



**BOARD OF TRUSTEES
REGULAR MEETING MINUTES
TUESDAY – SEPTEMBER 18, 2018 – 1:30 P.M.**

Support Staff: Mike Cascone, Interim GE Pension Plan Supervisor and Recording Secretary; Justin Vaske, Assistant City Attorney and Board Attorney; Lee Huffstutler, Chief Accountant, Terrie Williams, Accounting Operations Manager; Rosie Rivera, Accountant; and Viola Dawson, Office Support Specialist III.

Consultants to Board: Jason Pulos and Elizabeth Sanborn - Asset Consulting Group (ACG); Brad Heinrichs, Foster & Foster.

I. ROLL CALL

Mr. Carrera, Chairman, presiding, brought the meeting to order at 1:30 p.m.

Board Members Present Included: Ernest Carrera, Chairman; Stephen Hill, Vice Chairman; Derwin Bright, Trustee; Steve Kenny, Trustee; Andy Waitman, Trustee. Elizabeth Mackie, Trustee advised in advance of the meeting, that she would be absent.

Sonya Little, Trustee arrived at 1:44 p.m.

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

None.

III. APPROVAL OF MINUTES

Mr. Carrera requested the Board approve the minutes from the August 21, 2018 meeting. Mr. Stephen Hill requested that the language on Staff Report – Item 6) Investment Consulting Services RFP Discussion – be modified to “concerns”. Mr. Huffstutler stated the requested revision would be completed to the minutes.

MOTION: (Hill/Waitman) Motion was made by Stephen Hill to approve the minutes from the August 21, 2018 Board Meeting with the revision. Andy Waitman seconded motion. MOTION CARRIED.

IV. International Equity Manager Presentations

The three International Managers were invited to present to the Board. Each provided a presentation of updates and material that was distributed and reviewed by the Board.

1) Aberdeen Standard Investments

Matt DiNallo, Client Relationship Manager & Business Development
Scott Conlon, Equity Investment Specialist

Mr. Matt DiNallo updated the Board on the merger of Aberdeen Asset Management and Standard Life that was completed in August 2017.



Mr. Scott Conlon presented the portfolio, noting that performance is ahead of the benchmark and has outperformed the index 7 out of the 9 full calendar years as of inception in May 2008. More information was discussed from the handouts provided.

2) Fisher Investments Institutional Group

Alyssa Koral, Vice President-Relationship Manager

Kate Rorer, Vice President-Consultant Relations

Ms. Alyssa Koral gave a review of the company's structure, decision making and research capabilities. The presentation continued with information provided in the handouts.

3) Marathon-London

Zach Lauckhardt, Client & Consultant Relations Manager

Mr. Lauckhardt highlighted attributes to long-term success over the past 30+ years and the remaining agenda items for presentation was provided in the handouts.

V. FOSTER & FOSTER ACTUARIAL EXPERIENCE STUDY

Mr. Brad Heinrichs expressed that they worked with AON and Ms. Wiederholt to get the information required to complete the experience study. He informed the Board on how they work to provide the best possible estimates and suggested that this be completed every three to five years. This will help to make sure that the Board feels comfortable with the underlying assumptions that are being made.

VI. FOSTER & FOSTER ACTUARIAL RATE OF RETURN

Mr. Heinrichs provided a summary of the Investment Rate of Return. There were several examples provided to the Board within the handouts and discussion continued.

Mr. Carrera suggested that Mr. Heinrich return in order that the Board may review the information further to make a decision. Mr. Heinrich provided a lot of information that was very informative and detailed.

MOTION: (Waitman/Hill) Motion was made by Andy Waitman for Foster & Foster to return in October to continue discussion on assumptions. Mr. Hill seconded motion adding, to provide a 3 year alternative pulling from 7.90 - 7.70 - 7.50. MOTION CARRIED.

Ms. Little reported that she must leave at 3:30 p.m.

VII. ACG INVESTMENT CONSULTING SERVICES AGREEMENT

1) Points of concern

Mr. Lee Huffstutler reminded the Board of events from the last Board meeting in selecting ACG as the Investment Consultant. The discussion continued with ACG on all the concerns that the Board wanted to address in order to move forward with a new relationship.



2) Agreement draft

Mr. Lee Huffstutler presented the draft of the agreement that Ms. Natasha Wiederholt provided prior to her departure. Mr. Justin Vaske and Mr. Lee Huffstutler reviewed and made adjustments as well as adding information presented by Board Members. The Agreement will be completed and provided at the next meeting for a motion.

VIII. STAFF REPORT

1) Portfolio Performance Review – August 2018

Jason Pulos and Elizabeth Sanborn, ACG, reviewed the monthly performance report as of August 31, 2018 for the General Employees' Retirement Fund. As of August 31, 2018, the total fund value stood at approximately \$729 million. Fiscal Year-to-Date as of August 31, 2018, the fund was up 7.10% gross of fees which exceeds the policy index by 0.20% for the same period. Over the five-year period ending August 31, 2018, the fund was up 8.78% gross of fees annualized, compared to the policy index of 8.25% for the same period.

2) September 2018 Liquidity Needs

ACG recommended the liquidation of \$2.0 million from the Dodge & Cox Equity strategy to provide liquidity needs for the month, as this strategy currently holds the largest overweight position in the portfolio. ACG's 3Q2018 Asset Class Relative Rankings continue to favor equities over fixed income, and the portfolio will remain slightly overweight to equities after this rebalancing transaction.

3) October Rebalancing

In consideration of the pending \$18.5 million city contribution to the fund, ACG provided a recommendation to reallocate \$14.4 million of those funds to bring the allocations closer to targets, after holding back \$4.1 million to meet October's cash distribution needs. The recommendation included the following: \$1.1 million to Loomis Sayles Growth, \$1.1 million to Dodge & Cox, \$750,000 each to ClariVest, LMCg and Wellington, \$1.5 million to Fisher, \$950,000 to Aberdeen, \$4 million to TCH and \$3.5 million to SSgA. After making these additions, the portfolio is projected to remain slightly overweight to equities, consistent with the 3Q2018 Asset Class Relative Rankings report.

MOTION: (Waitman/Hill) Motion was made by Andy Waitman to proceed with the fully invested option as proposed by ACG. Stephen Hill seconded motion. MOTION CARRIED.

4) Office update

Mr. Lee Huffstutler informed the Board of the smooth transition with Ms. Natasha Wiederholt and all the information by many who debriefed before her departure.

Mr. Huffstutler informed the Board that everything has been completed to satisfaction with AON since last meeting and no letter was sent with our concerns at present. The Board agreed to postpone sending the letter until we receive the invoice. Further discussion will resume at next Board meeting.



Pension software update; we continue to meet and keep on track per the schedule that was provided. There will be a meeting with potential vendors, but Ms. Wiederholt did present us with another option prior to leaving; to outsource, avoiding the purchase of a new system. As we briefly reviewed, we found we would lose service that is close to the employees, access to information needed within our departments, and we would have to pay extra for other services that we do with internal departments on staff. The Board briefly discussed and concluded that we should continue moving forward with the Pension Software RFP.

VII. CONSENT AGENDA

Mr. Huffstutler advised that the Consent Agenda has been reviewed and the items listed are true, correct, and have been found to be accurate.

Retirement Benefits & Estate Payments:

Longevity Retirements, Deferred Retirements, DROP Entrants, DROP Exit, Survivor Allowances, Estate Payments

Monthly Invoices:

1) City of Tampa Reimbursement – August 2018 - \$34,601.71

Quarterly Invoices:

1) Waddell & Reed (Ivy Investments) – #305607 - 07/01 – 07/18/2018 - \$21,517.28

Miscellaneous Invoices:

1) Foster & Foster - #13106 - \$29,100.00

MOTION: (Kenny/Hill) Motion was made by Steve Kenny to approve the Consent Agenda. Motion was seconded by Stephen Hill. MOTION CARRIED.

VIII. ADJOURNMENT

There being no further business, Chairman Carrera adjourned the meeting at 4:39 p.m. and advised the Board that the next meeting would be held on Tuesday, October 16, 2018 at the Fire & Police Pension Fund, Board Meeting Conference Room, 3001 N. Boulevard Tampa, FL 33603.

A handwritten signature in blue ink, appearing to read 'Ernest P. Carrera', is written over a horizontal line.

BOARD CHAIRMAN – Ernest P. Carrera

A handwritten signature in blue ink, appearing to read 'Mike Cascone', is written over a horizontal line.

**INTERIM GE PENSION PLAN SUPERVISOR &
RECORDING SECRETARY – Mike Cascone**