

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
OF THE
TAMPA FIRE & POLICE PENSION FUND**

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May 18, 2022 1:30 p.m.

The Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met on Wednesday, May 18, 2022 at 1:30 p.m. for a regular meeting with the following members present:

Patrick Messmer, Chairman
Matthew Belmonte
John Cannon

Trevor Hall
Gregory Spearman
Alex Thiel

Additional participants included Mr. Jay Bowen, Investment Advisor; Mr. Joseph Griffin, Fund Actuary; Mr. Stuart Kaufman, General Counsel; Mr. Mark Lenker, Fund Accountant; Mr. Jamie Stock, Trustee-elect; and active and retired plan members.

Prior to hearing public comments, Mr. Messmer announced that agenda item #14 would be moved up to follow item #11, the Committee 2 report.

Public Comments: Pursuant to Florida Statutes, Section 286.0114(4) members of the public may comment on items requiring Board action, other than ministerial matters. Speakers are limited to two minutes each, and not more than 20 minutes will be set aside for comments, without further Board approval. Speakers shall fill out a card identifying the speaker and the agenda item(s) they wish to address. Speakers may also submit a card supporting or objecting to an item without speaking. Rules of conduct are available from the Plan Administrator. *The statements made by speakers under Public Comments are solely the opinion of each speaker and do not necessarily reflect the views of the Board of Trustees, its staff, or its professionals.*

There were no public comments.

1. Approved the minutes of the April 25, 2022 Committee 2 meeting. **It was moved by Mr. Hall, seconded by Mr. Thiel and by unanimous vote to approve the minutes of the April 25, 2022 Committee 2 meeting.**
2. Approved the minutes of the April 27, 2022 regular board meeting. **It was moved by Mr. Hall, seconded by Mr. Belmonte and by unanimous vote to approve the minutes of the April 27, 2022 regular board meeting.**

Consent Agenda Items on the consent agenda shall be acted upon in one motion. If an item requires additional discussion, that item shall be removed from the consent agenda for discussion. [Items 3 – 6] **It was moved by Mr. Spearman, seconded by Mr. Cannon and by unanimous vote to approve consent agenda items 3 – 6.**

3. Ratified pension benefits
4. Investment Management Report from Bowen, Hanes & Co. Inc. Noted receipt of the following:
 - a. Investment management report for the month ended 4/30/2022. Market value of *investments* was \$2,574,755,736.65. Investment return has been -3.3% (*negative 3.3%*) on the total portfolio so far this fiscal year.
 - b. Addendum distributed at the meeting.

5. Approved billing for services rendered by Klausner, Kaufman, Jensen & Levinson during April 2022:
 - a. General counsel: \$14,905.00
 - b. Appel: \$150.00
6. Noted receipt of Disability Process Timeline of disabilities in process as of 5/11/2022.
7. Market update by Jay Bowen, Investment Manager.

Mr. Bowen provided an overview of market trends since his presentation at the April 2022 Board meeting. He stated that he still does not see this current market correction as a recession and opined that more clarity on supply chain issues may yield gains later in the year. He advised however that the Fund could see an overall down year and that those have historically taken place every six to seven years, with the last one in 2015. He did not recommend any changes to asset allocation at the present time.

8. Actuarial Valuation Presentation by Joseph Griffin, Actuary - Foster & Foster. Distributed and discussed at board meeting by actuary:
 - a. Annual actuarial valuation for the fiscal year ended 09/30/2021.
 - b. Highlights of annual actuarial valuation for the fiscal year ended 09/30/2021.
 - c. Established the employee contribution rate for fiscal year 10/1/2022 – 09/30/2023 as recommended by the actuary based upon actuarial and statutory requirements and the 09/30/2021 actuarial valuation just presented and approve the plan administrator to email all active members the contribution rate for fiscal year ending 09/30/2023.
 - d. Noted receipt of draft letter to eligible retirees and eligible surviving spouses regarding the payment or non-payment of the 13th check for fiscal year ending 09/30/2021.

Mr. Griffin provided an introduction, noting that the valuation develops funding requirements for the base plan and determines contribution requirements for fiscal year ending 2023. Membership data used in the valuation was reviewed, including the size of the membership, average earnings of active members, and average monthly pension benefits of retired members. Mr. Griffin reviewed the Fund's asset allocation noting that all member, city, and state contributions and returns from 1-5% are allocated to the base account, returns from 5-10% and above 11% are allocated to the COLA account, and returns from 10-11% are allocated to the 13th check account, if certain conditions are met. The history of the assumed rate of return was reviewed and it was noted that the recent stochastic study validated the current 8.5%. Funding status was reviewed, and it was noted that the Fund was 94% funded on an actuarial basis. Contribution requirements were discussed, along with the state premium tax monies and a synopsis of accruals over a member's assumed career.

It was moved by Mr. Hall, seconded by Mr. Belmonte and by unanimous vote to accept the annual actuarial valuation results, as prepared by Foster & Foster.

It was moved by Mr. Hall, seconded by Mr. Belmonte and by unanimous vote to adopt the employee contribution rate of 14.93% for fiscal year ending 09/30/2023.

It was moved by Mr. Spearman, seconded by Mr. Belmonte and by unanimous vote to authorize the plan administrator to email contribution rate information to all active members.

Mr. Griffin reviewed the 13th check certification letter, noting that all three conditions for 13th check payment were met and advised that eligible retirees will receive \$13,252 and eligible surviving spouses will receive \$6,626. **It was moved by Mr. Thiel, seconded by Mr. Hall and by unanimous vote to approve the 13th check payment, as certified by Foster & Foster.**

Medical Disability

9. Noted receipt of legal opinion regarding disability applications who voluntarily resigned from employment with the City of Tampa to avoid the legal and financial consequences of a disciplinary termination.

Mr. Kaufman recommended item #9 be tabled until next month, as counsel for the affected members was unable to attend this meeting. *Item #9 was tabled to the June 2022 Board meeting.*

10. Approval of Final Order for disability applicant T. Vidovic, formerly of TFR. **It was moved by Mr. Hall, seconded by Mr. Belmonte and by unanimous vote to approve the Final Order for disability applicant T. Vidovic, formerly of TFR.**

Old Business

11. Committee 2 report. None. Mr. Hall advised Committee 2 is scheduled to meet on Friday, May 20th.

New Business (taken out of order)

14. Noted receipt of agenda appearance request from J. Moscato, retired TFR, dated 05/08/2022.

Mr. Moscato posed questions and supporting items to the Board for consideration regarding agenda item #12. **Item #14 was received and filed.**

Old Business (continued)

12. Discussion regarding taxability of 13th check benefits.
a. Memoranda from Ice Miller, dated 11/16/2020 and 05/09/2022.

Mr. Kaufman reviewed the 05/09/2022 responses from Ice Miller to the Board's request for additional information on 13th check taxability for line-of-duty (LOD) benefit recipients. He took questions from the Trustees and outlined potential penalties from the IRS that could be levied on the issue. He summarized his recommendation that the Board seek a private letter ruling from the IRS, while in the interim instituting federal tax withholding on 13th checks issued to LOD benefit recipients as "taxable amount not determined." Mr. Kaufman stated he will investigate the handling of 13th checks taxability from a few other plans in the state. After discussion, **it was moved by Mr. Thiel, seconded by Mr. Cannon, and by unanimous vote to move forward with seeking a private letter ruling from the IRS and to follow the advice of counsel and withhold federal tax at the default IRS rate of Married w/ 3 exemptions and report on Form 1099-R as "taxable amount not determined" for 13th check payments made to line-of-duty benefit recipients until a private letter ruling from the IRS is received.**

New Business (continued)

13. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any:
Mr. Messmer disclosed for the Public Funds Summit East in July in Rhode Island.
15. Chair's call for any new business items from trustees to be placed on next agenda: None.
16. Chair's report: Mr. Messmer presented Mr. Hall with a plaque commemorating his service to the Board. Mr. Hall bid farewell and expressed his thanks to the Board and the Fund.

F & P Pension Board Minutes
May 18, 2022

2022 Board meeting schedule – meetings begin at 9:30 a.m.

June 22, 2022

July 27, 2022

August 24, 2022

September 28, 2022

October 26, 2022

November 16, 2022 – early due
to holidays

December 14, 2022 – early due to
holidays