

**MINUTES OF SEPTEMBER 11, 2025 CITY OF ALEXANDRIA
FIREFIGHTERS AND POLICE OFFICERS PENSION BOARD
JOINT DUE DILIGENCE MEETING**

PRESENT:

<u>Members</u>	<u>Others</u>
Joseph Cavanaugh (Alternate – Police)	Barry Bryant, Consultant
Patrick Evans (Fire)	Kadira Coley, Staff
Julian Gonsalves (Management)	Michael Cooper, Molpus
Dylan Kempton, (Fire)	Denise Cummings, Staff
Katherine Key (Management)	George Dahduh, Molpus
Shirl Mammarella (Police)	Diana Fuentes, Staff
Rick Muse (Alternate – Fire)	Robert Gilmore, Supplemental Board
Alethea Predeoux (Alternate- Management)	Kimberly Hurley, Supplemental Board
Arthur Wicks (Management)	Catisha Jackson, Staff
	Nicole LaPoint, Staff
	Arthur Lynch, Staff
	Jim Moore, Supplemental Board
	Dana Wedeles, Supplemental Board
	Jackson Wyss, Hancock Timberland

¹Technical Corrections and Plan Document Review Committee

²Vendor & Service Provider

Absent:

Laura Gates (Management)

Ryan Klein (Police)

CALL TO ORDER

The meeting was called to order at 8:50 AM Thursday, September 11, 2025.

Mr. Evans arrived at 8:53 AM, Mr. Gilmore arrived at 8:55 AM, Mr. Muse arrived 9:04 AM, and Mr. Cavanaugh arrived at 9:09 AM.

MEETING RECORD

Meeting minutes were approved.

Mr. Gonsalves made a motion to:

Approve the June 12, 2025, minutes with Ms. Mammarella's correction.

Mr. Kempton seconded the motion. The motion was approved (6-0).

MANAGER DUE DILIGENCE PRESENTATION –HANCOCK (JACKSON WYSS)

- Mr. Bryant gave an overview of Hancock and the Plans investments with them.
- Hancock gave an overview of their company and returns.

- Since inception the return after fees were 8.4%
- The fund is currently outpacing budget expectations for 2025, but the expectations were low due to the housing market estimates and interest rates.
- Mr. Gonsalves asked about the effect of the tariffs.
 - To date Timber and Farmland have been exempt so there hasn't been any impact.
 - The duty on Canadian timber imports is increasing which has made it too expensive for many Canadian companies to import to the US opening the market for US based timber.
- Ms. Coley asked them to explain their approach to sustainability.
 - There is a strong belief that sustainability is just good business, so it is one of the core components in all investment choices.
 - All investments made are certified by third party certification of sustainability forestation.

MANAGER DUE DILIGENCE PRESENTATION MOLPUS (MICHAEL COOPER, GEORGE DAHDUH)

- Mr. Bryant gave an overview of Molpus and the Plans investments with them.
- Molpus gave a high-level overview of the Fund.
- Since inception there has been a 4.9% cash yield.
- Performance has rapidly improved over the last four years, improving over 400 basis points. They strive to hit the target in the next year.
- Mr. Bryant asked if the hostility towards renewable energy has had any effect.
 - The area of impact has been solar energy; the government subsidies are no longer available but the demand for solar has not decreased.
- Ms. Mammarella asked about the damage to the environment to implement solar or renewable options.
 - There are two groups, large professional groups and the other guys. Molpus only works with large professional groups which ensure that projects are going to be done correctly with proper buffers and run-off zones, making sure we use areas that are already clear. The areas with solar products on them are very rural.
- Mr. Gonsalves asked what values are looked at when finding properties and solar for the fund.
 - There is a dedicated value-added team and their sole job is to make sure properties have a strong core return and can have add on benefits.
- 90% of the land in Canada is owned by the government and there has been some mismanagement causing them to lose a lot of the timber market. The US may be prone to pick up that demand.
- Mr. Bryant asked about extending the fund.
 - A two-year extension was just requested, which will give plenty of time to dispose of the funds.
- Mr. Bryant also asked if Molpus could expand on the returns, being half of what is expected.
 - The operations of the timber market have performed as expected but the valuation of the market has not. Appreciation was expected to grow but instead has stayed stagnant and this was exasperated by the fact that there were not many comparable sales to accurately appraise the properties. Molpus expects the properties to sell high and make up for the difference.
- Ms. Coley asked them to explain their approach to sustainability.
 - 100% of the forests are certified by the forest stewardship council.
- Mr. Moore asked if Molpus will be opening new funds since this fund is closing.

- Molpus is working on fund 6 and it's the discretion of the Boards if they want to invest in it.

FINANCIAL & QUARTERLY REPORT REVIEW

- Mr. Bryant gave an overview of the current market and the returns in the second quarter of 2025.
- The Fire & Police fund returned 7.1% and landed in the 25th percentile.
- None of the managers hurt the performance this quarter.
- Most active managers beat the benchmark except for PIMCO Stock Plus.
- GDP is slowing down; the 1st quarter GDP was negative due to a large increase in imports before tariffs took place.
- Consumer confidence was strong in the second quarter but that has changed now.
- All equity, especially large cap growth, did well last quarter.
- Mr. Wicks asked about the inflation going down with the cost of everyday items still high.
 - Once prices go up, they do not come back down, inflation is down but the prices are still felt by those that are not very high earners.
- A note was made that Mr. Bryant is retiring at the end of the year and December will be his last meeting.

CHAMPLAIN ANALYSIS

- Champlain performed well in the second quarter, but the numbers for the last five years were bad.
- The 10-year numbers are good, so the first 5 years were very good to offset the bad returns for the last 5 years.
- Mr. Bryant explained that some turnover with the analysts may have contributed to the bad returns.
- Champlain did not invest in palatine, which is a very large part of the market with high returns.
- Ms. Mammarella asked if with AI and more robust algorithms are their index funds that would work like active managers.
 - Those would be quant funds, and they would still underperform the market because AI is not at the point where it can accurately determine changes.
- Ms. Wedeles noted that while diversity is important in the fund, the diversity is more important for the type of the funds the Board invests in but not necessarily how many funds are actively managed or indexed.
- Mr. Gonsalves stated that while everyone agrees that Champlain needs to be replaced, we need another discussion on if we go with another manager or an index fund.

Ms. Mammarella made a motion to:

Liquidate Champlain and move the money into the Fidelity Index until another plan is made.

Mr. Gonsalves seconded the motion. The motion was approved (7-0).

ADMINISTRATORS REPORTS

Regular Investment and Cash Flow Reports

The rebalancing report is not yet completed. Rebalancing will be executed once available.

Other Items

- An updated education listing was provided.
- With Mr. Bryants' departure and the closing of City Hall a change in meeting locations and dates will be needed for the next year, tentatively they are agreed to have Fire and Police and Due Diligence meetings on the second Tuesday of the month with Supplemental remaining on the first Wednesday of the month.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

No report was given.

Vendor & Service Provider Review Committee

No report was given.

OLD BUSINESS:

None.

NEW BUSINESS:

Ms. Coley mentioned that Ms. Mammarella pointed out that the quarterly reports for the defined contribution plan have not been shared and Staff will make sure to get those reports out.

NEXT MEETINGS

- a. Thursday, October 9th at 8:45 AM – Interim Meeting
- b. Thursday, November 13th at 8:45 AM – Interim Meeting
- c. Thursday, December 11th at 8:45 Due Diligence Meeting

ADJOURNMENT

The meeting adjourned at 11:24 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting
Dahab Rebalancing Report
Education Listing

Distributed to Board members at the meeting:

Dahab Performance Review June 2025 (Specific to your plan)
Dahab Champlain Research Document
Hancock Presentation
Molpus Presentation