

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Minutes - Draft

May 26, 2021

9:00 AM

City Hall Auditorium

Board of Trustees/Police & Fire Retirement Plan

Eugene Dugan (Chairperson)

Bruce Giles (Trustee)

Steve Varvel (Trustee)

Walter Barry (Trustee)

Harvey Lewis (Trustee)

If you have a disability and need an 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.

MEETING DETAILS

CALL TO ORDER

The meeting was called to order at 9:05 a.m.

ROLL CALL

MEMBERS PRESENT: Eugene Dugan, Bruce Giles, Steve Varvel, Walter Barry, Harvey Lewis

STAFF PRESENT: William Johnston, Investment Officer; Cintya Ramos, Finance Director

OTHERS PRESENT: Cole Jacobs, Willis Towers Watson; Zach Paris, Willis Towers Watson; Jake Levey, Ares; Patrick Maloney, Ares; William Lee, Ares; Kapil Singh, Ares; Chris Mathewson, Ares; Joe Griffin, Foster & Foster

ADOPTION OF THE AGENDA

Adopted

APPROVAL OF MINUTES

[210019.](#) Regular Meeting Minutes of March 24, 2021 (B)

RECOMMENDATION *The Board of Trustees review the regular meeting minutes of March 24, 2021 and take any action deemed appropriate.*

Approved as Recommended

BOARD ATTORNEY UPDATE

Staff informed the Board of Trustees that Board attorney Bob Klausner was still negotiating fiduciary liability and state choice of law issues with new investment managers Pretium and GI Partners. The Board would be notified when the issues were resolved.

PRESENTATIONS

[210022.](#) Revised FY16 - FY18 Actuarial Valuation Reports for the Gainesville Police Officers' and Firefighters' Retirement Plan (B)

Joe Griffin of Foster & Foster presented revised FY16 - FY18 Actuarial Valuations

which were required to resolve the payroll growth rate dispute with the Florida Division of Retirement. The Board previously approved revision of the Valuations, but the Division of Retirement also required that the revised Valuations be approved by the Board. Joe Griffin discussed the State of Florida mandated mortality tables used in the actuarial valuations, with risk adjustments for employee classes. New Society of Actuaries tables have been developed which now categorized employees by types, and will be used in the Plan's FY20 actuarial valuation.

RECOMMENDATION

The Board of Trustees review and approve revised Gainesville Police Officers' and Firefighters' Retirement Plan Actuarial Valuation Reports for Fiscal Years 2016 - 2018 for submission to the Florida Division of Retirement.

Approved as Recommended

210020.

Presentation by LSV Asset Management (B)

James Owens of LSV Asset Management discussed LSV's investment style, and the factors that are used in their U.S. Small Cap Value and Large Cap Value portfolio investment decision processes. Mr. Owens discussed market conditions, portfolio returns, and the expected continued out performance of value equities vs. growth equities.

RECOMMENDATION

The Board of Trustees hear a presentation by James Owens from LSV Asset Management regarding the Plan's U.S. Large Cap Value Equity and U.S. Small Cap Value Equity investment portfolios, and take any action deemed appropriate.

Discussed

210021.

Presentation by Willis Towers Watson (B)

Cole Jacobs and Zach Paris of Willis Towers Watson discussed market conditions and the Fund's investment performance. In the equity markets, the S&P 500 continued to appreciate, Small Cap equities were out performing Large Cap equities, and Value continued to out perform Growth. U.S. markets also continued to outperform international markets due to monetary and fiscal policies. Interest rates were up from the beginning of the year. Willis Towers Watson continued to monitor potential rising inflation, but believed the Federal Reserve's advice that higher inflation was temporary, and expected 2% longer term. It was also noted that current inflation was being driven by limited sectors (i.e. hotels, used cars), and was transitory, though the Plan's portfolio was well situated in the event of higher inflation.

The Plan's Alternative Credit investments did not perform as well as equities, but was not expected to. Most managers outperformed their benchmarks. Wellington was being terminated, and those assets would fund a capital call from

the Harrison Street Property Fund. Brandywine had also been removed from the portfolio, and the BNYM Fallen Angels strategy had been funded in February.

The Plan's Real Estate managers continued to perform as expected.

RECOMMENDATION

The Board of Trustees hear a presentation by Cole Jacobs and Zachary Paris of Willis Towers Watson covering market updates, and the Plan's investment performance and asset allocations, and take any action deemed appropriate.

Discussed

OLD BUSINESS

NEW BUSINESS

[210023.](#)

Election of the Fifth Member of the Board

A motion to approve Harvey Lewis as the Board's fifth member was made, seconded, and approved.

RECOMMENDATION

The Board of Trustees discuss the election of a new fifth member of the Board to replace current fifth member Harvey Lewis, whose partial term is ending on June 24, 2021, and take any action deemed appropriate.

Approved as shown above (See Motion)

INFORMATIONAL ITEMS

City Appointments to the Board

Florida Commission on Ethics Financial Disclosure Form 1 (B)

PUBLIC COMMENT

MEMBER COMMENT

NEXT MEETING DATE

ADJOURNMENT

The meeting was adjourned at 10:20 a.m.

[990562](#)

REQUIREMENT

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, PERSON NEEDING A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING ARE REQUESTED TO NOTIFY THE EQUAL OPPORTUNITY DEPARTMENT AT 334-5051 OR CALL THE TDD PHONE LINE AT 334-2069 AT LEAST 48 HOURS IN ADVANCE.

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR HEARING, THEY WILL NEED A RECORD OF THE PROCEEDING, AND FOR SUCH PURPOSE, THEY MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FLORIDA STATUTES 286.0105

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY A TELEPHONE CONFERENCE CALL. THE ABOVE LOCATION, WHICH IS ORDINARILY OPEN TO THE PUBLIC SHALL SERVE AS AN ACCESS POINT, PERSON WISHING TO ATTEND SHOULD APPEAR AT THE ACCESS POINT, WHERE TELEPHONE ACCESS TO THE MEETING WILL BE PROVIDED.