



NEW PORT RICHEY POLICE PENSION SYSTEM



Minutes

Of the meeting on Tuesday, the 2nd day of July 2020, at
5:00 P.M.

Due to the Coronavirus (Covid-19) this special meeting
of the Board of Trustees was conducted by
teleconferencing through Communications Media
Technology (CMT), provided by the Technology
Solutions Division, City Hall
New Port Richey, Florida 34652

The meeting was called to order by Mr. Pratt at 5:04 PM.

Trustees Participating:

Mr. Glen Pratt
Mr. Ed Beckman
Sergeant Greg Williams
Mr. Bill Phillips
Sergeant Chris Trapnell

Consultants Participating:

Ms. Jennifer Gainfort, Andco Consulting (Performance Monitor)
Mr. Scott Christiansen, Christiansen & Dehner (Attorney)

Administrator Participating:

Mr. T. Scott Baker

ITEM #1 -- Open Public Comment

There was no public comment.

**ITEM #2 -- Discussion of 361 Capital Change of Assignment of Investment
Management to Jackson Creek Investment Advisors LLC**

Ms. Gainfort said, as seen on the notice, the equity investment team of 361 Capital have decided to spin out from 361 Capital and start a new firm called Jackson Creek. She said they are still based in Colorado, it was an entirely amicable decision between the two, and said there wasn't any internal turmoil that caused the split. She said Jackson Creek is spinning out the equity portion and 361 Capital is focusing more on the alternative space in long term strategies such as managed futures.

Ms. Gainfort said John Riddle, the CIO of 361 Capital, and Mark Jaeger, the Managing Director of 361 Capital, will be the owners of the new firm and the entire investment operational team from the equity side is coming over to Jackson Creek. She said there is no change in an investment team standpoint, no change in an investment process, and are using the same techniques. She said overall it is a little concerning because it has only been 4 years since they changed from BRC to 361 Capital, but said the underlying strategy itself is staying the same. She said most of their larger clients are coming over to them and said she doesn't see any concerns in the change.

Mr. Pratt asked Mr. Christiansen if they are supposed to give the Board at least 90 days' notice on a change such as this. Mr. Christiansen said they are basically working under the BRC contract and they did a reassignment on that 4 years ago to 361 Capital. He said the contract reads that if they are going to terminate the contract they have to give 90 days' notice. He said what they have done here is they said if you don't agree to the transfer/assignment of the contract over to the new company then the Board wouldn't have a manager. Mr. Christiansen said the Board had 3 weeks, at most, to decide what to do. He said he would like to know why they decided to split with 361 Capital. He said it is a brand new company, saying it sounds like they want to have an equity only company.

Mr. Christiansen said the worst case scenario is to do the assignment, Ms. Gainfort keeps track of them, and if they don't do a good job then the Board can find another company. He said maybe he is making a bigger deal over this than he should have but said he doesn't like it when people don't follow contracts. Mr. Pratt said he didn't like the idea of him signing off on the change without Board approval. Mr. Christiansen said he didn't like it either and said they basically gave an ultimatum as you either agree with the assignment or you don't have a manager and said you certainly don't want that. He said it is up to the Board to decide what to do.

Mr. Phillips asked if the Board could put a stipulation to look outside at other managers, as they haven't allowed the Board the required 90 days. He said he had concerns over the volatile market and asked if the Board signs the assignment could they open up to revisit what is in the marketplace today. Mr. Christiansen said absolutely, the current contract allows the Board to terminate the contract at any time. He said the Board could approve the assignment today and ask Ms. Gainfort to do a manager search so it could be discussed at the next meeting. Mr. Pratt asked if they did this to all of their clients and Ms. Gainfort said they did.

Mr. Christiansen said it sounded like the Board should probably approve the assignment today and ask Ms. Gainfort to do a manager search. A discussion took place.

Motion: Mr. Phillips made a motion to approve the Assignment of Investment Management and for Ms. Gainfort to do a manager search to look at other alternatives. After a short discussion, Mr. Beckman seconded the motion. Sgt. Trapnell clarified the motion. The motion was passed without opposition.

Mr. Baker asked Mr. Christiansen if he would have to do an amendment to the contract and he said no, as the assignment would assign the existing contract to the new company. He said he would have to do an addendum to the contract as there were other legal things that have to go into the contract. He suggested waiting until the next meeting to determine what the status is on the new company before drafting and addendum. Mr. Baker said the next (quarterly) meeting is scheduled for August 25th and asked if Ms. Gainfort could have

the manager search information completed by then to present it to the Board. She said that she could have it done by then.

Mr. Pratt asked Mr. Baker to send the assignment form to him and said he would sign it and drop it off at the PD. Mr. Christiansen suggested that Mr. Baker email Jackson Creek and let them know the Board approved the assignment and are in the process of getting the document signed and sent to them.

Motion: Mr. Beckman made a motion to adjourn. Sgt. Williams seconded the motion. The motion passed without opposition. The meeting was adjourned at 5:27 PM.