

POLICE & FIRE PENSION INVESTMENT BOARD

July 18, 2023
12:30 - 2:30 p.m.

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:

Steve Hubka – Mayoral/Council Appointment (Board Secretary)
Derek Dittman – Police Electee
Eric Augustin – Fire Electee
Matt Franken – Police Electee
Barb McIntyre – Human Resources Director

Members attending via teleconference:

Guy Pinkman – Fire Electee (Board Chairman)

Members Absent:

Lyn Heaton – Finance Director (arrives at 2:30)
Becky Ferguson – Mayoral/Council Appointment
Vacant position – Mayoral/Council Appointment (vacant as of 11/17/2022)

A quorum is any five physically present Board members. Action can be taken when 5 members approve.

Human Resources Staff physically present:

Paul Lutomski – Police and Fire Pension Officer

Others attending via teleconference:

Corry Walsh, CFA, CAIA - RVK Investment Advisors
Britt Vriesman - RVK Investment Advisors

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

Documents:

Public Equity Search

Documents for these tele-conference manager interviews.

1. LSV Asset Mgt International Large Cap Value
2. Pzena Invest Mgt International Value
3. MFS International Growth
4. Walter Scott International Growth

Guy Pinkman calls the meeting to order at 12:30 p.m.

In this meeting 4 managers will present. Per the adopted Equity Structure, two managers are candidates for a 9% (of equity, ~\$12.5M) allocation to Non-US Developed Value (active) and two managers are candidates for a 9% (of equity, ~\$12.5M) allocation to Non-US Developed Growth (active).

Corry and Britt provide an overview of each investment space and manager.

LSV presents.

Pzena presents.

Corry re-caps stating each manager is excellent and selection will depend on the board's preferences.

MFS presents.

Walter Scott presents.

Corry and Britt re-cap stating each manager is excellent and selection will depend on the board's preferences. A pairing that may result in overall smoother returns would be Walter Scott and Pzena.

Corry refers to the Public Equity Search document pages 33 – 52 comparing managers and relating how each pair of managers may work together.

LSV: less volatile

PZENA: more volatile, but relatively higher chance of out-performance

MFS: more volatile

Walter Scott: higher chance of out performance

Members of the board discuss that the source of funds for the new investments is to come from existing equities. They discuss pairings, including fees, volatility, diversification, staff, organization, investment philosophy, process. A consensus emerges that pairing of Pzena and Walter Scott is preferred. Topics includes Pzena deep value and forward looking combined with Walter Scott's bottom up, research driven.

Eric Augustin moves that the Board invest the recommended amounts with Pzena and Walter Scott.

Matt Franken seconds the motion.

Guy Pinkman calls for discussion.

All members vote in favor.

Corry asks if the Board would like to discuss the Russell 1000 or wait until the August meeting.

Guy Pinkman request to discuss the Russel 1000 in August.

Guy Pinkman adjourns the meeting at 2:06 P.M.

DRAFT