



## General Employees' Retirement System Board Agenda Monday, August 14, 2017

### **Meeting Information**

#### *Location*

CMO Conference Room  
110 SE Watula Avenue (2nd  
Floor)  
Ocala, Florida

#### *Time*

**9:00 AM**

#### *Board Members*

Arnie Hersh  
Chairperson

Connie Carroll  
Trustee

Anthony Ortiz  
Trustee

Bernhard W. Stalzer  
Trustee

John Walker  
Trustee

### **WELCOME!**

We are very glad you have joined us for today's meeting. If reasonable accommodations are needed for you to participate in this meeting, please call Alicia Gaither at (352) 629-8372, 48 hours in advance so arrangements can be made.

### **APPEALS**

Any person who decides to appeal any decision of the Ocala General Employees' Retirement System Board with respect to any matter considered at this meeting will need a record of the proceeding, and for such purpose, may need to ensure that a verbatim record of the proceeding is made.

## **Public Notice**

9:00 AM Meeting called to order on August 14, 2017 at CMO Conference Room, 110 SE Watula Avenue (2nd Floor), Ocala, FL.

### **1. Call to Order**

### **2. Public Comments**

### **3. Presentations**

- A. Ares - U.S. Real Estate Fund IX
- B. Mesirow - Real Estate Value Fund III
- C. Westport Capital Partners - Special Core Plus Fund II

### **4. Consultant's Presentation**

### **5. Attorney's Report**

### **6. Minutes Approval**

- 1. Minutes for Monday, May 08, 2017

### **7. Other matters to come before the Board**

- A. Summary Plan Description - Needs approval
- B. Evaluations - Manager, Attorney and Advisor

### **8. Adjournment**



# General Employees' Retirement System Board Minutes

110 SE Watula Avenue  
Ocala, FL 34471  
www.ocalafl.org

Monday, May 8, 2017

## Regular Meeting

Alicia Gaither  
(352) 629-8372

### Public Notice

9:00 AM Meeting called to order on May 8, 2017 at CMO Conference Room, 110 SE Watula Avenue (2nd Floor), Ocala, FL.

### 1. Call to Order

The Ocala General Employees' Retirement System Board held a meeting at the CMO Conference Room, 110 SE Watula Avenue (2nd Floor), on Monday, May 8, 2017 at 9:00 AM.

Attendee Name	Title	Status	Arrived
Arnie Hersh	Chairman	Excused	
Bernhard W. Stalzer	Vice Chairman	Present	
John Walker	Trustee	Present	
Anthony Ortiz	Trustee	Present	
Connie Carroll	Secretary	Excused	

### 2. Public Comments

No public comments

### 3. Presentations

#### A. Segall Bryant & Hamill

Presenter - Jeffrey Paulis, CFA

Mr. Paulis provided an update on the firm and its employees. Segall Bryant and Hamill (SBH) has \$10.7 billion in assets under management, up from \$10.1 billion. SBH offers a diversified mix of investment strategies, including domestic and international equities, fixed income and customized solutions. Mr. Paulis spoke about the investment philosophy within SBH and their experience with small cap equity investments.

Mr. Paulis discussed the account reconciliation and performance for the City of Ocala, stating that the first quarter 2017 was 3.77% and 2017 is looking better than 2016. Mr. Paulis explained why there were poor returns from 2012 to 2016. He spoke about the volatility in the market, and that this volatility looked subsiding so far for 2017.

Ms. Guillette stated that SBH's performance was 200 basis points below the benchmark and requested Mr. Paulis explain to the Board how he thinks their performance will get better. Mr. Paulis said that 2016 was difficult, but 2017 is looking up.

Minutes Acceptance: Minutes of May 8, 2017 9:00 AM (Minutes Approval)

## B. Foster - Experience Study

Presenter: Doug Lozen

Mr. Lozen walked through the Experience Study, stating that the plan had not fallen too short of its assumption but there have been, more than assumed, leaving once they are eligible for early retirement.

Ms. Kelley spoke about the 2011 Voluntary Separation Incentive Program and the 2013 Early Retirement Incentive Program. She explained that because there will continue to be fewer and fewer participants and the plan being closed now, the City is less likely to offer another incentive to leave early. Mr. Lozen explained that since so many people have left, there will be less people leaving at early retirement but recommended changing the assumption from 21% to 10.5%. After some discussion between the Board and Mr. Lozen, it was recommended and agreed to keep the 7% actuarial investment return assumption.

Approved **Mr. Walker made a motion to approve the assumptions from Foster and Foster; Mr. Ortiz seconded; unanimous.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	John Walker, Trustee
<b>SECONDER:</b>	Anthony Ortiz, Trustee
<b>AYES:</b>	Stalzer, Walker, Ortiz
<b>EXCUSED:</b>	Hersh, Carroll

## 4. Consultant's Presentation

Rose Guillette

The International Markets outperformed the U.S. Markets. The last five years, the International Markets were compressed; they are up 7% vs U.S. Markets 5%. Real estate was 7.3% for the year. Private equity had a strong return and hedge funds had a good quarter.

Ms. Guillette went over the performance of the plan and stated that this quarter was very strong. Assets are at \$133 million, which is the highest market value this plan has ever had. The target for large cap is 14% and the plan is at 15%. Small cap target is a 6% and the plan is at 7%. Total target to equity is 42% and the plan is at 43.47%. She reminded the Board that since the plan is closed, the asset allocation is a lot different than others in the state. Fixed income target is 32% and the plan is at 29.65%.

Ms. Guillette recommended interviewing Managers at the next meeting. Ms. Gaither stated that the extra cash has been reinvested; Ms. Guillette stated 1% of cash could stay on hand for payroll use but doesn't want to see more than that not being invested. Over all the plan had a strong quarter, up 4.31%, one year up 10.72%.

**5. Attorney's Report**

Lee Dehner

Mr. Dehner spoke about the state adopting the budget, which the state did not adopt. The restated Ordinance and Summary Plan Description review was tabled and will be moved to the next meeting.

**6. Minutes Approval**

- 1. **Approved** Regular Meeting General Employees' Retirement System Board Minutes for February 13, 2017.

**7. Other matters to come before the Board**

**A. Annual Sunshine Seminar**

Mr. Stalzer announced the rescheduling of the Annual Sunshine Seminar given by the City.

**B. Performance Evaluations**

Performance Evaluations will be reviewed at another meeting when the full Board is in attendance.

Ms. Gaither reviewed the General budget for 17-18.

**8. Adjournment**

**Minutes**

A motion to approve the minutes as printed on this \_\_\_\_\_ day of \_\_\_\_\_;  
 \_\_\_\_\_ was made by \_\_\_\_\_, seconded by \_\_\_\_\_,  
 votes for \_\_\_\_\_, votes against \_\_\_\_\_.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Minutes Acceptance: Minutes of May 8, 2017 9:00 AM (Minutes Approval)