



**GENERAL EMPLOYEES RETIREMENT FUND
BOARD OF TRUSTEES - REGULAR MEETING MINUTES
TUESDAY – OCTOBER 15, 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 15th day of October, 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; Mark Boghich, 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. Carrera, Chairman, presiding, brought the meeting to Order at 1:00 p.m.

Board Members Present Included: Ernest Carrera, Chairman; Alan Weiner, Vice Chairman; Derwin Bright, Trustee; Randy Goers, Trustee; Steve Kenny, Trustee; Sonya Little, CFO, Julio Muniz, Trustee.

Mr. Justin Vaske, Assistant City Attorney and Board Attorney was not present. Mr. Salvatore Territo, Chief Assistant City Attorney substituted for him

Visitors Present Included: Natalie Ritch, Nat Productions; Susan Chiellini, City of Tampa; Chris Polastek, Morgan & Morgan.

II. PUBLIC COMMENTS

Mr. Boghich advised that the agenda had been amended to include item #9. He queried if all Board Members received the amended agenda. They replied they had.

In compliance with recent Florida Statute changes, the Board is required to enact a Public Comment Policy for future Board meetings.

MOTION: (Muniz-Weiner) On a motion made by Mr. Muniz, and seconded by Mr. Weiner, the enactment of a Public Comment Policy going forward stands approved as presented. MOTION CARRIED.

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Mr. Carrera then inquired if there was anybody in the audience that would like to speak to the Board. Susan Chiellini advised that she would.

Ms. Chiellini informed the Board of Trustees that her assignment with the City would be ending soon due to the termination of the contract with Techstaff, her employer, as a result of budget constraints. Ms. Chiellini appealed to the Board for a six month extension of the contract with Techstaff. She shared with the Board her value and accomplishments during the term of the contract. After her presentation, the Board inquired as to who would take over her responsibilities. Mr. Boghich advised the Board the duties had been delegated to the remaining Pension Office staff.

There was minimal Board discussion. Several Board members thanked Ms. Chiellini for her outstanding service and wished her good luck. Mr. Boghich commented that Ms. Chiellini had laid a very good foundation for staff to continue on. There was no action taken by the Board to extend the Techstaff contract. Ms. Chiellini thanked the Board and wished them all well.

Mr. Boghich advised more discussion was needed regarding the Public Policy Comments Motion. It was stated by Mr. Salvatore Territo, Chief Assistant City Attorney, a motion was required for the Public Comment Policy in order for Ms. Chiellini to speak today due to the state statute changed effective on October 1st. He suggests making a motion to adopt all the policy and procedures today with an effective date of the next meeting in November when the motion is passed. Mr. Territo states that what needs to be voted on today was the 10 minute public hearing which will be become effective at the November meeting after the vote. He talks about different items the Board can vote on including items only on the agenda, time limitations and nature of discussion. Mr. Kenny suggests making a motion for the first reading for policies pending any changes. Mr. Boghich has the first reading prepared on pages 3 - 7 of the agenda package. The Board needs to review those changes before the next meeting to narrow down the procedure. Mr. Boghich added that the procedure would limit the public to only speak on pension related matters.

Mr. Kenny makes a motion to approve the first reading of the changes of policies and procedures for the Public Comment. Final vote set for the November meeting.

MOTION: (Kenny-Little) On a motion made by Mr. Kenny, and seconded by Ms. Little, the enactment of the first reading of the document of Policy and Procedure stands approved as presented. MOTION CARRIED.

III. DISABILITY HEARING

1. Eliab Delgado- Disability Applicant

Mr. Boghich asked if the board received the disability application by Dr. Hughes. He reads the last paragraph of the application which Dr. Hughes states that Mr. Eliab Delgado is incapable of useful and efficiently performing any job for the City of Tampa. The doctor's recommendation is for approval of the disability application. Mr. Carrera asks the Board if they have a motion to approve the disability for Mr. Delgado.

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MOTION: (Kenny-Weiner) On a motion made by Mr. Kenny, and seconded by Mr. Weiner, the disability for Mr. Eliab Delgado stands approved as presented. MOTION CARRIED.

III. APPROVAL OF MINUTES

Mr. Carrera asked the Board if they had any questions or concerns regarding the September 17, 2013 Regular Meeting Minutes. None were presented. Mr. Carrera requested a Motion to approve the minutes.

MOTION: (Weiner-Kenny) On a motion made by Mr. Weiner, and seconded by Mr. Kenny, the Minutes for the Regular Meeting dated September 17, 2013 stand approved as presented. MOTION CARRIED.

IV. STAFF REPORT

1. ACG Monthly Performance Report- September

- Jason Pulos of ACG provided an update on the overall portfolio, markets and managers. The market value of the Total Fund (“Fund”) was approximately \$631.4 million at the end of September 2013. The Fund return for the fiscal year ending September 30, 2013 was 15.7%, which is 2.2% above the return of the Policy Index during this time period. For the 5-year period ending September 30, 2013, the Fund generated an annualized return of 9.2% per year, which outperformed the 8.3% annual return of the Policy Index for the same time period.
- Mr. Pulos of ACG then discussed the asset allocation of the fund following the receipt of the City Contribution on October 1st. The target allocation to Fixed Income (including cash) in the Investment Policy is 30%, as of the date of the meeting Fixed Income was at 23%.6% and Cash was at 3.75%, bringing the total of Fixed Income(including cash) to 27.56%, which is within the guidelines and ranges set forth in the policy. It was ACG’s recommendation that no rebalancing was necessary at the current time.

2. Global Separate vs. Commingled Account Fee Comparison

- Mr. Pulos then presented an analysis of the costs associated with the Fund’s investment in 4 strategies that include non-US securities. The analysis compared the total cost of investing in these strategies via a separate account as currently done versus moving the investment into a commingled fund offered by the manager in the same strategy. The strategies in question were the following:
 - Brandywine Global Bond Strategy
 - CBRE Clarion Global REIT Strategy
 - Victory International Small Cap
 - Fisher International Equity Strategy

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An analysis of the commingled funds indicated that a cost savings due to operational efficiencies could be gained in 3 of the 4 strategies, specifically Brandywine, CBRE Clarion and Victory. All three managers would be able to take securities in-kind into their funds from the current separate accounts to avoid unnecessary transaction costs as well. ACG recommended the move from Separate Account to Commingled Fund for the Brandywine, CBRE Clarion and Victory strategies and the Board approved.

Mr. Boghich presented cash projections estimate that we prepare, monitor and make adjustments as they occur. The beginning number for October is the actual number and the city employee contribution number at the bottom. Mr. Boghich goes through the schedule and explains what the schedule means including but not limited to vendor payments and DROP payments that are processed once a quarter. He talks about the rules to the schedule and what was done in the past with contributions.

MOTION: (Muniz-Kenny) On a motion made by Mr. Muniz, and seconded by Mr. Kenny, transfer of Brandywine, CBRE Clarion and Victory international small to mid-cap from the separate managing accounts to the Commingled Funds stands approved as presented. MOTION CARRIED.

3. Long Wharf FREG II Distribution \$119,856.17

Fidelity distributions from the real estate fund are included in the transfers into the cash account. No Board discussion.

4. Long Wharf FREG III Distribution \$656,625.81

Fidelity distributions from the real estate fund are included in the transfers into the cash account. No Board discussion.

5. Trustee Election Results

Mr. Boghich explains the trustee election process and the different poll locations. He asks for the board to review and certify the results.

MOTION: (Goers-Kenny) On a motion made by Mr. Goers, and seconded by Mr. Kenny, to approve the trustee election results stands approved as presented. MOTION CARRIED.

Mr. Steve Kenny raised the discussion when the Chairman and Vice-Chairman elections should be held. Mr. Territo suggests that the Board members request staff return next month, after they have reviewed the Chair and Vice-Chairman election procedure, with a recommendation on when the election of Chairman and Vice-Chairman should be held.

MOTION: (Little-Weiner) On a motion made by Ms. Little, and seconded by Mr. Weiner, requesting staff to return next month with a recommendation of when to vote on Chairman and Vice-Chairman. MOTION CARRIED.

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6. Payment for Trustee Election Poll Clerks

Mr. Boghich talks about the payment for the trustee election poll clerks totaling \$910.02. He asks for approval to process payment on those items.

MOTION: (Goers-Kenny) On a motion made by Mr. Goers, and seconded by Mr. Kenny, to approve payment for support of the election stands approved as presented. MOTION CARRIED.

7. Report on Pension Conferences

Mr. Carrera, Mr. Goers, and Mr. Kenny discuss their experiences on the different pension conferences they attended and what they have learned. Mr. Goers talks about what he heard in the meeting and his concerns about the DROP payments in the future.

8. Conference Travel Reimbursement for Mr. Goers

Mr. Carrera asks for a motion to approve the travel expenses for Mr. Goers.

MOTION: (Weiner-Kenny) On a motion made by Mr. Weiner, and seconded by Mr. Kenny, to approve payment for travel expenses for Mr. Goers. MOTION CARRIED.

9. Audit

Mr. Boghich talks about an item that was added to the agenda. He explains that the Revenue and Finance Department asked for an audit to be done on the review of operations. He wanted to make the Board aware of the report.

Questions and Concerns: Mr. Kenny would like the auditor to speak in front of the Board about the last two audits. He wanted to know what was found and what issues was found. Mr. Boghich explains the Mr. Sanchez, the auditor, has retired and does not think that he will be able to speak in front of the Board. Mr. Boghich explains that both audits were very specific on what was being looked for and will get those for the Board members for the next meeting. He addressed the issues that Mr. Kenny had.

V. 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: (Weiner-Kenny) On a motion made by Mr. Weiner, and seconded by Mr. Kenny, 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

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2. Monthly Invoices:
 - a. City of Tampa Reimbursement (September) - \$32,435.44
 - b. COMSERV – (September 23 and October 8)) - \$124.00
 - c. TechStaff of Tampa Bay (4 weeks-September) - \$5,225.60

3. Quarterly Invoices:
 - a. Asset Consulting Group (July 1 through Sep 30, 2013) - \$31,250.00

4. Miscellaneous Invoice:
 - a. Tampa Neurology Associates (Eliab Delgado) - \$800.00
 - b. Tampa Occupational Health Services (Eliab Delgado) - \$1,200.00
 - c. Tampa Occupational Health Services (Hexe Brown-Johnson) - \$1,200.00
 - d. Workhealth Occupational Medicine Clinic (Hexe Brown-Johnson) - \$1,350.00

VII. 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.

VIII. ADJOURNMENT

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



CHAIRMAN - Ernest P. Carrera



PENSION PLAN SUPERVISOR - Mark Boghich



RECORDING SECRETARY – Mark Boghich

Additional documents included in Agenda Package.