

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda - Final

May 4, 2017

1:35 PM

City Hall Auditorium

Board of Trustees/Retiree Health Plan

Lauren Poe (Trustee)
David Arreola (Trustee)
Harvey Ward (Trustee)
Charles Goston (Trustee)
Harvey Budd (Trustee)
Helen Warren (Trustee)
Adrian Hayes-Santos (Trustee)

If you have a disability and need accommodation in order to participate in this meeting, please contact the Office of Equal Opportunity at (352) 334-5051 at least two business days in advance. TTY (Text Telephone Telecommunication Device) users please call 711 (Florida Relay Service). For Speech to Speech (STS) relay, please call 1-877-955-5334. For STS Spanish relay, please call 1-877-955-8773. For STS French Creole relay, please call 1-877-955-8707.

ADOPTION OF THE AGENDA

AGENDA STATEMENT

"Citizens are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 (three) minutes per agenda item. Additional time may be granted by the Mayor or by the City Commission as directed. The City of Gainesville encourages civility in public discourse and requests that speakers limit their comments to specific motions and direct their comments to the Chair. Signs or Props are not permitted in the meeting room. Citizens are encouraged to provide comments in writing to the Clerk of the Commission before meetings and/or during meetings for inclusion into the public record. Citizens may also provide input to individual commissioners via office visits, phone calls, letters and e-Mail, that will become public record. In some instances, i.e., Quasi-Judicial Hearings, these particular contacts may be prohibited.

ROLL CALL

[160966.](#)

City of Gainesville Retiree Health Fund Investment Services (B)

Explanation: For the past year, the City of Gainesville Retiree Health Fund Investment Advisory Committee (Committee) has been reviewing the performance and suitability of the Retiree Health Fund's (Fund) investment services provided by Morgan Stanley Smith Barney (MSSB). MSSB was retained in 2004 to provide comprehensive investment consulting services, investment manager selection services, and custody services for the City of Gainesville Retiree Health Fund. Over the past several years, the performance of the investment managers recommended by MSSB as part of their comprehensive investment service has increasingly lagged investment benchmarks, as well as the performance of comparable investment managers retained by the City's Pension Plans.

In response to the Fund's investment underperformance, staff began conducting research and analysis of prospective investment service providers. In 2016, staff recommended that the Committee consider Willis Towers Watson (WTW) delegated investment services as a potential replacement for MSSB comprehensive investment services. After hearing presentations from MSSB and WTW, and evaluating their investment services programs, investment manager performance and program fees, the Committee and staff concluded that WTW would provide the Fund with superior investment advice and higher quality investment managers at lower costs. The Committee voted on April 5, 2017 to recommend that the Board of Trustees for the Retiree Health Fund terminate MSSB and retain WTW to provide delegated investment services for the Retiree Health Fund.

The minutes from the April 5, 2017 Retiree Health Fund Investment Advisory Committee meeting are attached as supporting documentation for this agenda item.

Fiscal Note: Investment consulting, investment management, and custodian fees for the Retiree Health Fund are included in the City's fiscal year 2017 & 2018 budgets.

RECOMMENDATION

Recommended Motion: The Board of Trustees for the Retiree Health Fund accept the recommendations made by the Retiree Health Fund Investment Advisory Committee to: 1) terminate the comprehensive investment services provided by Morgan Stanley Smith Barney; 2) authorize the City staff to initiate contract negotiations with Willis Towers Watson for delegated investment services for the Retiree Health Fund; and 3) authorize the City Manager as Trust Administrator to execute all related documents, including contract amendments and extensions, subject to approval of the City Attorney as to form and legality.

[160966 REHAB Committee 4-5-17 Minutes 20170504.pdf](#)

ADJOURNMENT