The Board of Trustees for the General Employees’ Retirement Fund convened in a regular session at 1:00 p.m. on this 18th day of July, 2017 at the Fire & Police Pension Fund, 3001 N. Boulevard, Board Meeting Room, Tampa, Florida 33603.

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 and Bruce Crosswhite – 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; Stephen Hill, Vice Chairman; Derwin Bright, Trustee; Karl Craig, Trustee; Steve Kenny, Trustee; Sonya Little.

Ms. Wiederholt advised the Board she received prior notification that Trustee Alan Weiner would not be in attendance.

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 June 20th, 2017 meeting.

MOTION: (Hill/Bright) Motion was made by Stephen Hill to approve the minutes from the June 20th, 2017 Board meeting. Motion was seconded Derwin Bright. MOTION CARRIED.

IV. Investment Policy Discussion

As a follow-up to previous meeting determinations, Mr. Jim Culbreth of Shumaker, Loop & Kendrick provided significant insight regarding same. Mr. Culbreth noted that as this is a statutory plan, any amendments to the Special Act must be legislated. It is believed that if the verbiage is adjusted to be comparable to the State of Florida’s investment policy statement, it should be fairly easy to usher through in the next State Legislative session come January 2018. Mr. Culbreth noted it was critical that there are appropriate champions to sponsor the amendment so as to ensure the current political climate is considered.
A discussion ensued regarding the best course of action to take prior to submitting these changes to an administrative and State Legislative level. Ms. Little stressed the importance of bringing up something deliberate and comprehensive that encompasses all the changes that the Board would like to see, both to verbiage, flexibility in use for several upcoming years, and minor changes such as typos. Conversation ensued regarding the time allowances that are available based on the broad scope or review and consideration being requested and the legislative calendar, noting that this would need to be turn-key ready by the end of August.

**MOTION:** (Little/Kenny) Motion was made by Sonya Little to request Shumaker, Loop & Kendrick to recommend verbiage that will enhance the investment language in the Special Act and provide a comprehensive view of cleaning up any inconsistencies, in conjunction with the City Attorney’s Office on a table that is consistent with the next legislative session and timely to the August Board meeting. Motion was seconded Steve Kenny. **MOTION CARRIED.**

### V. Staff Report

#### 1) Portfolio Performance Review – June 2017 – Jason Pulos, ACG

ACG reviewed the monthly report for the period ending 6/30/17.

The one year return of the Total Fund as of 6/30/17 was 15.18%, which was 2.85% above the return of the Policy Index. Contributions to relative outperformance came from both equity and fixed income for the one year period. The Large Cap U.S Equity composite was up 24.75% for the year, while Small Cap U.S. Equity was up 25.75% and Non-US Equity was up 22.59% for the one year ending 6/30/17. As of June 30, 2017 the total fund value was at $695,245. Through June 30, 2017 the fund is up 9.83% on a fiscal year to date basis which is 1.78% above the Policy Index for the same period. Over the five year period ending June 30, 2017 the Fund is up 9.63% annualized compared to the policy index of 8.97%.

#### 2) July 2017 Liquidity Needs

A discussion ensued regarding liquidity needs for the month of July. Ms. Wiederholt advised the Board that $2.9M was needed in order to fund benefit payments for the month. ACG recommended the liquidation of $2.9 million from the Wellington small cap fund, to provide for the operating liquidity needs for the month as the small cap allocation was overweight and Wellington specifically was the most overweight to the Board’s policy targets.

**MOTION:** (Hill/Kenny) Motion was made by Steve Hill to approve the liquidation of $2.9M from Wellington to fund the benefit payments for the month of July. Motion was seconded Steve Kenny. **MOTION CARRIED.**

#### 3) Fee Analysis of Investment Management Accounts

ACG presented a fee review of the Plans overall investment related expenses. The analysis showed that overall plan investment expenses have steadily declined over the last several years from 51.9 basis points to 47 basis points for overall investment management fees. As of May 2017, the weighted average investment management fee for the total pension portfolio is approximately 47 basis points, or 0.47%.
Nine of the fund managers are within the least expensive quartile of their eVestment peer group. This means that their fees are less than or equal to 75% of the managers within a comparable investment strategy, vehicle and market value. Two fund managers are between the 25th percentile and the 50th percentile in their eVestment peer group. Two fund managers are between the 50th percentile and the 75th percentile in their eVestment peer group.

Fees paid to Northern Trust for custody services are 2.0 bps annually. This compares favorably to the mean fee paid of 4.2 bps to custodians of public funds with assets between $501 million and $1 billion based on the 2015 Greenwich Associates U.S. Institutional Investor Survey. Fees paid to Asset Consulting Group are $125,000 annually. This is a 21% discount to the mean fee paid of $157,000 to investment consultants of public funds with assets between $501 million and $1 billion based on the 2015 Greenwich Associates U.S. Institutional Investor Survey.

4) Semi-Annual Trading Evaluation Analysis & Review of Brokerage Transactions and Associated Costs

Ms. Wiederholt brought to the Board’s attention that the Board Trading and Brokerage policies indicate that the Board will evaluate transaction activity on at least an annual basis through an independent Transaction Cost Analysis. Each manager’s trading effectiveness will be monitored relative to both market impact and commission costs. Ms. Wiederholt put the question to the Board – should an external firm be hired to produce an annual Independent Transaction Costs Analysis? Ms. Wiederholt indicated that she obtained a quote and sample reports for the Board’s review. The estimated cost for these services is $18,000 - $20,000.

Ms. Wiederholt went on to explain that the policies further indicate that each manager is to 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. In review of the investment manager contracts, most accounts do not have this language. Ms. Wiederholt put the question to the Board – should policies be updated to be in alignment with the language in the investment manager contracts?

A conversation ensued regarding what would be most practical and efficient in order to find resolution.

**MOTION: (Hill/Craig)** Motion was made by Stephen Hill to ask staff and ACG to contact the investment managers to determine if they are able to provide independent transaction cost analyses and to provide reports of brokerage transactions and associated costs. Motion was seconded Karl Craig. **MOTION CARRIED.**

**VI. 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:**
Longevity Retirements, DROP Applications, DROP to Longevity, Deferred Retirements, Deferred to Longevity, Survivor Benefits, Estate Payments
GENERAL EMPLOYEES’ RETIREMENT FUND
BOARD OF TRUSTEES - REGULAR MEETING MINUTES
TUESDAY – JULY 18, 2017 - 1:00 P.M.

Auto-Deducted:
1) Long Wharf Capital – FREG III, L.P. – Q2 2017 - $1,308.54
2) Marathon-London Int’l. Fund – June 2017 - $21,991.00

Quarterly Invoices:
1) Asset Consulting Group - #7929 – Q2 2017 - $31,250.00
2) LMCIG Investments – Q2 2017 - $36,086.83
3) Northern Trust Company - #01606816 – Q2 2017 - $35,023.02

Miscellaneous Invoices:
1) Alexander Investigative Services, Inc. - #COT201711 – (Alvarez) - $30.50
2) Alexander Investigative Services, Inc. - #COT201713 – (Washington) - $77.00
3) Alexander Investigative Services, Inc. - #COT201712 – (Woods) - $63.00
4) Ciox Health - #0217693084 – (Bryant) - $11.13
5) Ford & Harrison - #694892 - $575.00
6) Ford & Harrison - #694893 - $34.38
7) Ford & Harrison - #694894 - $380.00
8) Ford & Harrison - #694895 - $75.00
9) Ford & Harrison - #694896 - $1,637.00
10) N.C. Vital Records – (White) - $39.00
11) Saxon Gilmore & Carraway, P.A. - #54187-B - $122.50
12) Shumaker, Loop & Kendrick, LLP - #000636858 - $1,645.00
13) Tampa Occupational Health – (Pugh) - $500.00
14) Tampa Occupational Health – (Yulee) - $500.00
15) Travel Reimbursement – 2017 FPPTA Conference (Bright) - $86.49
16) Travel Reimbursement – 2017 FPPTA Conference (Carrera) - $105.86
17) Travel Reimbursement – 2017 FPPTA Conference (Craig) - $81.56
18) Travel Reimbursement – 2017 FPPTA Conference (Hill) - $69.56
19) Travel Reimbursement – 2017 FPPTA Conference (Vaske) - $676.86
20) Travel Reimbursement – 2017 FPPTA Conference (Wiederholt) - $103.82

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

Prior to adjournment, Ms. Wiederholt updated the Board regarding the 2017 Board Trustee election, noting that no petitions for candidacy had yet been received prior to the July 28th deadline.

VII. ADJOURNMENT

There being no further business, Chairman Ernest Carrera adjourned the meeting at 2:26p.m. and advised the Board that the next meeting would be held on August 15th, 2017 at the Fire & Police Pension Fund, 3001 N. Boulevard, Tampa, FL, Board Meeting Room.