



General Pension and Retirement Plan

Mick Novota, Chairman

William "Rusty" Wells, Secretary

Laura Picklap, Trustee

Amy Miller, Trustee

Larry Porto, Trustee

Debra Little, Trustee

MINUTES OF MEETING GENERAL PENSION BOARD FEBRUARY 13, 2019

The trustees of the City of Pensacola General Pension Plan met this date.

Members Present:

Mick Novota

William "Rusty" Wells

Laura Picklap

Debra Little

Members Absent:

Amy Miller

Larry Porto

Others Present:

Kurt Wood, DePrince, Race & Zollo, Inc.

Jason Palma, DePrince, Race & Zollo, Inc.

Tracy Musser, Thompson, Siegel & Walmsley LLC

Peter Kuechle, Frontier Capital Management

Ron Lanier, UBS

Peter Tuz, Chase Investment Counsel

Robert "Buck" C. Klintworth, Chase Investment Counsel

Larry Cole, Burgess Chambers & Associates

Nikki Morgan, Regions Bank

Gary Leuchtman, Attorney

Richard Barker, Jr., Plan Administrator

Cheryl Jackson, Payroll & Retirement Manager

Alexandra Daily, Assistant to the Chief Financial Officer

The meeting was called to order by Acting Chairman Wells at 11:37 a.m. The Acting Chairman Wells stated there was a quorum present.

Chairman Novota arrived at 11:38 a.m.

Ms. Picklap made a motion to approve the minutes of the November 14, 2018 meeting. Ms. Little seconded the motion and it passed unanimously.

Mr. Peter Tuz and Mr. Robert Klintworth with Chase Investment Counsel addressed the Board and reviewed the quarterly performance of the Large-Cap Value portfolio. Mr. Tuz stated that total account return for the Large-Cap Fund for the quarter ending December 31, 2018 was negative 15.9% net of fees. The return for one year period ending December 31st was negative 3.5% and for three year period ending December 31st was 7.5% both net of fees. The total value of the portfolio as of December 31, 2018 was \$9,317,487.

The report from Chase Investment Counsel is on file.

Mr. Jason Palma and Mr. Kurt Wood with DePrince, Race & Zollo addressed the Board and reviewed the quarterly performance of the Large-Cap Value portfolio. Mr. Wood provided a brief overview of the firm, its philosophy and its characteristics. Mr. Palma then stated the total account return for the Large-Cap Fund for the quarter ending December 31, 2018 was negative 14.34% net of fees. The return for one-year period ending December 31st was negative 11.97% and for three year period ending on that date was 9.41% all net of fees. The total value of the portfolio as of December 31, 2018 was \$5,982,396.

The report from DePrince, Race & Zollo is on file.

Mr. Peter Kuechle with Frontier addressed the Board and reviewed the quarterly performance of the small-mid cap account. Mr. Kuechle stated the total return for the SMID Cap Value Fund for the year ending December 31, 2018 was 12.1% gross of fees. The return for the quarter period ending on December 31st was negative 10.6% and the return for the three year period ending on December 31st was 7.5% all gross of fees. The total value of the portfolio as of December 31, 2018 was \$7,354,980.

The Frontier report is on file.

Ms. Tracy Musser with Thompson, Siegel, & Walmsley addressed the Board to review the quarterly performance of the small-mid cap account. Ms. Musser stated the total return for the SMID Cap Value Fund for the quarter ending December 31, 2018 was negative 16.96% net of fees. The return for one year period ending on December 31st was negative 11.71% and for three year period ending on December 31st was 3.36% all net of fees. The total value of the portfolio as of December 31, 2017 was \$5,900,000.

The Thompson, Siegel Walmsley report is on file.

Mr. Ron Lanier with UBS addressed the Board to review the quarterly performance of the UBS Real Estate Investment Fund ("TPF"). Mr. Lanier stated the total return for the TPF fund for the calendar year ending December 31, 2018 was 6.99% gross of fees. The return for the three year period ending on December 31, 2018 was 6.83% and for five year period ending on December 31st was 8.99% all gross of fees. The total value of the portfolio as of December 31, 2018 was \$7,968,000.

The UBS report is on file.

Mr. Wells made a motion to approve the following invoices. Ms. Little seconded the motion and it passed unanimously.

- Advent Capital Management, LLC in the amount of \$11,417.86
- Chase Investment Counsel in the amount of \$15,476.00
- DePrince, Race & Zollo, Inc. in the amount of \$7,179.00
- Fiduciary Management, Inc. in the amount of \$9,629.00

- Frontier Capital Management in the amount of \$19,722.41
- Garcia Hamilton & Associates in the amount of \$4,978.33
- Integrity Fixed Income, Inc. in the amount of \$16,240.92
- Salient in the amount of \$4,391.26
- Sawgrass Asset Management in the amount of \$13,207.61
- SSI Investment in the amount of \$9,699.00
- Vulcan Value Partners in the amount of \$13,483.79
- Westwood Trust in the amount of \$5,525.01

Ms. Little made a motion to approve the following invoices. Mr. Wells seconded the motion and it passed unanimously.

- Burgess Chambers & Associates, Inc. in the amount of \$12,500.00
- Cavanaugh Macdonald Consulting, LLC in the amount of \$10,950.00
- Law Office of Gary B. Leuchtman in the amount of \$3,256.00

Mr. Wells made a motion to approve the following Notices of Pension. Ms. Picklap seconded the motion and it passed unanimously.

Joseph D. Acosta
Type of Pension: DROP
Effective Date: 12.3.18
Monthly Pension: \$1,892.04
Annual Pension: \$22,704.00

Carolyn A. Barton
Type of Pension: Widow
Effective Date: 1.9.19
Monthly Pension: \$2,037.60
Annual Pension: \$24,451.20

Shirley Ann Rich
Type of Pension: Widow
Effective Date: 12.27.18
Monthly Pension: \$1,314.24
Annual Pension: \$15,770.88

Ms. Little made a motion to approve (or confirm) the following:

- Trustees School in Orlando, Florida on February 3-6, 2019, 2019 at the Rosen Centre Hotel
- 35th Annual Conference in Orlando, Florida on June 30, 2019 – July 3, 2019 at the Marriott World Center
- 35th Annual Conference Trustees School in Ponte Vedra Beach, Florida on October 6-9, 2019 at the Sawgrass Marriott

Ms. Picklap seconded the motion and it passed unanimously.

Nikki Morgan with Regions Bank reviewed its custody services. She gave an update on the custody list and authorized signers. Ms. Morgan also reviewed Regions Bank's GlobalTax Services with the Police Pension Board.

After some discussion, Ms. Little made a motion that the General Pension Board use the services of

GlobalTax for purposes of recovery of foreign dividends and tax credits as proposed by Ms. Morgan of Regions Bank. Mr. Wells seconded the motion and it passed unanimously.

Ms. Little left the meeting.

Mr. Larry Cole with Burgess Chambers & Associates addressed the Board and reviewed the total Fund's performance for the quarter ending December 31, 2018. Mr. Cole stated the total return for the quarter ending on December 31, 2018 was negative 8.7% net of fees. The return for one year period ending on December 31st was negative 4.4% and for three year period ending on December 31, 2018 was 5.3% all net of fees. He stated the total value of the Fund as of December 31, 2018 was \$136,874,939. Mr. Cole then reviewed the individual money managers and asset allocation. Mr. Cole did not recommend any changes at this time.

The report from Burgess Chambers & Associates is on file.

The following information items were noted:

- Statement of Changes to Cash Balances for November, 2018, December, 2018 and January, 2019
- Correspondence from Leuchtman Law – Estate of Georgia Segrest
- Correspondence from SSI investment Management
- Correspondence from Pensacola City Council
- Commission Recapture check from Virtu Americas in the amount of \$210.05
- Correspondence from Integrity Fixed Income Management, LLC

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.



Richard Barker, Jr.
Plan Administrator