

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

Livestream: <https://attendee.gotowebinar.com/register/1971959117538862350>

Audio Only: (866) 952-8437 Access Code: 916-363-870

April 22, 2020 1:30 p.m.

The Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met remotely on Wednesday, April 22, 2020 at 1:30 p.m. for a regular meeting with the following members present:

Douglas Burkett, Chairman
Matthew Belmonte
John Cannon
Trevor Hall

Patrick Messmer
Gregory Reed
Dennis Rogero
Ocea Wynn

Additional participants included Mr. Jay Bowen, Investment Manager; Mr. Timothy Bowen, Actuary; Mr. Joseph Griffin, Actuary; Mr. Robert Klausner, General Counsel; Mr. Mark Lenker, External CPA; and active and retired plan members.

1. Approved Policy 902 – Conducting Board Meetings during Times of Emergency. Ms. Ernst explained that this policy allows for remote meetings, in accordance with the rules put into effect by the Governor, during times of emergency. **It was moved by Mr. Reed, seconded by Mr. Messmer and by unanimous vote to adopt Policy 902, as recommended by counsel.**
2. Approved the minutes of the February 26, 2020 regular board meeting. **It was moved by Mr. Reed, seconded by Mr. Messmer and by unanimous vote to approve the minutes of the February 26, 2020 board meeting.**
3. Approved the minutes of the March 10, 2020 Steering committee meeting. **It was moved by Mr. Messmer, seconded by Mr. Cannon and by unanimous vote to approve the minutes of the March 10, 2020 Steering committee 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 4 – 8] **It was moved by Mr. Reed, seconded by Mr. Messmer and by unanimous vote to approve consent agenda items 4 – 8.**

4. Approved billing for services rendered by Klausner, Kaufman, Jensen & Levinson:
 - a. February 2020 – General Counsel: \$8,430.98
 - b. February 2020 – Houston, E.: \$2,968.96
 - c. March 2020 – General Counsel: \$10,505.00
 - d. March 2020 – COVID-19: \$1,050.00
5. Noted receipt of independent performance measurement report prepared by IPS for quarter ended 12/31/2019.
6. Approved 2020 Poverty Guidelines, as published by the US Department of HHS, for changes to poverty level pension benefit amounts: Family of 1 statistic = \$1,063.33/month, Family of 2 statistic = \$1,436.67/month.
7. Noted receipt of memoranda from Klausner, Kaufman, Jensen & Levinson regarding COVID-19.
8. Noted receipt of Disability Process Timeline of disabilities in process as of 04/14/2020.

9. Investment Management Presentation by Jay Bowen of Bowen, Hanes & Co. Inc. Noted receipt of the following:
- Investment management report for the month ended 02/29/2020: Market value of *investments* was \$2,058,243,276.96. Investment return has been -0.5% (*negative 0.5%*) on the total portfolio.
 - Investment management report for the month ended 03/31/2020: Market value of *investments* was \$1,863,612,747.91. Investment return has been -9.8% (*negative 9.8%*) on the total portfolio.
 - Market Correction memo from Jay Bowen, dated 02/28/2020.
 - Investment Summary dated 04/06/2020 written by Jay Bowen.
 - Bond portfolio information and recommendation to hold.
 - Proxies voted during quarter ended 03/31/2020.
 - Addendum distributed at the meeting. Market value of investments was \$1,956,583,728. Investment return has been -5.4% (*negative 5.4%*) on the total portfolio so far this fiscal year.

Mr. Bowen provided a brief summary of events, noting that stocks have fallen 35% from the February high making it the fastest bear market in U.S. financial history. He noted that since the market low, the Fund has recovered about half of its losses. Mr. Bowen opined that recovering the next half of the losses will take longer, noting that recovery will hinge on how the next few weeks and months go in terms of the gradual reopening of the economy. He advised that the Fund has the size, strength, and stamina to endure and take advantage of the current market conditions. Mr. Bowen advised that this is a good time to add to some of the Fund's current holdings and focus on areas that he believes will do relatively well after the current crisis.

[Mr. Rogero joined the meeting at 1:56 p.m.]

There was discussion about the Federal Reserve's powerful monetary response to the COVID-19 crisis, as well as the fiscal assistance packages that are starting to roll out. Mr. Bowen opined that this financial assistance is more an aid to keep as many businesses solvent as possible and less about stimulating the economy. There was also discussion about what has transpired in the energy and oil arena and the current demand shock. Mr. Bowen opined that demand could peek sooner than the market thinks, but regardless it will take time to work off the accumulating excesses.

It was noted that healthcare capacity and treatment options show promise in terms of being able to live with this situation as the country moves forward in a careful and gradual fashion, increasing the Fund's ability to recover recent losses. Mr. Bowen advised that he is focusing on scrutinizing the equity side of the portfolio and positioning in such a way to maximize the benefits coming out of this crisis, noting that many trends that started beforehand will be accelerated, especially in the digital and transportation sectors. Mr. Bowen noted that the February discussion on the REIT space was well timed, as some great opportunities have presented in that arena during this time of panic selling. Mr. Bowen concluded that this is a good time to be focused on equities as the way to recoup these losses. **It was moved by Mr. Reed, seconded by Mr. Messmer and by unanimous vote to accept items 9 a-g.**

Medical Disability

10. Authorized referral to Orthopedic Medical Board comprised of Drs. C. Davis, N. Kumar, and A. Moreno for LOD disability applicant K. Mennie, TFR, as recommended by Medical Director. (Original referral letter revised to replace Dr. M. Wasyluk.) **It was moved by Mr. Reed, seconded by Mr. Hall and by unanimous vote to authorize referral of disability applicant Keith Mennie to Orthopedic Medical Board, as recommended.**

11. Discussion to defer setting of formal hearing dates for all disability applicants until in-person board meetings are reinstated. See agenda item 9 for upcoming full hearing deadlines.

Ms. Ernst advised that the deadlines to hold formal hearings for the Floyd and Spellman matters are approaching. It was noted that both applicants have requested continuances and due to the current situation with COVID-19, scheduling depositions has been challenging. Mr. Klausner recommended granting the continuance and rescheduling at the Board's convenience. Ms. Ernst agreed to notify counsel for both applicants. **Item 11 was received and filed.**

Old Business

12. Steering committee report.

- a. Policy 209 – Readmission to Pension Fund after Retirement (redline)
- b. Policy 901 – Calculation of Average Final Compensation (AFC) (redline)

Concerning Policy 209, Mr. Messmer advised that the committee is recommending language to clarify that benefits for a second period of employment will be based on actual pensionable earnings during the subsequent period of employment, including periods of less than three years. He further advised that this methodology would also apply to a rehired retiree who enters DROP before completing three full years of pensionable service.

Concerning Policy 901, Mr. Messmer advised that the committee is recommending additional language to clarify that non-line-of-duty death benefits and any limits to those benefits are based on total pensionable earnings, not just base salary. It was also noted that there is language to clarify that a member does not have the ability to change his or her optional form of payment due to a second period of employment.

It was moved by Mr. Rogero, seconded by Mr. Belmonte and by unanimous vote to adopt the recommended changes to Policies 209 and 901.

New Business

13. Chair's call for any new business items from trustees to be placed on next agenda. None.

14. Chair's report. Nothing to report.

15. Plan Administration: Update on PAS implementation, upcoming conferences.

- a. Noted receipt of email from the Division of Retirement approving the Fund's annual report, dated 03/27/2020.

Ms. Ernst advised that the PAS project has not experienced any delays as a result of COVID-19, noting that the remote work environment has provided her with extra time to focus on design documents. She advised that the LRS team is tentatively scheduled to be on-site in July for training on deliverable two.

Ms. Ernst advised that she has been working with the actuary on the valuation and it is on track for May delivery. She reported that staff has been using DocuSign for remote DROP entry and retirement appointments and continues to do their best to keep the office running from home. Ms. Ernst noted that the office security guard is still coming into the office daily so the bathroom and kitchen remodel work can continue. Mr. Hall advised that one bathroom and one kitchen should be complete in late May and the project will likely wrap up in mid-June. It was noted that the upcoming conference list was not included due to the large number of conference cancellations, but it will be distributed again once there is some clarity on the future state of education. Brief discussion ensued and Ms. Ernst agreed to distribute information about education

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meeting or hearing, will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Persons needing a special accommodation to participate in any noticed meeting should contact the F&P Pension office at (813) 274-8550 or (888) 335-8550 or the Florida Relay Service at (800) 955-8770 (voice) or (800) 955-8771 (TTY). You may also dial 711 from any landline or mobile phone. Additional options for contacting the Florida Relay Service may be found on their website: www.ftri.org Please make your request at least five (5) working days before the scheduled meeting date.

2020 Board meeting schedule – meetings begin at 1:30 p.m.

May 20, 2020

June 24, 2020

July 22, 2020

August 26, 2020

September 23, 2020

October 28, 2020

November 18, 2020

December 16, 2020