



**BOARD OF TRUSTEES
REGULAR MEETING MINUTES
TUESDAY – JUNE 18, 2019 – 1:30 P.M.**

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

Consultants to Board: Jason Pulos and Elizabeth Sanborn - Asset Consulting Group (ACG).

I. PLEDGE OF ALLEGIANCE

Chairman Carrera led the pledge of allegiance, followed by an invocation.

II. ROLL CALL

Mr. Carrera, Chairman, presiding, brought the meeting to order at 1:35 p.m.

Board Members Present: Ernest Carrera, Chairman; Stephen Hill, Vice-Chairman; Steve Kenny, Trustee Andy Waitman, Trustee and Elizabeth Mackie, Trustee.

Board Members Absent: Derwin Bright, Trustee and Sonya Little, Trustee.

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

None.

IV. APPROVAL OF MINUTES

Mr. Carrera requested the Board approve the minutes from the May 21, 2019 meeting.

MOTION: (Hill/Mackie) Stephen Hill made motion to approve the Minutes from May 21, 2019. Elizabeth Mackie seconded motion. MOTION CARRIED.

V. SMALL CAP EQUITY MANAGER PRESENTATIONS

1) ClariVest Asset Management

Robert Zimmer, CFA – Client Portfolio Manager, provided an overview of the Clarivest Small Cap Growth portfolio (Tampa AUM \$17,223,690). Mr. Zimmer remarked that they seek to identify underappreciated growth. The investment philosophy centers on the interaction between changing fundamentals and investor behavior. Conservatism bias collides with naturally occurring fundamental cycles, resulting in an aggregate market inefficiency across large numbers of analysts/stocks.



2) LMCG Investments

Jenna Oliver - Director Client Services and Todd Vingers, CFA – Managing Director, Value Equities, provided an overview of the LMCG Small Cap Value portfolio (Tampa AUM \$17,094,475). Mr. Vingers remarked that the investment philosophy is a focus on stocks offering high probability of modest outperformance rather than a low probability of high outperformance with a belief that leading businesses selling at a discount to fair value have the potential to generate excess returns.

3) Wellington Management

Leigh Crosby, CFA, CAIA - Account Manager and Sam Sanom - Investment Specialist, provided an overview of the Wellington Small Cap 2000 portfolio (Tampa AUM \$35,100,000). Ms. Crosby remarked that gains are realized by exploiting intra-industry dispersion. Further, dedicated bottom-up research can anticipate fundamental change and identify pricing anomalies.

VI. NORTHERN TRUST PRESENTATION

Claudiu Besoaga, Vice President, Relationship Manager, appeared before the board to provide a custody update. Northern Trust has \$8.2 trillion assets under custody, \$1.2 trillion assets under management, and \$6.3 trillion assets under administration. Northern Trust has earned the highest credit rating of any comparable U.S. based from Standard and Poors.

Mr. Besoaga reported the key metrics of the Plan over the last twelve months. There are 18 custody accounts (6 separately managed & 12 one line assets and cash), 234 statements, 1 restructure event, 5,929 cash transactions, \$13,645,532 income collected, 1,355 security sales, 1,307 security purchases, 82 security movements, 472 paydowns, \$7,117.41 class actions proceeds, filed for 15 class actions.

VII. STAFF REPORT

1) **Portfolio Performance Review – May 2019**

As of May 31, 2019, the total fund value stood at approximately \$699 million. Fiscal Year-to-Date, as of May 31, 2019, the fund was down -1.51% gross of fees, coming in under the policy index decline of -1.19% for the same period. Over the ten-year period ending May 31, 2019, the fund was up 9.27% gross of fees annualized, outperforming the policy index returns of 8.86% for the same period.

2) **June 2019 Liquidity Needs (Motion)**

To meet the Fund's liquidity needs for the month of May, ACG recommended the liquidation of \$5.1 million from the Fixed Income space, taking \$4.6 million from Taplin, Canida and Habacht and taking the remaining \$0.5 million from SSgA.

MOTION: (Mackie/Kenny) Elizabeth Mackie made motion to approve the liquidity needs as recommended by ACG. Steve Kenny seconded motion. MOTION CARRIED.



3) Updates from Dana Blydenburgh

Ms. Blydenburgh reminded the Trustees that the Financial Disclosure Forms are due on or before July 1. Forms are part of the annual governance required by the Florida Commission on Ethics.

The FPPTA Conference will take place June 30 to July 3 in Orlando. Trustees can earn 5 CEU credits by attending this event. Registration is open.

Negotiations on the Pension Application Software (PAS) are underway with anticipated implementation beginning fall 2019.

VI. CONSENT AGENDA – RECEIVE & FILE ALL DOCUMENTS (MOTION)

Ms. Blydenburgh 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 Applications, DROP Exits, Survivor Allowances, Estate Payments

DROP Rates of Return

- 1) DROP Rate of Return for Period Oct. 1, 2018 – Mar. 31, 2019 – Option #1
- 2) DROP Rate of Return for Period Oct. 1, 2018 – Mar. 31, 2019 – Option #2
- 3) NT Gov't Short-Term Investment Fund – Daily Rate of Return – June 3, 2019

Monthly Invoices:

- 1) City of Tampa Reimbursement – May 2019 - \$29,305.14

Quarterly Invoices:

- 1) Wellington Management – Q1 2019 - #20190331-103079-A - \$53,343.37

Miscellaneous Invoices:

- 1) CCS Marketing - #115575 - \$1,916.92
- 2) Division of Administrative Hearings - #005153A - \$114.75
- 3) Foster & Foster - #14853 - \$6,252.00

MOTION: (Hill/Kenny) Stephen Hill made motion to approve the Consent Agenda and to Receive & File all Documents. Steve Kenny seconded motion. MOTION CARRIED.



VII. ADJOURNMENT

There being no further business, Chairman Carrera adjourned the meeting at 3:56 p.m. and advised the Board that the next meeting would be held on Tuesday, July 16, 2019 at the Fire & Police Pension Fund, Board Meeting Conference Room, 3001 N. Boulevard Tampa, FL 33603.

BOARD CHAIRMAN – Ernest Carrera

**GE PENSION PLAN SUPERVISOR & RECORDING
SECRETARY – Dana Blydenburgh**