POLICE & FIRE PENSION INVESTMENT BOARD

June 11, 2020

Summary Minutes

The information in these meeting minutes is intended to assist Police and Fire Pension members in understanding the activities of the Investment Board. The information is not intended to provide investment or financial advice to any individual or organization and should not be relied upon for that purpose. While we attempt to keep the content accurate we cannot guarantee that all information is current, accurate or complete.

Members present: Doug McDaniel – Human Resources Director (Board Chairman)
Brandon Kauffman – Finance Director
Becky Ferguson – Mayoral/Council Appointment
Steve Hubka – Mayoral/Council Appointment
Steve Niemeyer – Police Electee (joins meeting late)
Eric Augustin – Fire Electee

Members Absent: Guy Pinkman – Fire Electee
Greer McCurley – Mayoral/Council Appointment
Matt Franken – Police Electee

A quorum is any five Board members.

Human Resources
Staff: Paul Lutomski – Police and Fire Pension Officer

Others present: Dale Connors, CFA – Ellwood Associates
Andy Fiegel, CFA – Ellwood Associates

Unless otherwise noted, meeting materials were provided to Investment Board members in electronic format, or printed format, a few days preceding the meeting for their advance consideration.

Documents:
Ellwood May 2020 Preliminary Update
Ellwood Private Credit (Manager) Search Materials

Doug McDaniel calls the meeting to order at 1:30 pm, takes roll and asks Dale Connors and Andy Fiegel to present.
Dale reviews that the PIMCO Investment Grade Credit Fund was purchased April 7, 2020 and pre-planned to be sold when spreads are consistently within 150 bp with the proceeds to be placed into the JP Morgan Core Bond Fund awaiting further investment.

Becky Ferguson moves that the Board approve the sale of the Pimco Investment Grade Credit Fund when Ellwood determines the spread criteria has been met and that proceeds be reinvested on the JP Morgan Core Bond Fund.

Steve Hubka seconds the motion.

Doug McDaniel asks if there is any further discussion.

There being none he calls for a vote.

All members vote in favor.

Doug McDaniel asks Ellwood to proceed.

The May Preliminary Performance Update showed some recovery with the S&P 500 up 4.8% The Russel 3000 value index was up 3.4% and the growth index was up 6.9%. The total portfolio was up 2.9%, putting the Fiscal YTD return at 2.6%. Asset allocation vs. target policy is reviewed. Cash flow is reviewed. Market value increased $241M to $248M. Asset class performance is reviewed. Fee schedule for each manager shown individually and in total was 0.58%.

Doug McDaniel asks Ellwood to present the Private Credit (Manager) Search.

Dale and Andy explain that the Plan is on track to invest $6 million in Private Credit for 2020. They review a Case for Credit Strategies. They provide a detailed review of four Private Credit managers. All are excellent candidates and the Board discusses which managers to review. After discussion and careful review the Board determines a mix of two managers that would best fit the plan’s objectives: Varde and Oak Hill Advisors. Varde is a shorter term fund and pairs well with longer term OHA. Dale Connors recommends the offshore vehicle of the Varde Fund to for more favorable tax treatment.

Steve Niemeyer moves that the plan invest $3 million with in the Varde Dislocation offshore Fund and $3 million in the Oak Hill Advisors Tactical Investment Fund.

Becky Ferguson seconds the motion.

Doug McDaniel asks if there is any further discussion.
There being none he calls for a vote.

All members vote in favor.

Doug McDaniel adjourns the meeting at 3:16 pm.