

**City of Wilton Manors General Employee & Police  
Pension Board of Trustees Minutes December 1, 2015**

**I. Call To Order**

Chairperson Clanton called the meeting of the Wilton Manors Pension Board of Trustees to order at 5:30 p.m.

**II. Roll Call**

Shawn Chadwick, Barbara Bihus, Joshua Kroon and Chairperson Clanton. Richard Foss arrived at 5:40 after roll call.

Others Present: John Small, Janna Woods, Deneen Bingham, David Griffin, Joan Wall and Bob Mays.

**III. Comments from the Public**

None

**IV. Consent Agenda**

Chairperson Clanton asked for a motion to approve the consent agenda and also asked if anyone wanted any item pulled from the Consent Agenda for further discussion and if not she would like a motion to approve the Consent Agenda.

1<sup>st</sup> Kroon  
2<sup>nd</sup> Chadwick

Approved Unanimously

**V. Other Business**

**1. Southeastern Advisory Services  
Third Quarter – September 30, 2015**

John Small was present to go over the 3<sup>rd</sup> quarter performance with the Board.

**3<sup>rd</sup> Quarter Investment Performance – September 30, 2015**

- Not a good quarter
- S&P 500 -6.4% for the 3<sup>rd</sup> quarter, 1 year -0.6% and 3 year 12.4%
- The EAFE Index (Net) -10.2% for the quarter, -8.7% for the 1 year & 5.6% for the 3 years.
- Barclays U.S. Aggregate (Bond Index) 1.2% for the quarter, 2.9% for the 1 year and 1.7% for the 3 years.
- CPI -0.3% for the quarter, 0.0% flat for the year & 0.9% for the 3 years

**Portfolio Growth**

- Difficult quarter down (\$2,317,654)
- Ending Value \$24,368,606 as of 9/30/15

## **Performance Comparison**

### **Total Fund Analysis**

3<sup>rd</sup> quarter -6.6%/99<sup>th</sup> – 1 year -5.6%/99<sup>th</sup> – 3 year 5.4%/84<sup>th</sup> – 5 year 6.6%/77<sup>th</sup>

### **Equity Analysis**

#### 3<sup>rd</sup> Quarter

- Snow Capital -18.7%/99<sup>th</sup> versus -8.6%/51<sup>st</sup>
- Garcia Hamilton Equity -7.3%/78<sup>th</sup> versus -5.3%/44<sup>th</sup>
- Vanguard Mid Cap -7.5%/18<sup>th</sup> versus -8.0%/24<sup>th</sup>
- Ivy Mid Cap Growth -11.6%/72<sup>nd</sup> versus -8.0%/27<sup>th</sup>
- Harding Loevner Int'l -12.3%/60<sup>th</sup>
- Wentworth, Hauser & Violich -13.7%/66<sup>th</sup>
- MSCI EAFE Index -10.2%/39<sup>th</sup>
- Garcia Hamilton Fixed 1.7%/3<sup>rd</sup> versus 1.0%/47<sup>th</sup>

#### **Allocation of Assets for the Quarter Ending September 30, 2015**

- Equity 58.5%
- International Eq. 11.0%
- Fixed Income 27.3%
- Cash 3.2%

### **Objectives and Policy Review**

- The total rate of return should equal or exceed the Consumer Price Index plus 5% over a rolling three-year period. Not Achieved 5.4% vs 5.9%
- The total rate of return should rank in the top half of the Wilshire Cooperative Public Fund Universe over a rolling three year period. Not Achieved 84<sup>th</sup>

Each security class to exceed the appropriate selected unmanaged market index over a 3 year period

- Snow Capital – N/A
- Garcia Hamilton Jackson – Equity – Not Achieved 10.1%
- Garcia Hamilton Jackson – Fixed Income – Achieved 2.8%
- Vanguard Mid Cap – Achieved 14.7%
- Ivy Mid Cap Growth – N/A
- Wentworth Hauser & Violich – Not Achieved -1.5%
- Harding Loevner Intl – N/A

Equity – Within Range 69.5% - Fixed Income – Within Range 27.3% - Cash – Within Range 3.2%

Everything is within range and no violations of policy  
It was a very difficult quarter

Chairperson Clanton brought up that transfers need to be put on the agenda quarterly so that there are enough funds to pay benefits and bills? After a brief discussion starting on the June Agenda, under Other Business there will be a line item "Quarterly Transfer from Investment Accounts to R & D Account to cover Pension Benefits & Bills".

It was recognized that the City is paying their annual contribution up front. Attorney Levinson said the City doesn't have to make the entire annual contribution, they could make quarterly payments, but the Board does appreciate them paying it this way.

Chairperson Clanton said the March 1<sup>st</sup> 2016 Pension Board Meeting will have to be changed, because the Commission Chambers will not be available due to the election. Several dates were discussed but a final decision was not made. Chairperson Clanton said everyone will be notified as soon as we confirm with the City Clerk's office and the vendors and trustee's.

2. Garcia Hamilton & Associates  
3<sup>rd</sup> Quarter September 30, 2015

Janna Hamilton was present to go over the 3<sup>rd</sup> quarter performance with the Board

- Disappointing quarter to end the fiscal year on
- Pretty nice bounce back in the market – decent rebound

Index Performance

- Russell 1000 Growth -5.3%
- GHA Quality Growth -7.1%
- DH&A position is very defensive they are over weighted in the A+'s over weighted in A's, they think they are the stocks to own.
- Did not raise interest rates in September or October
- Interest rates are low
- Current quarter down -7.2% vs the benchmark of 5.3%
- The trailing few years have been a struggle with the quality
- Even with this current quarter we still have almost a 12% return on an annualized basis for the last 5 years and 7 years with a big negative number we still have a double digit return in the equities.
- It's just been a struggle

Fixed Income

- Good quarter 1.7% vs 90 basis points for the benchmark
- We are even with benchmark quarter to date down about 36 basis points
- the fiscal year 3.6% vs 2.7%
- Since inception 5.3% vs 3.9%
- They running an intermediate portfolio for us

Portfolio Characteristics

- Mortgages 27% - Agencies 4% - Corporates 11% - Treasuries 58% - Cash <1%

Unemployment rate has come down.

3. Snow Capital Management  
3<sup>rd</sup> quarter September 30, 2015

Deneen Bingham and David Griffin were present to go over the 3<sup>rd</sup> quarter performance with the Board.

- Quarter very ugly – no place to hide
- One main issue was China
- Russell 1000 Value Sector Returns – Utilities was the only positive number for the quarter 4.7%
- Economy is moving forward
- They are not going to change what they are doing
- Numbers are poor on a short term basis
- Over weighted in financials

4. Joan Wall, Bookkeeper

Joan Wall said she is working on year end bookkeeping.

There was a brief discussion about the outstanding invoice from GSK previous auditor for the Board for information they provided to our present auditor Steven Gordon. Joan will contact Steve Gordon on the invoice from GSK in the amount of \$1,196.26 and will report her findings to the Board at their next board meeting.

**VI. Attorney Report**

Auditor Steve Gordon merged with Kabat, Schertzer, DeLaTorre, Taraboulos & Co.

Adam said they touched base with Steve Gordon because we hired Steve Gordon's firm because of their expertise with public pensions. He has assured us that nothing has changed from his standpoint, the same personnel will still be working on our account.

Chairperson Clanton concern was that since they merged she wanted to make sure our agreement is still with Steve Gordon.

Bob May, Finance Director said they need the pension audit in order to complete the City audit, so that the faster we can get the audit to him that would be better because he has to meet a deadline.

Attorney Levinson commented on the City Web Site. If you go to Finance and then Pension you will find Valuation and Financial Statements back to 2005. Attorney Levinson thanked Bob Mays, Finance Director for doing a nice job on the web site.

Everything else is quite.

**VII. Reports from Board Members**

None

**VIII. Participant Section**

None

**IX. Adjournment**

Trustee Foss made a motion to adjourn the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Judith A. Hoekstra". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Judith A. Hoekstra  
Recording Secretary