

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
OF THE
TAMPA FIRE & POLICE PENSION FUND
3001 North Boulevard Tampa, FL 33603 (813) 274-8550
May 24, 2017 1:30 p.m.**

The Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met in the Pension Office Conference Room on Wednesday, May 24, 2017 at 1:30 p.m. for a regular meeting with the following members present:

Richard Griner, Chairman	Ocea Lattimore
Mark Bogush, Vice Chairman	Patrick Messmer
Douglas Burkett	Gregory Reed
John Cannon	Dennis Rogero
Sharon Fox	

Also present were Mr. Timothy Bowen, Actuary, Mr. Joseph Griffin, Actuary, Mr. Stu Kaufman, General Counsel, Mr. Mark Lenker, External CPA, and active and retired plan members.

Public Comments Pursuant to Florida Statutes, Section 286.0114(4) members of the public may comment on items requiring Board action, other than ministerial matters. Speakers are limited to two minutes each, and not more than 20 minutes will be set aside for comments, without further Board approval. Speakers shall fill out a card identifying the speaker and the agenda item(s) they wish to address. Speakers may also submit a card supporting or objecting to an item without speaking. Rules of conduct are available from the Plan Administrator.

The statements made by speakers under Public Comments are solely the opinion of each speaker and do not necessarily reflect the views of the Board of Trustees, its staff, or its professionals.

1. Approved the minutes of the April 26, 2017 regular board meeting. **It was moved by Mr. Reed, seconded by Mr. Bogush and by unanimous vote to approve the minutes of the April 26, 2017 regular board meeting.**
2. Approved the minutes of the May 17, 2017 Steering committee meeting. Minor changes were requested for clarification purposes. **It was moved by Mr. Rogero, seconded by Mr. Bogush and by unanimous vote to approve the minutes of the May 17, 2017 steering committee meeting, as amended.**

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 3 – 10] **It was moved by Mr. Reed, seconded by Mr. Cannon and by unanimous vote to approve consent agenda items 3 through 10.**

3. Ratified pension benefits.
4. Investment Management Report from Bowen, Hanes & Co. Inc. Noted receipt of the following:
 - a. Investment management report for the month ended 04/30/2017. Market value of *investments* as of 04/30/2017 was \$1,948,595,419.33. Investment return has been +8.3% on the total portfolio so far this fiscal year.
 - b. Addendum was distributed at the meeting. Market value of investments as of 05/23/2017 was \$1,960,571,986. Investment return has been +9.0% on the total portfolio so far this fiscal year.

5. Approved billing for services rendered by Klausner, Kaufman, Jensen & Levinson during April 2017:
 - a. General Counsel - \$18,452.29.
6. Noted receipt of letter from Division of Retirement approving the Fund's annual report.
7. Noted receipt of Disability Process Timeline of disabilities in process as of 05/18/2017.
8. Admitted Tampa Fire Department new hires to pension fund effective 05/08/2017, contingent upon 1) furnishing a list of all medical providers and authorizations to obtain such medical records and 2) passing a complete medical examination:

Amaya, David	Jermouni, Adam	Sera, Stephen
Aris, Bernard	Jordan, Justin	Smith, Graham
Barrow, James	Joseph, Terrence	Venegas, Derek
Giles, Bradley	Lancaster, Jason	Williams, Joseph
Greco, Seth	Mays, Scott	Woolridge, Christopher

9. Admitted Tampa Police Department new hires to pension fund effective 05/18/2017, contingent upon 1) furnishing a list of all medical providers and authorizations to obtain such medical records and 2) passing a complete medical examination:

Baer, Kelly M.	Hardesty, Anthony J.	Pollak, Martin E.
Bennett, Mathew D.	Hardesty, Nicholas J.	Romo, Alberto
Chavis, Kayla N.	Lambert, Jonathan A.	Vidal, Anthony E.
Diaz Castro, Luis D.	Lara, Stephanie L.	Wages, Jaclynn N.
Duhig, Daniel R.	Luc, Emily A.	Woster Jr., William H.
Estrada III, Jose L.	Maceo, Algenis A.	Zabala, Lourdes M.
Hamlin, Anthony J.	Nieves, Yliana A.	

10. Noted that Retirement & Financial Planning Educational Workshops are to be conducted by Jody Clayton as follows. These workshops are free, open to the public, and can apply towards continuing professional education (CPE) for trustees and staff.

Tuesday	08/08/2017	10:00 am and 2:00 pm
Wednesday	08/09/2017	10:00 am and 2:00 pm

11. Actuarial Valuation Presentation by Joe Griffin, Actuary – Buck Consultants
To be distributed and discussed at board meeting by actuary:
 - a. Annual actuarial valuation for the fiscal year ended 09/30/2016.
 - b. Highlights of annual actuarial valuation for the fiscal year ended 09/30/2016.
 - c. Established the employee contribution rate for fiscal year 10/1/2017 – 09/30/2018 as recommended by the actuary based upon actuarial and statutory requirements and the 09/30/2016 actuarial valuation just presented and approve the plan administrator to email all active members the contribution rate for fiscal year ending 09/30/2018.
 - d. Noted receipt of draft letter to eligible retirees and eligible surviving spouses regarding the payment or non-payment of the 13th check for fiscal year ending 09/30/2016.

Mr. Griffin and Mr. Bowen presented the fiscal year ended 09/30/2016 actuarial valuation. Mr. Griffin noted that this valuation is performed annually and is used for developing minimum funding requirements and establishing the contributions rates for the upcoming fiscal year. Mr. Bowen reviewed the membership, both active and retired, that was used to determine the valuation results. Mr. Griffin reviewed the Fund's earnings allocation, noting that all member, city, and state contributions are allocated to the base account, returns from 5-10% and above 11% are allocated to the COLA account, and returns from 10-11% are allocated to the 13th check account. Mr. Griffin added that after years with negative returns, the base plan is to be made whole before returns are allocated to the COLA account. The actuarial value of assets versus the market value of assets was briefly reviewed, where it was noted that the actuarial value smooths volatilities to keep the Fund from overreacting to market conditions.

Mr. Griffin reviewed the following three conditions under which a 13th check is payable: 1) the investment return for the fiscal year must exceed 10%, 2) the amount of the 13th check benefit must be definitely determinable, and 3) the amount of the payment must be funded on a sound actuarial basis and cannot exceed the amount of cumulative actuarial experience gains in the plan. He advised that all three conditions have been met and the 13th check allocation will be approximately \$18 million.

It was noted that the mortality assumption was updated in accordance with Florida Statutes, which increased liabilities. It was also noted that there were no changes to plan provisions or assumptions. Mr. Griffin reviewed the annual required contribution, and advised that state law does not allow for contributions to be less than the normal cost plus interest. He advised that beginning 10/01/2017, average employee contributions will be 9.95% of projected payroll.

It was moved by Mr. Rogero, seconded by Mr. Messmer and by unanimous vote to adopt the annual actuarial valuation for fiscal year ended 2016, as prepared by Conduent.

It was moved by Mr. Rogero, seconded by Ms. Fox and by unanimous vote to adopt the employee contribution rate of 9.95% for fiscal year 10/01/2017 – 09/30/2018, as recommended by Conduent.

Mr. Griffin reviewed and confirmed that the three conditions for 13th check payment were met and advised that eligible retirees will receive \$9,598.00 and eligible surviving spouse will receive \$4,799.00.
It was moved by Mr. Rogero, seconded by Mr. Reed and by unanimous vote to approve the 13th check payment, as certified by Conduent.

Old Business (for actuarial participation)

12. Steering committee report.

- a. Information from the Fund's actuary regarding staff retirement plan options. Exhibits L and M are additions to the original information provided in January 2017.

Mr. Griffin reviewed exhibits previously provided to trustees regarding potential staff retirement plan options. Mr. Bogush advised that after significant research and narrowing plan options down to the three provided by Mr. Griffin, the committee needs the Board's input with regards to plan type and financing. Discussion ensued regarding the merits of a defined benefit versus a defined contribution plan, funding versus amortizing prior service, concerns about the expense of creating a defined benefit plan, plan design, and affordability. Mr. Bogush offered to approach staff to discuss cost and affordability and bring that information back to the Board. Mr. Rogero requested that the actuary produce a spreadsheet that would allow different plan design variables to be manipulated on the fly. Mr. Griffin agreed to produce such a spreadsheet noting that the biggest cost drivers are the multiplier and COLA.

Medical Disability

13. Authorized referral to Psychiatric Medical Board comprised of Drs. E. Lazarou, M. Stedman, and R. Wagoner for LOD disability applicant J. Rodriguez, TPD, as recommended by Medical Director. **It was moved by Mr. Burkett, seconded by Mr. Messmer and by unanimous vote to authorize referral of LOD applicant J. Rodriguez to Psychiatric Medical Board comprised of Drs. Lazarou, Stedman, and Wagoner, as recommended by Medical Director.**
14. Authorized referral to Cardiac Medical Board comprised of Drs. W. Cheng, C. Davis, and R. Medina and to Psychiatric Medical Board comprised of Drs. E. Lazarou, M. Stedman, and R. Wagoner for LOD disability applicant K. Spellman, formerly of TPD, as recommended by Medical Director. **It was moved by Mr. Burkett, seconded by Mr. Messmer and by unanimous vote to authorize referral of LOD applicant K. Spellman to Psychiatric Medical Board comprised of Drs. Lazarou, Stedman, and Wagoner, as recommended by Medical Director.**
15. Noted receipt of request for full hearing to be scheduled at the June 2017 board meeting for LOD disability applicant S. Appel, formerly of TFR, dated 05/15/2017.

Ms. Ernst advised that the June meeting date presents a scheduling conflict for special counsel and there is a conflict for the applicant's attorney in July. Mr. Kaufman advised that the meeting date is flexible as long as there is mutual consent by all parties. It was agreed upon by general consensus to hold the full hearing at the August 23, 2017 board meeting.

Old Business

16. Committee #3 report. Ms. Fox advised that the committee met at 11:30 a.m. on May 23, 2017 to explore the possibility of developing a new policy regarding unclaimed funds. She advised that after significant research and discussion, it was determined that a policy would not improve the current situation and would create additional work. Ms. Fox noted that the committee is very close to completing the policy review project.

New Business

17. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any. Mr. Rogero disclosed that he will be attending the FPPTA Annual Conference in June and Ms. Fox disclosed that she will be attending IFEBP's Fraud Prevention Program in July.
18. Noted receipt of Notice of Proposed Agency Action regarding potential forfeiture in the case of E. Houston, formerly of TPD.
 - a. Request for a full hearing received from E. Houston, dated 05/12/2017.

Mr. Kaufman advised that the Fund has received a petition from Mr. Houston in response to the Notice of Proposed Agency Action. He noted that criminal case documents, including the plea agreement, have been reviewed and the member pleaded guilty to the embezzlement of public funds, which is a specified offense. Mr. Kaufman continued that the Board has no choice but to press forward with holding a full hearing. He reminded the Board that his firm cannot act as advisor and prosecutor, so Sugarman & Susskind will act as prosecutor in this case. **It was moved by Mr. Bogush, seconded by Ms. Lattimore and by unanimous vote to proceed with the full hearing.**

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

20. Chair's report. Nothing to report.

21. Plan Administration.

a. Update on PAS project.

Regarding the PAS project, Ms. Ernst advised that sometime in the near future the Board will need to discuss the details of cost-sharing between the F&P and GE pension funds. She advised that effective June 1st staff will be moved from a PEO company and payroll will be managed by a regular payroll company, resulting in savings of approximately \$10,000 per year.

22. Attorney's report.

a. Military service credit and legal opinion update.

b. Update on recovery of costs for Parker lawsuit.

Mr. Kaufman advised that there have been several drafts of the military service credit legal opinion, and a final is still not yet available. He provided a brief overview, noting that a member can receive credit for involuntary service over 5 years, but the member will have to pay for it under the buy-back provision of the contract. He also noted that the legal opinion will address the question of whether or not a retired member can request the opportunity to purchase service.

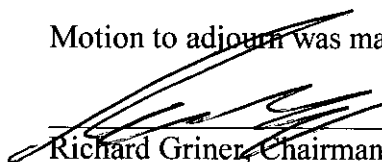
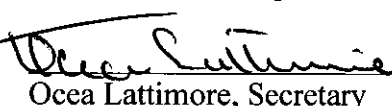

Regarding cost recovery, Mr. Kaufman advised that his firm is waiting on a response from the insurance company.

Litigation

23. Artz lawsuit	2 nd District Court of Appeals Case No.	2D15-1342
	Hillsborough County Circuit Court Case No.	07-012048
Update by plan attorney, if any.		

Mr. Kaufman advised that a hearing is set for June 1, 2017 on the Motion to Dismiss the 5th Amended Complaint, noting that attendance is not necessary.

Motion to adjourn was made by Ms. Fox at 3:29 p.m.

 Richard Griner, Chairman	 Ocea Lattimore, Secretary	 Tiffany Corry, Recording Secretary
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Notice

No verbatim record by a certified court reporter will be made of this Board meeting, except as noticed for any executive sessions. Any person who desires to appeal any decision of the Board of Trustees with respect to any matter considered at this Board meeting will be responsible for providing a record of the proceedings and for this purpose, may need to ensure that a verbatim record of the proceedings is made, which includes testimony and evidence upon which the appeal is 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 – toll free, or the Florida Relay Service at (800) 955-8770 – toll free, or dial 711 from any phone (regular phone/land line or cell phone) for the Florida Relay Service. Please make your request at least five (5) working days before the scheduled meeting date.

2017 Board meeting schedule – meetings begin at 1:30 p.m.

June 29, 2017 at 10:00 a.m.

July 26, 2017

August 23, 2017

September 27, 2017

October 25, 2017

November 15, 2017

December 13, 2017