

**MINUTES
GENERAL EMPLOYEES' PENSION BOARD
SPECIAL MEETING
HELD AT CITY HALL**

February 24, 2016

9:00 a.m.

City Hall Training Room

1. CALL TO ORDER

Chairman Kelly McGuire called the meeting to order at 9:00 a.m.

General Employees' Pension Board members present were Chairman Kelly McGuire, Secretary Sam Butler, and Michael Furman.

2. PUBLIC COMMENTS

There were no public comments.

3. DISCUSSION OF FOSTER & FOSTER STUDY FOR GENERAL EMPLOYEES COLA

Ms. McGuire stated that the board discussed this item at the last meeting when there was a quorum, but lost their quorum before a decision was made.

Mr. Sam Butler stated that he was not in favor of a cost-of-living adjustment at this time because he felt it was not good timing at this time, but the board could revisit the issue at a later date, if they wished to do so.

She stated that the board decided not to take action at this time.

4. DISCUSSION OF SELECTION OF SMALL/MID CAP VALUE MANAGER

Ms. Kelly McGuire stated that GW Capital had notified the boards in January that they were closing their business on March 31, 2016. She stated that Mr. Charles Mulfinger, Graystone Consulting, had provided a manager search to the boards at the February 12 meeting.

Mr. Butler noted that Edge Asset Management was not considered because their minimum was \$25 million.

Ms. McGuire stated that the Police and Fire boards chose Cambiar as their small-mid cap value manager.

Ms. Lois Towey, recording secretary, stated that she could summarize the minutes of the February 12 meeting whereby, Mr. Mulfinger stated that he recommended both Boston Partners and Cambiar as small-mid cap value managers. He noted that he did not like that Boston Partner's had 167

securities and only three key professionals and their fee at 1.0% was not negotiable; and for Cambiar, he stated that he liked that their portfolio was more concentrated at 37 securities and their fee was 65 bps., but their standard deviation was also higher than Boston Partners. He stated that Edge Asset Management was not considered because they required a \$25 million investment and our three plans combined were much less than that in the small-mid cap space.

Mr. Michael Furman stated that he did not recall GW being terminated at a prior meeting; whereby, Ms. McGuire stated that GW had notified the board in January that they were closing their business. She stated she believed Ms. Towey emailed the boards a copy of the letter.

Mr. Furman stated he recalled replacing Perimeter Capital; whereby, Ms. Towey stated that Perimeter eliminated the small-mid cap strategy from their company, but GW Capital was closing their entire company in March.

Mr. Furman stated he would have liked to have more choices of small-mid cap managers; whereby, Ms. Towey stated that Mr. Mulfinger said at the last meeting that he had research about 20 firms who had the small-mid cap strategy.

Mr. Sam Butler moved, seconded by Mr. Michael Furman, to hire Cambiar as small/mid-cap investment manager based on a fee of 65 bps. and pending successful contract negotiations. The motion passed unanimously.

5. OTHER BUSINESS

6. ADJOURNMENT

The meeting was adjourned at 9:05 a.m.

Respectfully submitted,

Lois Towey, Recording Secretary

Attest:

Kelly A. McGuire, Chairman
General Employees' Pension Plan