

City of Gainesville

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



Minutes - Final

May 26, 2022

9:00 AM

Room 016, City Hall, 200 East University Avenue

Pension Review Committee

Jonathan Visscher (Chairperson)

Harvey Lewis (Member)

David Rader (Member)

Matthew Barker (Member)

Patrick Keogh (Member)

If you have a disability and need an accommodation in order to participate in this meeting, please contact the Office of Equity and Inclusion 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 to Spanish relay, please call 1-877-955-8773. For STS Spanish to English relay, please call 1-844-463-9710.

MEETING INFORMATION**CALL TO ORDER**

The meeting was called to order at 8:58 a.m.

ROLL CALL

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

ABSENT: David Rader

Note: Member Rader attended the meeting virtually, however did not have a signed and notarized affidavit of Extraordinary Circumstances submitted prior to the meeting, as such he could not vote or motion on applicable agenda items.

STAFF PRESENT: William Johnston, Investment Officer; Gregory Williams, Senior Analyst; Mark Benton, GRU Rates & Investment Director

OTHERS PRESENT: Brendan Vavrica, AndCo Consulting; Bill Underwood, Barrow Hanley Global Investors

ADOPTION OF THE AGENDA

Adopted

APPROVAL OF MINUTES

[211129.](#) **Regular Meeting Minutes of March 24, 2022 (B)**

RECOMMENDATION

The Pension Review Committee review the Regular Meeting Minutes of March 24, 2022, and take any action deemed appropriate.

Approved as Recommended

PRESENTATIONS

[211132.](#) **Presentation by Barrow Hanley Global Investors (B)**

Bill Underwood of Barrow Hanley Global Investors presented an update to the Committee on the Plans Large Cap Value portfolio. Mr. Underwood discussed Barrow Hanley's history with the Plan, updates to staffing and ownership, reviewed the performance of the portfolio and

market conditions. Style and sector analysis were discussed along with some individual contributors to performance. Tracking error was also discussed between the benchmark and the portfolio and how the benchmark is constructed vs. how Barrow Hanley considers stocks as value investments. Inflation, impacts from the Federal Reserve and the general direction of the economy and markets were also discussed.

Barrow Hanley compiled a breakdown of ESG considerations and how they impact decision making in their investment process. Factors including emissions exposures, carbon intensity, carbon footprint, etc. were evaluated compared to their benchmark. Mr. Underwood agreed with Staff that moving to a high ESG only investment process would severely limit investment. Barrow Hanley had seen may "C" rated companies that would be omitted from an ESG restricted portfolio, but they were willing to improve their ESG ratings while increasing corporate performance, both of which could lead to higher valuations.

RECOMMENDATION

The Pension Review Committee hear a presentation from Barrow Hanley Global Investors on the Plan's U.S. Equity Large Cap Value investment, and take any action deemed appropriate.

Discussed

[211130.](#)

Presentation by AndCo (B)

Brendon Vavrica of AndCo Consulting presented a review of recent market conditions and how recent events like the Covid resurgence in China and related pressure on supply chains. Inflation and Federal Reserve rate hikes were expected to impact the economy going forward. Mr. Vavrica also reviewed the Plan's investment performance relative to benchmarks, noting asset allocation impacts. The Committee discussed the bond market, noting that while rates have risen, bonds still don't provide enough absolute return to outperform inflation.

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

[211267.](#)

Environmental/Social/Governance Investing & Socially Responsible

Investing Analysis (B)

In response to a request by the City's Finance Committee (Commissioners Ward, Saco and Hayes-Santos), Staff had prepared a presentation on ESG and SRI investing which they shared with the PRC. The Finance Committee's request indicated that they may want to refer ESG/SRI investment considerations to the Plan's Board of Trustees (Full City Commission) at some point. However, after reviewing Staff's ESG/SRI presentation, and a City Attorney memo on Fiduciary Duty requirements, the Finance Committee asked Staff to provide additional information on the ESG factor evaluation that Plan investment managers use in their investment analysis processes.

The Committee voted unanimously to request Staff to draft a memo to the Board in support of Staff and the City Attorney's opinion that any ESG or SRI considerations be left to the Plan's investment managers, and that no action be taken by the Board to directly restrict or limit investments.

Discussed

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

The meeting was adjourned at 10:46 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.