BOARD OF TRUSTEES
REGULAR MEETING MINUTES
TUESDAY – JULY 17, 2018 – 1:30 P.M.

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 1:30 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.

Ms. Wiederholt requested that the agenda be modified to move the Investment Consulting Services RFP Finalist Presentations last.

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

None.

III. APPROVAL OF MINUTES

Mr. Carrera requested the Board approve the minutes from the June 19, 2018 meeting.

MOTION: (Hill/Mackie) Motion was made by Stephen Hill to approve the minutes from the June 19, 2018 Board Meeting. Motion was seconded by Elizabeth Mackie. MOTION CARRIED.

IV. RECOGNITION OF ALAN WEINER’S SERVICE

Ms. Wiederholt recognized Alan Weiner’s leadership and service as Board Trustee and Vice Chairman to the City of Tampa, General Employees’ Retirement Fund.

Mr. Weiner was originally appointed to the Board by the Mayor on May 15, 2009 to fill Mark Carron’s remaining term after his resignation. He accepted a 3-year reappointment to the Board from November 1, 2010 - October 31, 2013 from Mayor Pam Iorio. Mayor Bob Buckhorn reappointed Mr. Weiner for another 3-year term from November 1, 2013 - October 31, 2016 and he served through May 10, 2016. He was subsequently reappointed to the Board on November 29, 2016 by Mayor Buckhorn to fill the remainder of Julio Muniz’s term which ended on October 31, 2017.

Alan Weiner served as Vice-Chairman of the Board from January 1, 2013 through May 10, 2016.
On behalf of the General Employees’ Retirement Fund Board of Trustees, we would like to thank Mr. Weiner for his service, leadership, and guidance. His experience and expertise have been a great value to our Board Members and staff. He volunteered countless hours in meetings and made tough decisions based solely on what was best for the Pension Fund and its members. It’s a reflection of his commitment to making a positive difference in our community and is very much appreciated.

We could not successfully serve and engage in our mission if we did not have the leadership of individuals such as Mr. Weiner serving on our Board of Trustees.

Ms. Wiederholt advised that Mr. Weiner could not be present at the meeting today and the plaque would be mailed to him.

V. 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 George Suhr.

We received a Psychological Examination Report from Forensic and Clinical Psychologist Douglas Ramm, Ph.D. dated April 3, 2018. Dr. Ramm’s opinion is as follows, “Given the lack of condition which would impair Mr. Suhr’s cognitive capacity to function, it is recommended that Mr. Suhr return to work in a capacity that makes use of the skill sets he was utilizing at the time of his last positive performance appraisal while working for the City of Tampa.”

A Comprehensive Evaluation/Medical Report dated April 18, 2018 was also received from Robin R. Hughes, M.D., M.P.H. It states, “Based upon a review of Mr. Suhr's medical records, his independent psychological examination by Dr. Ramm and my independent evaluation, it is this examiner's opinion that Mr. Suhr does not have a total and permanent disablement and should be able to provide a useful service for the City of Tampa.”

A Memorandum was received from Mike Swain, City of Tampa, Employment Services Manager, dated May 1, 2018 regarding a review of the City’s Job Classification System. Mr. Swain was asked to determine if there was at least one job that Mr. Suhr could perform usefully and efficiently, in light of Dr. Ramm and Dr. Hughes' findings that he does not have a total and permanent disability. It states, “Based on the medical documentation received and a review of Mr. Suhr's education and prior work experience, it has been determined that the following classifications within the City of Tampa would be within the capability of Mr. Suhr, with or without ADA accommodations. The classifications listed are: Customer Service Clerk I - III, and Customer Service Representative I – II. The minimum educational qualifications for these classifications are a high school diploma and Mr. Suhr exceeds this requirement. Mr. Suhr's physical limitations as cited by Dr. Ramm and Dr. Hughes could be accommodated within these jobs.”

We received an Independent Medical Evaluation Report from Neurologist Sunil S. Reddy, M.D. dated June 6, 2018. It states in relevant part, "It is my opinion that Mr. Suhr does not have a total and permanent disablement and should be able to provide a useful service for the City of Tampa.”

Ms. Wiederholt made a staff recommendation for the Board to deny the disability retirement application for Mr. Suhr.
MOTION: (Hill/Waitman) Motion was made by Stephen Hill to deny the disability retirement application for George Suhr 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 Andy Waitman. MOTION CARRIED.

VI. STAFF REPORT

1) Portfolio Performance Review – June 2018

ACG reviewed the monthly performance report as of June 30, 2018 for the General Employees’ Retirement Fund. As of June 30, 2018 the total fund value stood at approximately $717.2 million. Fiscal year to date as of June 30, 2018, the fund was up 4.14% gross of fees which leads the Policy Index by 0.17% for the same period. Over the one-year period ending June 30, 2018, the Fund was up 8.66% compared to the policy index of 7.72%. The portfolio returned 7.31% compared to the policy index of 6.79% for the three-year period ending June 30, 2018. Over the five-year period ending June 30, 2018 the Fund was up 8.51% gross of fees annualized, compared to the policy index return of 7.98% for the same time period.

2) July 2018 Liquidity Needs

Ms. Wiederholt directed the Board to the cash flow projection and advised that $3.8 million was needed to fund benefit payments for the month of July 2018. Elizabeth Sanborn, ACG, recommended the liquidation of $3.8 million from the Dodge & Cox Large Cap Value strategy to provide liquidity needs for the month, as domestic large cap equities currently hold the largest overweight in the portfolio, and the plan’s value exposure is outsized relative to its growth exposure.

MOTION (Little/Hill): Motion was made by Sonya Little to liquidate $3.8M from Dodge & Cox to fund benefit payments for July 2018. Motion was seconded by Stephen Hill. MOTION CARRIED.

3) Resolution 2018-05 – Adoption Agreement with Loomis Sayles

Ms. Wiederholt requested the Board approve the Adoption Agreement and Letter of Acknowledgment with Loomis Sayles. Board Attorney Justin Vaske stated that he negotiated the details with the Loomis Sayles legal team.

Ms. Wiederholt advised the Board that she prepared a letter of direction to Ivy Investments, which will terminate the agreement and instruct them to stop trading by end of business tomorrow.

MOTION (Kenny/Waitman): Motion was made by Steve Kenny to approve the Resolution 2018-05 – Adoption Agreement with Loomis Sayles. Motion was seconded by Andy Waitman. MOTION CARRIED.

4) Retirement Education Workshops

During Mr. Carrera’s visit to the June 2018 FPPTA conference, he met with administrators and Board members from municipalities across the State of Florida and attended various lectures. He stressed the importance of retirement education and requested that the General Employees’ Retirement Fund implement retirement workshops for our plan participants.
Ms. Wiederholt suggested two kinds of workshops, one designed for our vested, younger and mid-career employees that would give an overview of the pension plan and the second workshop for those participants nearing retirement age, to include an overview of the Deferred Retirement Option Program (DROP). Ms. Little suggested the staff create retirement education videos on the above-mentioned topics to allow members to access the content online.

Ms. Wiederholt mentioned that she would meet with the staff and prepare a retirement education plan to present to the Board at an upcoming meeting.

5) FPPTA / NAPPA Conference Update

Stephen Hill mentioned to the Board that he attended lectures on the actuarial rate of return assumption at the FPPTA Conference and would like to revisit the topic at an upcoming Board meeting. A round table discussion ensued and each Board member in attendance at the FPPTA Conference shared feedback on his experience. Board Attorney, Justin Vaske shared his experience at the NAPPA Conference.

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:
Early Retirements, Longevity Retirements, Deferred Retirement, DROP Entrants, DROP Exits, Survivor Allowances, Estate Payments, Death Benefit

Quarterly Invoices:
1) Asset Consulting Group – Q2 2018 - #8500 - $31,250.00
2) LMCG – Q2 2018 - $37,259.43
3) Northern Trust – Q2 2018 - $37,228.10

Auto-Deducted:
1) Marathon-London – May 2018 - $22,407.00
2) Marathon-London – June 2018 - $22,260.00

Miscellaneous Invoices:
1) Ciox Health - #0248215602 - $71.59 (Graedel)
2) HB Workman Design - #10476 - $300.00
3) Tampa General Hospital - #ROI-122396 - $527.25
4) Tampa Neurology Associates – Dr. Reddy - $2,500.00 (Suhr)
5) Tampa Occupational Health & Wellness - $1,200.00 (Martinez)
6) Tampa Occupational Health & Wellness - $800.00 (Miller)
7) Travel Reimbursement – 2018 FPPTA Conference - $126.47 (Carrera)
8) Travel Reimbursement – 2018 FPPTA Conference - $126.47 (Hill)
9) Travel Reimbursement – 2018 FPPTA Conference - $96.47 (Kenny)
10) Travel Reimbursement – 2018 FPPTA Conference - $126.47 (Rivera)
11) Travel Reimbursement – 2018 NAPPA Conference - $365.15 (Vaske)
MOTION: (Kenny/Hill) Motion was made by Steve Kenny to approve the Consent Agenda. Motion was seconded by Stephen Hill. MOTION CARRIED.

VIII. Investment Consulting Services RFP Finalist Presentations

1) **Graystone Consulting**
   - Scott Owens, CFA, Associate Vice President
   - Charles H. Mulfinger II, CIMA, Managing Director
   - Jeffrey McConnell, CFA, Chief Investment Officer, Executive Director

2) **Asset Consulting Group**
   - Jason Pulos, CFA, JD, Managing Director, Lead Consultant
   - Elizabeth Sanborn, CFA, Co-Consultant

3) **New England Pension Consultants**
   - Kevin Leonard, Partner, Head of Public Funds Practice Group
   - Tim Bruce, Partner, Head of Traditional Research
   - David Barnes, Senior Consultant

Each investment consulting firm was allotted 45 minutes to present an overview of their respective firms and to address the following topics with the Board: Forward return assumption by asset class; suggested asset allocation; investment performance results achieved for other similarly situated clients relative to appropriate benchmarks and peer groups; transition plan, including how to minimize any disruptions and frictional transaction costs as investment managers are replaced; costs/best and final fee proposal; fee negotiations – how they would negotiate on our behalf to achieve favorable fee schedules from investment managers selected; biographical information for consultants assigned to the account and number of other accounts serviced.

A lengthy discussion ensued amongst the Board about the three firms that presented. The Board postponed making a decision on the investment consulting services RFP finalist presentations to the August 21 2018 Board meeting as the Fire & Police Pension Fund office was closing at 5:00 p.m. The discussion will continue at the August meeting.

IX. ADJOURNMENT

There being no further business, Chairman Carrera adjourned the meeting at 5:11 p.m. and advised the Board that the next meeting would be held on Tuesday, August 21, 2018 at the Fire & Police Pension Fund, Board Meeting Conference Room, 3001 N. Boulevard Tampa, FL 33603.