



**GENERAL EMPLOYEES RETIREMENT FUND
BOARD OF TRUSTEES - REGULAR MEETING MINUTES
TUESDAY – SEPTEMBER 17, 2013 - 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 17th day of September, 2013 in the City Council Chambers, City Hall, 3rd Floor, 315 E. Kennedy Blvd., Tampa, FL 33602.

Support Staff: Mark Boghich, Pension Plan Supervisor; Justin Vaske, ACA and Board Attorney; Susan Chiellini, Recording Secretary; Lee Huffstutler, Chief Accountant; Terrie Williams, Accounting Operations Manager; Deborah Hodo, Pension Reporting Accountant; Rosie Santos, Pension Relationship Accountant; Dana Neves, Office Support Specialist II.

Consultants to Board: Jason Pulos and Andrew Gillentein, ACG; John Lessl and Bruce Crosswhite, Aon Hewitt.

I. ROLL CALL

Mr. Weiner, Vice Chair, presiding, brought the meeting to Order at 1:00 p.m.

Board Members Present Included: Alan Weiner, Vice Chairman; Randy Goers, Trustee; Steve Kenny, Trustee; Julio Muniz, Trustee.

Ernest Carrera, Chairman, Sonya Little, CFO, and Derwin Bright, Trustee advised staff due to a scheduling conflict they would not be present.

Visitors Present Included: Regina Lock-DePass, Insurance and Benefits Supervisor for City of Tampa Human Resources / Risk Management; Karl Craig, City of Tampa.

II. APPROVAL OF MINUTES

Mr. Weiner asked the Board if they had reviewed the August 20, 2013 Meeting Minutes and if there were any questions or concerns regarding them. None were presented. Mr. Weiner requested a Motion to approve the minutes.

MOTION: (Kenny-Goers) On a motion made by Mr. Kenny, and seconded by Mr. Goers, the Minutes for the Regular Meeting dated August 20, 2013 stand approved as presented. MOTION CARRIED.

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III. STAFF REPORT

1. ACG Monthly Performance Report for August:

In lieu of Mr. Pulos being present at the Board meeting, Mr. Boghich provided an overview of the August, 2013 performance report provided by ACG. He provided an overview of the asset allocations noting all asset classes are within target range except for Fixed Income which is 4.7% under target. The value of the Total Fund was approximately \$603M at the end of August 2013. The total portfolio since inception is 8.7% return and the last 10 years is 7.6% return.

QUESTIONS & CONCERNS:

- Mr. Weiner inquired as to when the Board is required to rebalance the portfolio. Mr. Boghich advised that Mr. Pulos of ACG will be present at the October Board meeting and he will speak to that. There will be a large cash infusion from the city's contribution to the Fund on October 1. Mr. Pulos will also recommend where to invest that on a short term basis. In addition, ACG is recommending account changes, to which Mr. Weiner queried what the recommended changes would be. Mr. Boghich advised there will not be a change in managers, but staff is researching a commingled approach for three accounts.

2. Fiduciary Liability Insurance Renewal for Board of Trustees:

Regina Lock-DePass, Insurance and Benefits Supervisor for City of Tampa Human Resources / Risk Management department presented to the Board the annual Fiduciary Insurance Liability policy that is due for annual renewal. The Fiduciary Liability Insurance Policy provides coverage to the Board and staff for any fiduciary decisions made on behalf of being a Trustee on the GE Retirement Fund Board. The policy has been secured through Travelers Insurance. The annual aggregate limit of liability is \$5M, with a \$50,000.00 deductible per claim and \$33,954.75 premium. There has been a \$3,600.00 increase in premium from the 2013 policy to the premium for 2014. This has nothing to do with any claims filed on behalf of the pension Board, but due to the increase in the Fund itself. There has been no lapse in coverage and the pension Board has had this coverage in place since 2006. Travelers is an A rated company.

MOTION: (Kenny-Muniz) On a motion made by Mr. Kenny, and seconded by Mr. Muniz, the Liability Insurance Renewal for the Board of Trustees stands approved as presented. MOTION CARRIED.

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3. Daily Money Market Rate of Return .0100% (July 1 through Sept 15, 2013):

Mr. Boghich explained when individuals are exiting DROP, their funds are held in the money market fund for 2.5 months. Staff requested the Board to approve the Daily Money Market Rate of Return of .0100% for the period July 1, 2012 through September 15, 2013.

MOTION: (Muniz-Kenny) On a motion made by Mr. Muniz, and seconded by Mr. Kenny, the Daily Money Market Rate of Return of .0100% for the period July 1 through September 15, 2013 stands approved as presented. MOTION CARRIED.

4. Actuarial Report as of January 1, 2013

John Lessl of Aon/Hewitt presented his review of the General Employees' Pension Plan for the City of Tampa Actuarial Report for Funding and Accounting Information as of January 1, 2013. The present value of future benefits expected to be paid to current members is \$762M. The active membership constitutes \$290M, 2,386 active members. The actual required contribution for the city for the year ending 9/30/2014 will be 19.5% of whatever is actually paid to participants that year (estimated \$26.2M). Present value of benefits went down \$7M, which would help reduce the city's contribution, but the assets went down \$37M, which increased the city's contribution. The funded ratio is 98.9%

After a robust presentation and Q & A session with the Board members lasting over 45 minutes, the topics discussed included:

- Summary of Major Plan Provisions and a Description of the Actuarial Basis used in Valuation.
- Discussion of Results
- Investment Gain/Loss
- Actuarial Value of Assets
- Market Value of Assets
- Smooth Value of Assets
- Comparison Funding Status
- Compensation Assumptions
- Development of Normal Cost for State Minimum Required Contribution
- State Minimum Required Contribution
- Actuarial Experience

Once approved by the Board, the Actuarial Report as of January 1, 2013 will be submitted to Tallahassee within 60 days by Aon/Hewitt.

MOTION: (Kenny-Muniz) On a motion made by Mr. Kenny, and seconded by Mr. Muniz, the General Employees' Pension Plan for the City of Tampa Actuarial Report for Funding and Accounting Information as of January 1, 2013 stands approved as presented. MOTION CARRIED.

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5. Actuarial Experience Study:

John Lessl of Aon/Hewitt continued his presentation by speaking about the 'Experience Study' to which he has sent correspondence to Lee Huffstutler, City of Tampa Chief Accountant, addressing the need for an Experience Study to validate and refine the actuarial assumptions used in the annual actuarial valuation. It literally measures the actual verses the assumed which impacts the funded status of the Plan and the city's required contribution. The Experience Study rigorously looks at the demographics of the membership for typically a 5-year period and analyzes how the rates at which employees were actually retiring, the ages at which they were retiring, when they were terminating, how their salaries were increasing, among other variables. The cost of the study is \$18,000, plus expenses. The Experience Study is within the confines of the Aon/Hewitt contract with the General Employees Retirement Fund and should be available by December, 2013.

MOTION: (Kenny-Goers) On a motion made by Mr. Kenny, and seconded by Mr. Goers, the Actuarial Experience Study to be conducted by AON/Hewitt stands approved as presented with a report back to the Board upon completion. MOTION CARRIED.

6. Rosie Santos, Debbie Hodo, Steve Kenny and Randy Goers to attend FPPTA Trustee School in Palm Beach Gardens, FL, 9/29-10/2/13

No Board discussion.

7. Staff Update:

Mr. Boghich advised the Board of staff activities including:

- The reappointment by Mayor Buckhorn of Alan Weiner to serve a second three-year term on the General Employees Retirement Fund Board of Trustees. Congratulations Mr. Weiner!
- A Board Trustee election will be held Tuesday, September 24th for the Trustee seat being vacated by term limit by Derwin Bright. Mr. Bright is campaigning for a second term. City of Tampa employee Karl Craig has submitted his Petition for Candidacy, as well.
- The annual DROP Investment Option Election was held in August for approximately 200 DROP participants who are required to submit their DROP Investment Option Election selection regarding the investment of their DROP funds. Staff visited eight City of Tampa venues as a convenience to the DROP participants who don't work downtown to have their forms notarized and submitted.
- For the second year, the pension staff participated in the annual City of Tampa Wellness Fair being that pension is a benefit for employees. Staff spoke to over 100 employees who were interested in information on DROP, retirement planning, and other topics. Informational flyers were distributed, as well.
- Beginning in October, staff will embark on the annual Open Enrollment for Medicare and Non-Medicare retirees campaign. Four informational seminars will be presented by the Risk

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Management department, where pension staff will attend and be available to answer questions, as well. Pension staff will also have forms available for retirees to update including: beneficiary form, address and/or change form, and direct deposit forms. Staff is encouraging retirees to choose direct deposit for ease and security of receiving their monthly benefits. Roughly 10 individuals have changed from paper checks to direct deposit due to staff's mailing campaigns.

IV. CONSENT AGENDA

Mr. Weiner asked Mr. Boghich if the items on the Consent Agenda were in order. Mr. Boghich stated they were reviewed and they are true and correct.

MOTION: (Kenny-Goers) On a motion made by Mr. Kenny, and seconded by Mr. Goers, the Consent Agenda was accepted and approved as presented. MOTION CARRIED.

1. Retirement Benefits & Estate Payments:
Longevity Retirements, Deferred Retirements, Deferred to Longevity, DROP Applications, DROP to Longevity, Surviving Spouse Benefits, and Estate Payment

2. Monthly Invoices:
 - a. City of Tampa Reimbursement (August) - \$3,195.63
 - b. COMSERV – (August 13) - \$62.00
 - c. COMSERV – (August 27) - \$62.00
 - d. COMSERV – (September 9) - \$62.00
 - d. TechStaff of Tampa Bay (5 weeks-August) - \$6,532.00

3. Annual Invoices:
 - a. McGriff, Seibels & Williams (Fiduciary Liability) - \$33,954.75

4. Miscellaneous Invoice:
 - a. Shumaker (through 7/31/13) - \$105.00

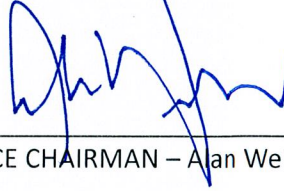
V. NEXT MEETING

The next Regular Board meeting will be held at 1:00 p.m., Tuesday, November 19, 2013, in City Council Chambers. The Real Estate Investment Managers will provide their annual presentations.

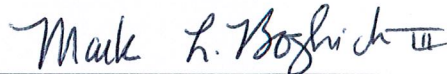
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VII. ADJOURNMENT

There being no further business, Vice Chair Weiner adjourned the meeting at 2:15 p.m.



VICE CHAIRMAN – Alan Weiner



PENSION PLAN SUPERVISOR - Mark Boghich

RECORDING SECRETARY - Susan Chiellini

EXHIBITS:

In addition to documents included in Agenda Package:

1. Investment Performance Review, Ending August 30, 2013, ACG
2. Actuarial Report as of January 1, 2013, Aon/Hewitt