



**GENERAL EMPLOYEES' RETIREMENT FUND  
BOARD OF TRUSTEES - REGULAR MEETING MINUTES  
TUESDAY – FEBRUARY 21, 2017 - 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 21st day of February, 2017 at the Fire & Police Pension Fund, Board Meeting Room, 3001 N. Boulevard, Tampa, Florida 33603.

**Support Staff:** Natasha Wiederholt, Pension Plan Supervisor and Recording Secretary; Justin Vaske, Assistant City Attorney and Board Attorney; Terrie Williams, Accounting Operations Manager and Ashley Weaver, Office Support Specialist III.

**Consultants to Board:** Jason Pulos and Nathan Burk - Asset Consulting Group; Stephen Lambert-Oswald 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; Stephen Hill, Vice Chairman; Karl Craig, Trustee; Steve Kenny, Trustee and Alan Weiner, Trustee. Board Members Absent include: Derwin Bright, Trustee and Sonya Little, Trustee.

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

None.

**III. APPROVAL OF MINUTES**

Ms. Wiederholt requested the Board approve the minutes from the January 17, 2017 meeting.

MOTION: (Hill/Craig) Motion was made by Stephen Hill to approve the minutes for February 21, 2017. Motion was seconded by Karl Craig. MOTION CARRIED.

**IV. DISABILITY RETIREMENT HEARINGS**

**1) Tekeleberhan Gebru**

Ms. Wiederholt briefed the Board on the comprehensive medical evaluation report received from the Board's independent medical examiners.

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Dr. Eniola A. Owi's report dated 01/19/2017 stated in relevant part, "After review of his medical records and my examination Mr. Gebru, it is my opinion that Mr. Gebru is incapable of usefully and efficiently performing any job within the City of Tampa."

Dr. Robin Hughes' comprehensive evaluation/medical report dated 01/31/2017 stated in relevant part, "Based upon review of Mr. Gebru's medical records, my medical evaluation and Dr. Owi's IME, it is this examiner's opinion that Mr. Gebru is incapable of usefully and efficiently performing any job with the City of Tampa. He is a significant risk to himself and others with frequent fallings. Further my opinion is upon AMA Guides to Evaluation for Workability and Return to Work 2<sup>nd</sup> Edition."

Ms. Wiederholt made a staff recommendation for the Board to approve the disability retirement application for Tekeleberhan Gebru.

MOTION: (Kenny/Weiner) Motion was made by Steve Kenny to approve the disability retirement application for Tekeleberhan Gebru. Motion was seconded by Alan Weiner. MOTION CARRIED

**2) Kala Kannan**

Dr. Robin Hughes submitted an expedited comprehensive medical report dated 01/31/2017 which stated in relevant part, "It is my determination that the medical records provided to me and the additional report received on 01/25/2017 from the treating oncologist dated 01/12/2017, are sufficient and well documented with medical certainty that Mrs. Kannan has a terminal illness. Her current status does not require the reviews of two physicians as per Board policy. Mrs. Kannan is determined to be incapable of usefully and efficiently performing any job for the City of Tampa.

Ms. Wiederholt made a staff recommendation for the Board to approve the disability retirement application for Kala Kannan.

MOTION: (Weiner/ Kenny) Motion was made by Alan Weiner to approve the disability retirement application for Kala Kannan. Motion was seconded by Steve Kenny. MOTION CARRIED.

<b>V. Forfeiture Hearings</b>
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**1) Update on Forfeiture Cases – Luis Santos, Ford & Harrison**

Mr. Santos updated the Board on the status of the current forfeiture cases.

**2) Revision of Forfeiture Procedures**

Justin Vaske briefed the Board about the revision of the forfeiture procedures and conducted a first reading of the document. The second reading of the document will be conducted at the March 21, 2017 Board meeting.

<b>VI. Staff Report</b>
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**1) Portfolio Performance Review – Q4 2016 - ACG**

**2) Portfolio Performance Review – January 2017 - ACG**

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ACG reviewed the quarter report for the period ending 12/31/16 and the monthly report for the period ending 01/31/17. The market value of the Total Fund ("Fund") at the end of January 2017 was approximately \$673.1 million which was up from \$663.3 million at the end of calendar year 2016 as equity market returns advanced during the month of January. Fixed income also contributed positively to the portfolio during the month. Fiscal year-to-date through January 31, 2017 the Fund is up 2.9%. The Fund's longer-term performance continues to track above the policy index. Over the five year period ending January 31, 2017 the Fund is up 8.5% annualized compared to the policy index of 8.1%

**3) Asset Allocation Analysis & Education on Alternative Assets – ACG**

ACG presented an educational piece on asset allocation, private equity, private real estate and private debt. A discussion ensued about the portfolio's current asset allocation and the Board reviewed Section 6 of the Retirement Law, Chapter 23559, Laws of Florida as it relates to the administration of investments. The Board discussed the various asset allocation mixes that ACG presented and reviewed the simulated portfolio statistics for each mix to include 10-year and 30-year median return, standard deviation, Sharpe ratio, 1<sup>st</sup> percentile return and liquidity. The Board approved a new asset allocation mix that introduces private equity and increases the allocation to private real estate.

MOTION: (Weiner/Hill) Motion was made by Alan Weiner to modify the investment policy asset allocation targets to Mix #4 that ACG presented. Motion seconded by Stephen Hill. MOTION CARRIED.

ACG will bring additional material on private equity and private real estate to the March Board meeting in addition to the proposed changes in the Investment Policy Statement. The Board requested Ms. Wiederholt to provide copies of the Florida Retirement System's Investment Policy and Target Asset Allocation for review at the next meeting. The Board also requested an update on the Florida Legislative process to update Section 6(c)(2) of the Retirement Plan for City of Tampa, General Employees' Retirement Fund, Chapter 23559, Special Act of the Laws of Florida.

The Board then discussed the Fund's actuarial rate of return assumption and requested Ms. Wiederholt and the Fund's actuaries to come back at a future meeting to present the following:

- Metrics on actuarial rate of return assumptions for public pension plans nationwide and across the state of Florida.
- The actuarial rate of return assumption used by the Florida Retirement System (FRS).
- An update on any state legislation that is occurring in Florida which would mandate a reduction in public pension plan actuarial rate of return assumptions.
- An actuarial analysis on the effect various rate of return assumptions would have on the funded status and unfunded liability.

**4) February 2017 Liquidity Needs**

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Ms. Wiederholt reviewed the February Cash Flow Projection with the Board and ACG recommended the liquidation of \$4.4M from the Dodge & Cox large cap strategy to provide liquidity needs for the month.

MOTION: (Weiner /Kenny) Motion was made by Alan Weiner to approve the liquidation of \$4.4M from the Dodge & Cox large cap portfolio to fund benefit payments for February. Motion seconded by Steve Kenny. MOTION CARRIED.

**5) Brandywine Global Announcement**

Ms. Wiederholt updated the Board that we received a letter from Greg Zavovna, Senior Vice President at Brandywine that Chen Zhao will be leaving Brandywine Global at the end of January 2017. Mr. Zhao had been with the firm for two years and led the macro research effort. ACG stated that they met with Steve Smith, Lead Portfolio Manager for Brandywine and they continue to have conviction in this team following their meeting and this announcement. Chen Zhao had only been on the team for two years and they think his departure will have minimal impact on the strategy going forward.

**6) Overview of DROP Rate of Return Calculation for FY 2016**

Ms. Wiederholt provided an overview of the DROP Rate of Return Calculation for FY 2016 – Option #1 and reviewed the Fund's Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position for fiscal year 2016 with the Board.

<b>VII. Consent Agenda (Motion)</b>
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Ms. Wiederholt advised that the Consent Agenda has been reviewed and the items listed are true, correct, and have been found to be accurate. Justin Vaske has also reviewed all the legal invoices.

Retirement Benefits & Estate Payments:

Longevity Retirements, DROP Entrants, DROP to Longevity, Deferred Retirements, Survivor Benefits, Estate Payments

Monthly Invoices:

- 1) City of Tampa Reimbursement – December 2016 and January 2017- \$54,814.58

Quarterly Invoices:

- 1) Aberdeen – Q4 2016 - #79216 - \$76,431.17
- 2) CBRE Clarion – Q4 2016 - #20161231-146-137-B - \$30,439.57
- 3) Clarivest Asset Management – Q4 2016 - #125719 - \$33,947.48
- 4) Dodge & Cox – Q4 2016 - #38449 - \$78,950.55
- 5) Fisher Investments – Q4 2016 - #JO2415-0001 - \$110,359.77
- 6) State Street Global Advisors – Q4 2016 - #SSGABA2429666 - \$8,673.41
- 7) Taplin, Canida & Habacht – Q4 2016 - \$34,953.09
- 8) Waddell & Reed – Q4 2016 - #304854 - \$97,995.85
- 9) Wellington Management – Q4 2016 - #20161231-96246-A - \$58,290.99

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Annual Invoices:

- 1) The Berwyn Group - #35495 - \$1,200.00

Auto-Deducted:

- 1) Brandywine – Q4 2016 - #20161231-482-4233-A - \$63,847.56
- 2) Marathon-London Int'l Fund – December 2016 - \$19,230.00
- 3) Marathon-London Int'l Fund – January 2017 - \$19,865.00
- 4) UBS – Q4 2016 - \$112,067.18

Miscellaneous Invoices:

- 1) Division of Administrative Hearings - #004317A - \$558.75
- 2) Division of Administrative Hearings - #004339A - \$4,067.40
- 3) Ford & Harrison - #681192 - \$853.91
- 4) Ford & Harrison - #681193 - \$168.00
- 5) Ford & Harrison - #681194 - \$3,196.00
- 6) Ford & Harrison - #681195 - \$10,247.43
- 7) Ford & Harrison - #681197 - \$3,781.15
- 8) Neuropsychiatric Institute – (Edge) \$450.00
- 9) Shumaker, Loop & Kendrick, LLP - #000615818 - \$700.00
- 10) Tampa Occupational Health Services – (Gebu) - \$1,200.00
- 11) Tampa Occupational Health Services – (Kannan) - \$600.00
- 12) Travel Reimbursement – 2017 FPPTA Winter Trustees School – (Bright) - \$206.66
- 13) Travel Reimbursement – 2017 FPPTA Winter Trustees School – (Craig) - \$152.26
- 14) Travel Reimbursement – 2017 FPPTA Winter Trustees School – (Rivera) - \$145.04
- 15) Travel Reimbursement – 2017 FPPTA Winter Trustees School – (Wiederholt) - \$163.33
- 16) Workhealth Occupational Medicine Clinic - #30519 (Gebu) - \$900.00

MOTION: (Weiner /Hill) Motion was made by Alan Weiner to approve the Consent Agenda. Motion Seconded by Stephen Hill. MOTION CARRIED.

**VIII. ADJOURNMENT**

There being no further business, Chairman Ernest Carrera adjourned the meeting and advised the Board that the next meeting would be held on March 21, 2017 at the same location.

  
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BOARD CHAIRMAN – Ernest P. Carrera

  
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GE PENSION PLAN SUPERVISOR – Natasha Wiederholt  
& RECORDING SECRETARY