and advised the Board that the next meeting would be held on Tuesday, September 18, 2018 at the Fire & Police Pension Fund, Board Meeting Conference Room, 3001 N. Boulevard Tampa, FL 33603.


BOARD CHAIRMAN – Ernest P. Carrera


INTERIM GE PENSION PLAN SUPERVISOR – Michael Cascone
& RECORDING SECRETARY