

POLICE & FIRE PENSION INVESTMENT BOARD
Zoom telecall only

November 12, 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 physically:
none

Members present via Zoom:
Doug McDaniel – Human Resources Director (Board Chairman)
Becky Ferguson – Mayoral/Council Appointment
Steve Niemeyer – Police Electee (joins meeting late)
Steve Hubka – Mayoral/Council Appointment
Guy Pinkman – Fire Electee

Members Absent:
Greer McCurley – Mayoral/Council Appointment
Matt Franken – Police Electee
Brandon Kauffman – Finance Director
Eric Augustin – Fire Electee

A quorum is any five physically present Board members.

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

Others present via Zoom:
Dale Connors, CFA – Ellwood Associates
Andy Fiegel, CFA – Ellwood Associates
Tina Seberg, Vice President of US Bank

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:
Minutes of meetings: August 13, 2020
Ellwood 3Q2020 Performance Report
Ellwood October 2020 Preliminary Update

Doug McDaniel calls the meeting to order at 2:00 pm. He states this meeting is a Zoom only meeting given current the recent increase in COIVD spread and because no investment related vote was anticipated. The meeting will be information only, no vote meeting. Therefore, a vote to approve or edit the minutes of the August 13, 2020 will be postponed until the next meeting.

Doug McDaniel calls for the next agenda, the 3Q2020 Performance Report.

Andy Fiegel presents capital market returns YTD 2020 stating a recovery continued in 3Q with gains mostly from the tech sector, volatility was higher this year than an average election year, and past election cycles suggest the market impact is uncertain.

He provides more details on the recovery in that it was lead by large cap growth stocks; 43% of the S&P 500 return was from tech large cap growth stocks; the top 5 holdings represent 22% of the S&P500's market weighted capitalization and were up 42% YTD.

Fed guidance shows no plans to raise the Fed funds rate until 2023.

A world market overview and discussion displayed US, international, equity and fixed income, hedge funds, and commodities return for YTD and 3Q.

Dale Connors reviewed Asset Allocation vs. Targets. Discussion that all classes within target ranges other than Private Equity which is being developed and awaiting capital calls from assets held in the public equity class.

A Return Summary displayed Qtr, YTD, FYTD, 1, 3, 5, 10 year as well as returns for 2019, 2018, 2017, 2016 and 2015. The 5 year return, sued in the actuarial analysis, averaged 8.2%.

Performance Summary by asset class, for the above time periods, also reviewed. Other risk and return measures reviewed.

Private equity commitments, contributions and remaining commitments reviewed.

Other risk and return measures reviewed.

Dale reviews the October preliminary report; Performance Summary thru 10/31/2020. Details of equity, fixed, and alternative assets. Explains that value equity had not performed well in 2020 previous to recent, but has reversed to outperform growth; that it is impossible to predict when this shift would occur, so it is prudent to hold both types of equity in the portfolio.

At the conclusion of the Ellwood presentation Doug McDaniel asks if there is any new business.

Paul Lutomski states that he has been forwarding emails from managers of pension assets and that he and Doug discussed creating a portal for investment board members. The portal would need to be restricted to Investment Board members as some of the information it contains is confidential to the investment managers. He asks if the Board would be interested in pursuing this idea.

The Board discusses and decides to pursue the portal concept further.

Doug McDaniel adjourns the meeting.

Doug McDaniel adjourns the meeting at 2:47 p.m.