

City of Gainesville

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



Minutes - Draft

August 26, 2021

9:00 AM

City Hall, Room 016, 200 East University Avenue

Pension Review Committee

Jonathan Visscher (Chairperson)

Harvey Lewis (Member)

David Rader (Member)

Matthew Barker (Member)

Patrick Keogh (Member)

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MEETING DETAILS**CALL TO ORDER**

The meeting was called to order at 9:01 a.m.

ROLL CALL

MEMBERS PRESENT: Jonathan Vissher, Matthew Barker, Harvey Lewis, Patrick Keogh

ABSENT: David Rader

STAFF PRESENT: William Johnston, Investment Officer; Gregory Williams, Senior Analyst; Cintya Ramos, Finance Director; Mark Benton, GRU Rates & Investment Director; Gregory Robeson, Audit Manager

OTHERS PRESENT: Brendon Vavrica, AndCo Consulting; Christopher Gibson, Brown Advisory; Kevin Osten, Brown Advisory; Sam Gerber, TWIN Capital; Geoff Gerber, TWIN Capital

ADOPTION OF THE AGENDA

Adopted

APPROVAL OF MINUTES**210259. Regular Meeting Minutes of June 24, 2021 (B)**

Attachments: [210259 Draft PRC Meeting Minutes 20210624 20210826](#)

RECOMMENDATION *The Pension Review Committee review the Regular Meeting Minutes of June 24, 2021, and take any action deemed appropriate.*

Approved as Recommended

PRESENTATIONS**210260. Presentation by Brown Advisory (B)**

Attachments: [210260 Brown Advisory PRC Presentation 20210826](#)

Mr. Gibson and Mr. Osten reviewed Brown Advisory's investment performance, including sector and company return contributors and detractors. Mr. Osten also discussed the Plan's portfolio weightings versus their benchmark index, and how most of the index performance came from several major components. Since 2015, the index's

concentration in its top five holdings had increased significantly, while Brown's risk management kept lower portfolio concentration in those top five index holdings. Brown felt that they were well positioned long term for an expected post-COVID economic recovery.

RECOMMENDATION

The Pension Review Committee hear a presentation by Chris Gibson of Brown Advisory discussing the Domestic Large Cap Growth Equity Portfolio managed on behalf of the Plan and take any action deemed appropriate.

Discussed

[210261.](#)**Presentation by TWIN Capital (B)**

Attachments: [210261 TWIN Prime Overview & Update 20210826](#)

Geoff and Sam Gerber reviewed TWIN Strategies' investment performance. Sam reviewed TWIN's forecasting model which is blend of bottom-up and top-down approaches, and results in a well diversified portfolio. As a Core philosophy, the portfolio is concerned with both growth and value analysis, combining what they feel are the best of both evaluation methods. Geoff review investment portfolio, noting that while it has been difficult to outperform the benchmark, the portfolio has maintained a lower overall beta (risk) than the benchmark. Geoff also provided a market overview and noted that the S&P 500 Index had been hitting record highs for the first half of the year. TWIN felt that given the S&P 500's eight consecutive months of positive returns this year, the probability of a positive ninth month were low. It was also noted that September was the only month since the 1950's that had a negative average return. TWIN expected that the second half of the year would be positive, but not as positive as the first half of the year, and more volatile.

RECOMMENDATION

The Pension Review Committee hear a presentation by TWIN Capital on the performance of their Prime enhanced index strategy, and take any action deemed appropriate.

Discussed

[210262.](#)**Presentation by AndCo (B)**

Attachments: [210262 Monthly Market Update June 20210826](#)
[210262 Monthly Market Update August 20210826](#)
[210262 Monthly Flash Report June 20210826](#)
[210262 Monthly Flash Report July 20210826](#)

AndCo's Brendon Vavrica reviewed the Plan's July investment performance and gave a market update. Mr. Vavrica discussed stock fundamentals, improving unemployment numbers improving, and continued concern about the COVID delta variant. AndCo expected inflation to remain at a moderate level of two to three percent after a transition period of higher rates. In reviewing the portfolio managers,

TWIN and Brown had outperformed recently, while Barrow Hanley underperformed, reflecting the recent out performance of growth over value. International equity managers Baillie Gifford and Silchester, had been hurt recently by regulatory challenges in China. AndCo also expected small market and interest rate impacts from any infrastructure spending, due to extended time frames involved.

RECOMMENDATION

The Pension Review Committee hear a presentation by AndCo investment consultant Brendon Vavrica covering market conditions, and Plan investment performance and asset allocations, and take any action deemed appropriate.

Discussed

OLD BUSINESS**NEW BUSINESS****INFORMATIONAL ITEMS****[210304.](#)****2020 Pension Obligation Bond General Employees Pension Plan Proceeds ROI Analysis (B)**

Attachments: [210304 2020 POB General Pension Plan Proceeds ROI Analysis 20210923](#)

Staff discussed the return calculation on the Pension Obligation Bond Proceeds, which was compiled for the City Manager. The calculations showed that the allocation of the bond proceeds had provided additional positive returns for the Plan.

RECOMMENDATION

The Pension Review Committee receive an updated return on investment analysis for the General Employee Pension Plan's 2020 Pension Obligation Bond Proceeds, and take any action deemed appropriate.

Discussed

PUBLIC COMMENT**MEMBER COMMENT****NEXT MEETING DATE****ADJOURNMENT**

The meeting was adjourned at 10:55 a.m.

[990562](#)**REQUIREMENT**

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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.