

CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM

Board Members:
Randall Woodfin, Member No. 1
Martin P. Leonard, Member No. 2
Michael Reese, Member No. 3
Steven A. Schultz, Member No. 4
Tameka Dixon, Member No. 5
Otis Luke, Member No. 6
Dale Wyatt, Member No. 7
Kasandra Brundidge Member No. 8
Ronald Vaughn, Member No. 9

Meeting Time: Wednesday, November 13, 2019 at
3:00 p.m. in Mayor's Conference Room "D"
Birmingham City Hall

Minutes: Attached are the minutes of the October 9, 2019
meeting.

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1. Approval of the minutes for the October 9, 2019 meeting.
 2. Approval of the financial statements for the month of September 2019.
 3. Approval of the investment activity for the month of October 2019.
(BBVA Compass) – Richard Underwood
 4. Approval of the investment activity for the month of October 2019.
(Quantitative Management/Prudential) – Kevin McGrory
 5. Approval of the investment activity for the month of October 2019.
(FIS Group) – Charles Curry
 6. Approval of the investment activity for the month of October 2019.
(INVESCO Capital) – Sam Mosolino
 7. Approval of the investment activity for the month of October 2019.
(Lazard) – Anthony Dote
 8. Approval of the investment activity for the month of October 2019.
(Thornburg Investment Management) – Greg Whitaker
 9. Approval of the investment activity for the month of October 2019.
(Rhumblin Advisers) – Denise D'Entremont
 10. Approval of the investment activity for the month of October 2019.
(Penn Capital) – Steve Loizeaux

11. **Approval of the investment activity for the month of October 2019.
(Cooke & Bieler) – Thad Fletcher**
12. **Approval of the investment activity for the month of October 2019.
(Great Lakes Advisers) – Laurie Watson**
13. ****Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the appearances of Mr. Greg Burchell, Mr. Daymeon Fishback, and Ms. Whitney McDade of Morgan Stanley.**
14. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: RESCIND the application of Dorothy L. Montgomery, widow of George Montgomery, a former employee with the Police Department, for WIDOW'S BENEFITS at the rate of \$1,398.67 per month, effective July 27, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
15. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of David C. Blake, an employee with the Birmingham Public Library, for SERVICE PENSION at the rate of \$3,442.55 per month (DROP Amount \$133,966.14, DROP Date 11/06/2016), effective November 7, 2019 under the provisions of Article VI, Section 1 of the pension law.**
16. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Barbara A. Harris, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,470.81 per month (DROP Amount \$135,065.88, DROP Date 11/01/2016), effective November 2, 2019 under the provisions of Article VI, Section 1 of the pension law.**
17. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Darryl S. Hinton, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$3,107.16 per month (DROP Amount \$18,490.78, DROP Date 05/08/2019), effective November 9, 2019 under the provisions of Article VI, Section 1 of the pension law.**
18. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the ****CORRECTED APPLICATION** of Hudie King, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,679.71 per month (DROP Amount \$42,481.38, DROP Date 10/06/2017), effective September 7, 2019 under the provisions of Article VI, Section 1 of the pension law. *** Mr. King was previously approved for SERVICE PENSION at the rate of \$1,684.11 per month (DROP Amount \$40,731.72, DROP Date 10/06/2017), effective September 7, 2019 under the provisions of Article VI, Section 1 of the pension law at the Board Meeting on Wednesday, September 11, 2019.***

****oral report to be heard by board**

19. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Jerry W. McDole, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$421.15 per month, effective November 2, 2019 under the provisions of Article VI, Section 1 of the pension law.**
20. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Reginald D. Servant, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$4,107.45 per month, effective October 8, 2019 under the provisions of Article VI, Section 1 of the pension law.**
21. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of LaDarick Patton, an employee with the Public Works Department, for ORDINARY DISABILITY at the rate of \$557.28 per month, effective July 23, 2019 under the provisions of Article VI, Section 7 of the pension law.**
22. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Michael S. Simmons, an employee with the Public Works Department, for ORDINARY DISABILITY at the rate of \$1,507.14 per month, effective May 18, 2019 under the provisions of Article VI, Section 7 of the pension law.**
23. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: litigation matters.**

THE BOARD OF MANAGERS OF THE CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM met in the Birmingham City Council Chambers on October 9, 2019 at 3:00 p.m.

The following Board Members were present, namely:

**Randall Woodfin, Chairman
Martin P. Leonard, Member No. 2
Michael Reese, Member No. 3
Steven A. Shultz, Member No. 4
Otis Luke, Member No. 6
Dale Wyatt, Member No. 7
Kasandra Brundidge, Member No. 8
Ronald Vaughn, Member No. 9**

Chairman Randall Woodfin, Mayor, called the meeting to order.

Board Member Martin P. Leonard made the motion for the minutes of September 11, 2019 to be approved. Board Member Dale Wyatt seconded.

The Board Members APPROVED the minutes of September 11, 2019.

Board Member Leonard made the motion to approve the financial statements for the months of July 2019 and August 2019. Board Member Wyatt seconded.

The Board Members APPROVED the financial statements for the months of July 2019 and August 2019.

Board Member Wyatt made the motion to approve the investment activity for the month of September 2019. Board Member Leonard seconded.

The Board Members APPROVED the investment activity for the month of September 2019. (BBVA Compass) – Richard Underwood

The Board Members APPROVED the investment activity for the month of September 2019. (Quantitative Management/Prudential) – Kevin McGrory

The Board Members APPROVED the investment activity for the month of September 2019. (FIS Group) – Charles Curry

The Board Members APPROVED the investment activity for the month of September 2019. (INVESCO Capital) – Mark Blackburn

The Board Members APPROVED the investment activity for the month of September 2019. (Lazard) – Anthony Dote

The Board Members APPROVED the investment activity for the month of September 2019. (Thornburg Investment Management) – Greg Whitaker

The Board Members APPROVED the investment activity for the month of September 2019. (Rhumbline Advisers) – Denise D’Entremont

The Board Members APPROVED the investment activity for the month of September 2019. (Penn Capital) – Steve Loizeaux

The Board Members APPROVED the investment activity for the month of September 2019. (Cooke & Bieber) – Thad Fletcher

The Board Members APPROVED the investment activity for the month of September 2019. (Mesirow Financial) – Eugene Duffy

Chairman Woodfin referenced the item regarding the Development of Written Parliamentary Procedures to Streamline Conduction of Board Meetings. Board Member Leonard stated the Board Members had quite a bit of discussion regarding parliamentary procedures.

Board Member Leonard made the motion for the Board Members to use Robert’s Rules of Order as their parliamentary procedures. Board Member Wyatt seconded.

The Board Members APPROVED to use Robert’s Rules of Order as their parliamentary procedures.

Board Member Leonard made to motion to approve the termination of Survivor’s Benefits for Lisa H. Self based on her remarriage. Board Member Wyatt seconded.

The Board Members APPROVED termination of Survivor’s Benefits for Lisa H. Self due to remarriage effective July 27, 2019. Mrs. Self was the widow of John Self, an employee with the Police Department.

Ms. Tina Goree, Recording Secretary, stated Arminda Walker’s Widow’s Benefit amount is \$708.20. The agenda reflects \$706.20.

Board Member Wyatt made the motion to approve the Service and Widow’s Benefits applications, along with the correction to Ms. Walker’s Widow’s Benefit application. Board Member Steven A. Schultz seconded.

Chairman Woodfin asked the Board Members if there is any more discussion or issues concerning these items.

Board Member Kasandra Brundidge referenced the correction to Ms. Walker's Widow's Benefits, and stated she has seen several corrections that had to be made on amounts. Board Member Brundidge stated she thinks the Board Members should consider some kind of software in the future. The software would allow employees to enter the information, instead of having someone physically calculating it. It is Board Member Brundidge's hope that the Board Members will consider the software in the future, because it would put everything in the hands of the employees. The employees would have the opportunity to see what they are going to get, because Board Member Brundidge stated she heard several employees say they applied and it would take months for them get a clear understanding of the amount they would receive.

Ms. Goree referenced Ms. Walker's amount on the agenda, and stated the amount was typo on her (Ms. Goree's) end.

The Board Members APPROVED the application of Ronald Forte, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$2,095.91 per month, effective October 12, 2019 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Linda J. King, an employee with the Police Department, for SERVICE PENSION at the rate of \$4,531.98 per month, effective September 26, 2019 under the provisions of Article VI, Section 5 of the pension law.

Ms. King has been receiving a Supplemental Pension in the amount \$3,065.30 since August 28, 2019.

The Board Members APPROVED the application of Steven L. Steward, an employee with Planning & Engineering, for VESTED PENSION at the rate of \$2,753.15 per month, effective September 26, 2020 under the provisions of Article VI, Section 3 of the pension law.

The Board Members APPROVED the application of Doris J. Chilcoat, widow of Wallace E. Chilcoat, a former employee with the Police Department, for WIDOW'S BENEFITS at the rate of \$2,149.40 per month, effective September 17, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Martha Marlow, widow of David Michael Marlow, a former employee with the Fire Department, for WIDOW'S BENEFITS at the rate of \$741.53 per month, effective August 11, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Connie Sue Peek, widow of Albert E. Peek, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$1,273.37 per month, effective September 8, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Arminda Walker, widow of James B. Walker, a former employee with the Police Department, for WIDOW'S BENEFITS at the rate of \$708.20 per month, effective July 6, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of LaRonda Watts, widow of Audie Watts, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$1,780.04 per month, effective August 16, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

There were appearances Mr. Mario Alba, Jr. and Mr. Darren Robbins of Robbins Geller Rudman & Dowd LLP.

Mr. Alba stated Robbins Geller has been providing portfolio monitoring and securities litigation services for the City of Birmingham Retirement & Relief System since 2015. Mr. Alba stated he and Mr. Robbins are grateful and honored to represent the City and the Retirement & Relief System.

Mr. Robbins thanked the Board Members for allowing him and Mr. Alba to make a presentation before them. Mr. Robbins stated Robbins Geller provides a monitoring program that juxtaposes the trading activity of the Retirement & Relief System against fraud and misconduct; identifying situations where the participants had been harmed from financial fraud in the markets. The pension fund's custodian would make a claim at the end, if there is a recovery. However, there are some opportunities to serve in a lead role that will impact the outcome. The impact is not just for the participants in the pension plan, but all market participants. Over the last several years, the R&R Board Members has done that. The Retirement & Relief System is not any different than the vast majority of pension funds in the US that faces funding challenges that goes short. The monitoring program is a mechanism that is done on a cost-free basis that supplements returns. During the last few years, Robbins Geller made returns on a number of cases for the Retirement & Relief System. Substantial funds have been deposited in the Retirement & Relief System. With the Enron case, Robbins Geller returned \$872,000.00 to the Retirement & Relief System. On another case, Robbins Geller returned \$123,000.00 to the Retirement & Relief System. With the Worldcom case, Robbins Geller returned approximately \$300,000.00 to the Retirement & Relief System. There are other cases, but Mr. Robbins pointed out a few for the Board Members. Currently, the Retirement & Relief System is involved in a number of situations which adversely impacted it. BHP Billiton, a very large mining company in South America, engaged in a repeated pattern of misconduct.

BHP Billiton was warned that the dam in South America was filled with toxic materials and failing. The dam polluted thousands of square miles of Brazilian waterways, and killed nineteen people. The implication for the Retirement & Relief System was that it suffered a significant loss. A claim was filed, and \$50 million dollars was recovered for investors that suffered in connection from this dam failure. Mr. Robbins referenced a case where the Retirement & Relief System lost hundreds of thousands of dollars when the pension fund invested in a company called Reckitt Benckiser. Reckitt Benckiser produced a product called Suboxone to address the opioid addiction. In 2016, the State of Alabama was the hardest hit of the fifty states in opioid abuse. In 2015, 5.8 million prescriptions were written in Alabama; 1.2 per person. Alabama was higher than West Virginia in opioid abuse. The deaths pertaining to opioid addiction around the country have been profound. With perspective to the Reckitt case, this company was in the center of that vortex and caused fundamental problems beyond harm to the Retirement & Relief System; it inflicted hundreds of thousands of dollars on the pension fund. When the Retirement & Relief System invested in Reckitt, the US Government brought an indictment against this company. The US Government highlighted Reckitt's illegal practices, and the stocks declined. Robbins Geller was very optimistic when they prosecuted the case and returned money to the Retirement & Relief System.

Mr. Robbins stated Robbins Geller monitors the Retirement & Relief System's portfolio, and there is no charge for that. With situations pertaining to fraud, Robbins Geller does the representation on a contingent basis. In the event the case is not successful, there is no additional cost to the Retirement & Relief System. Robbins Geller is proud of what they do, and very discerning in their involvement of cases. Robbins Geller tries to be very careful with the R&R Board Members' time, and always ready to show up upon request. While the Board Members sleep, Robbins Geller is monitoring and generating reports. The reports are available to Board Members, when needed.

The Board Members thanked Mr. Alba and Mr. Robbins for their presentation.

There were appearances by Mr. Greg Burchell and Mr. Daymeon Fishback of Morgan Stanley.

Mr. Fishback stated Morgan Stanley has mentioned the "R" word – Recession – for a few months. The chance of a recession is rising. Last month, the Retirement & Relief System made \$12 million dollars, but when hearing "rising recession" one may be a little puzzled. There was a lot of correction in the asset classes: internationals; small-caps; value stocks; and cyclical stocks. Morgan Stanley feels like one of sectors in the asset classes left are the large-cap growth stocks. Morgan Stanley's Global Investment Committee and Mr. Mike Wilson, Chief Investment Officer, believes large-cap growth will help in the completion of this cyclical bear market and recession. Morgan Stanley expects a 10% or more correction, sometime in the next six to eight weeks, but they feel like there is no need to panic. Core inflation is running less than 2%. The US Federal Reserve Board is continuing to reduce rates vs. this time last year.

December 2018 was one of the worst Decembers in the US economy due to the US Federal Reserve Board was raising rates; it was a different mindset.

Mr. Fishback stated one of the reasons why the market is up today is because of the trade war. Morgan Stanley does not know if there is an end in sight. There was some dialogue about the trade agreement over the weekend, which is why the market was up. With that being said, Morgan Stanley feels like there should be less focus on the trade agreement itself and more focus on personal spending and payroll. Will there be a situation where companies will start to lay more people off? Morgan Stanley is worried about this because the consumer has been strong, and companies need the consumer to stay strong going forward. The Russell 2000 index, which is mixed with small-cap companies and mid-cap companies, has seen a lot of corrections. The S&P 500 is very vulnerable.

Mr. Burchell discussed the Current Indicators: Rates in the Wealth Management handout.

Mr. Burchell referenced the Projects List, and stated Morgan Stanley has to finalize some paperwork with Victory Tri-Valent. The Capital Group's mandate will be funded. The mandate is five-day investment, and will start later this month.

Board Member Schultz referenced the handout, and asked Mr. Burchell about the Fiscal YTD Withdrawals. Mr. Burchell stated the data comes from the actuary. The information derived from the fact of Morgan Stanley trying to set expectations on the number of withdrawals that were down annually. The Board Members funds the pension fund quarterly, and it was funded last quarter. Starting this quarter, the Finance Department may draw down more but Mr. Burchell stated he is not quite sure. The money will be taken out of the cash portions.

Mr. Burchell referenced the Cashflow vs. Actual handout, and stated the Expected Cashflow is the net amount based on Fiscal Year End that is expected to be drawn down off the investments, in addition to the payroll contributions for employer and employee.

Board Member Wyatt stated for clarity the additional money from revenue generated by the fund is used to offset what is already being deducted out of the checks and matched by the City. Mr. Burchell stated that is correct. It is interesting that it continues to grow, but it seems to kind of flatten out at \$89 million dollars in 2030. With the City of Birmingham Firemen's & Policemen's Supplemental Pension System, it is reversed; becoming cash positive.

Mr. Burchell stated Morgan Stanley tracks the withdrawal rates, i.e. what it was relative to the fund. For 2018, the Annual Rate of Withdrawal for the Total Assets was 5.38% and 1.43% for 2019.

Board Member Wyatt stated for clarity “Fiscal Year to Date”. Mr. Burchell stated yes, July 1st – June 30th.

Board Member Schultz stated the Retirement & Relief System needs an investment return higher than 5.38%, in this case. Mr. Burchell stated yes.

The Board Members thanked Mr. Burchell and Mr. Fishback for their presentation.

Chairman Woodfin referenced the item for discussion regarding the secretarial duties on the agenda, and asked the Board Members who questioned this.

Board Member Brundidge stated she questioned this, as a new Board Member. If the Board Members put on the agenda to have people to come, Board Member Brundidge stated she can understand them doing that. However, Board Member Brundidge stated she felt uncomfortable at one Board Meeting when the secretary said “And such and such one is here”. Board Member Brundidge stated she may not understand the protocol or process, but she was out a week and all of a sudden she started getting these emails. Board Member Brundidge stated she cannot speak for anyone else, but she received emails stating “the meeting was cancelled”. Board Member Brundidge stated she started getting calls from employees asking “Is the Board Meeting cancelled?” Board Member Brundidge stated she just want to make sure there is a clear understanding of what the secretary is supposed to do or tell the Board Members. Board Member Brundidge stated she cannot speak for anyone else, but she does not know and wants it to be very clear as part of her fiduciary duties.

Chairman Woodfin asked the Board Members if there was any more discussion.

The Board Members did not say anything.

Chairman Woodfin asked for a motion to go into Executive Session.

Mr. Love stated he hereby certify that the reasons to go into Executive Session to discuss Items #28 and #29, and the reasons are consistent with the State of Alabama Open Meetings Law, and he certifies that he is an attorney in good standing.

Board Member Leonard made the motion to go into Executive Session to discuss potential litigation. Board Member Wyatt seconded.

The Board Members APPROVED to go into Executive Session.

The Board Member EMERGED from Executive Session.

Board Member Wyatt made the motion to deny Norris Silmon's Extraordinary Disability Benefits' application based on staff and doctor's recommendations. Board Member Leonard seconded.

The Board Members DENIED the application of Norris Silmon, an employee with Birmingham Parks & Recreation, for EXTRAORDINARY DISABILITY at the rate of \$2,350.23 per month, effective September 14, 2019 under the provisions of Article VI, Section 8 of the pension law based on staff and doctor's recommendations.

Board Member Wyatt made the motion to approve Norris Silmon's Ordinary Disability Benefits' application based on staff and doctor's recommendations. Board Member Leonard seconded.

The Board Members APPROVED the application of Norris Silmon, an employee with Birmingham Parks & Recreation, for ORDINARY DISABILITY at the rate of \$895.37 per month, effective September 14, 2019 under the provisions of Article VI, Section 7 of the pension law based on staff and doctor's recommendations.

Chairman Woodfin referenced the item on agenda regarding the options presented to Board Members from the Segal Company, and asked the Board Members if they had any discussion on this item.

The Board Members did not say anything.

Chairman Woodfin referenced the item on agenda regarding "Employees speak concerning the City's Unfunded Liability", and stated there was not much heads up. Chairman Woodfin addressed the audience by stating if there is anyone wanting to speak concerning the City's Unfunded Liability, they can come to the microphone.

Board Member Schultz stated he thought the Board Members were having a discussion regarding the options presented to Board Members from the Segal Company. Chairman Woodfin stated none of the Board Members said anything.

Chairman Woodfin extended his apologies to Mr. Adlai Trone, who approached the podium, by stating the Board Members are still in discussion.

Board Member Schultz asked Chairman Woodfin to go back to the item regarding the options presented to Board Members from the Segal Company.

Chairman Woodfin stated he had referenced Item #15, the discussion the options presented to Board Members from the Segal Company, a moment ago. Chairman Woodfin had asked the Board Members if there was any discussion regarding the options presented to Board Members from the Segal Company, and no one responded.

Board Member Wyatt stated his agreement. However, there is an agenda item to discuss “Employees speaking to the Board Members about the City’s Unfunded Liability”. The Board Members will need to debate whether to allow it or not. That is the way it reads, but that may not be the intention.

Board Member Schultz stated he was wondering the same thing.

Chairman Woodfin stated the Board Members made the motion to approve the Written Parliamentary Procedures earlier. With regards to Item #16, the rules will have to be suspended through a motion according to Robert’s Rules of Order. The motion has to be seconded, and approved by the majority. If no one brings the motion, there will be no public speaking. If no one seconds the motion, there will be no public speaking. If there is no majority vote for approval, there will be no public speaking. This is not any different from the Birmingham City Council Meeting that is held every Tuesday.

Board Member Brundidge made the motion to suspend the rules to allow people to speak in regards to the City’s Unfunded Liability. Board Member Michael Reese seconded.

Chairman Woodfin stated “all those in favor”:

Board Member Michael Reese: AYE

Board Member Kasandra Brundidge: AYE

Board Member Martin P. Leonard: ABSTAIN

Board Member Dale Wyatt: ABSTAIN

Board Member Wyatt stated the Board Members should have a discussion about the ground rules for speaking. Chairman Woodfin stated he just found out today.

Board Member Wyatt stated Chairman Woodfin asked for a motion and second, but did not ask for a discussion about public speaking. Chairman Woodfin stated no worries.

Board Member Wyatt stated he would like to speak to the motion.

Board Member Wyatt addressed the audience by stating he does not have a problem with hearing from anyone today, but he is on duty and his time is stretched already. Board Member Wyatt stated he had no idea that the Board Members were expecting to hear employees speak on the City’s Unfunded Liability today.

Board Member Wyatt stated to the Board Members this is not the way they should do it. If there is going to be a public hearing, Board Member Wyatt stated he would love to hear from the employees every month but he would rather have a public notice. If the Board Members move forward with it today, Board Member Wyatt stated he is fine with it but there should be a better process in place rather than having employees show up.

Chairman Woodfin asked Mr. Trone to have a seat.

Chairman Woodfin stated today's Board Meeting is a public meeting...

Board Member Wyatt stated if the Board Members are going to hear employees speak today and the motion passes today, there needs to be some ground rules before the speaker starts. Three minutes is a short amount of time, but the Board Members cannot have six people speaking on the same thing as the speaker before. If the speaker makes a point, the Board Members cannot let everyone else come up and make the same point.

Chairman Woodfin asked the Board Members if there was any more discussion.

Board Member Schultz asked Chairman Woodfin if the Board Members will be doing this on every issue...

Chairman Woodfin stated it seems that a Board Member sent an email to the secretary last night, unbeknownst to the other Board Members, in regards to this topic. Chairman Woodfin found out about it today as well.

Board Member Otis Luke asked to hear from Mr. Love about public hearings.

Mr. Love stated the Board Members have a policy that allows people to speak, but they have not been doing it.

Board Member Wyatt asked Mr. Love where the policy is located. Mr. Love stated there is no written policy. It is just what the Board Members have been doing, as a custom. However, the item on the agenda regarding "Employees to speak on the City's Unfunded Liability" is different. The item is something new where a Board Member wants to allow the public to speak for three minutes on a certain issue. If the Board Members want to adopt a policy like the City Council's policy, they can do that. The policy for the City Council allows public speakers to speak on any topic. The Board Members can do that; nothing prevents them for doing it.

Mr. Love stated the Board Members are now opening up the discussion, but it appears that they were about to vote but stopped and went back to the discussion. That is an uneven way to do it. Chairman Woodfin stated he understands.

Mr. Love stated he believes the motion was seconded, either for a discussion or a vote but he is not sure. Chairman Woodfin stated Mr. Love made it very clear.

Chairman Woodfin stated to the Board Members there is a motion on the floor, and asked them to move past the point of discussion.

Chairman Woodfin stated he heard two "Yes" votes; one "No" vote", and three "Abstentions" from the Board Members. The motion FAILED.

Board Member Reese stated if the Board Members are on the same page...

Chairman Woodfin stated the Board Members are not on the same page.

Board Member Reese stated his agreement. The Board Members are not on the same page. The Board Members got to do better than what they are doing.

Chairman Woodfin stated to the audience that Board Member Reese said the Board Members are not the same page, and they got to do better than what they are doing.

Chairman Woodfin acknowledged the Board Members who have employee groups: The Board Members should take their fiduciary responsibility very serious by making sure their members are well-informed. The Board Members should not be pushed. One of the best ways for all Board Members to be on the same page is communicate with each other, instead of shooting off emails in the wee hours the day before a Board Meeting while other Board Members are unaware.

Chairman Woodfin stated he is for any discussion that the Board Members want. The Board Members take their roles seriously, but there needs to be more conversation as a collective body on how they want to move forward. People should not pit employee groups against each other. There should not be a situation where the Board Members should believe everything on Facebook, because that is very unbecoming.

Board Member Brundidge stated she did not like receiving the agenda on Monday, and then receiving an amended agenda on Tuesday at 4:42 p.m. If the Board Members are going to be on the same page, the agenda should be sent prior to the meeting and not the week of the meeting. In her defense as a new Board Member and reading what she read, Board Member Brundidge stated she takes her fiduciary duty to the utmost. Board Member Brundidge stated she is not spreading rumors, and not telling anyone any untruths or anything. Board Member Brundidge stated as shareholders in this, the employees need to be at the meeting. The employees need to know about the meetings, and be aware of what is occurring.

Board Member Brundidge stated one of the things she did was tell people that the Board Meeting is Wednesday at 3:00 p.m. Board Member Brundidge stated she was preparing to leave work when the revised & amended agenda was sent at 4:42 p.m. on Tuesday. Board Member Brundidge stated when she read the revised & amended agenda, she sent an email at 10:28 p.m. because that was when she had time to sit down. The employees need to be aware of when the meeting is, which is the second Wednesday at 3:00 p.m. Board Member Brundidge stated if she is guilty of telling employees that, she is sorry.

Board Member Reese stated he is backing Board Member Brundidge, because he also told employees as well. If the Board Members do not have anything to hide, what is the problem with Board Member Reese and Board Member Brundidge telling the employees about the meeting? Board Member Reese stated he is really trying to get a good grip on this. The Retirement & Relief System has seasonal Board Members. If the Board Members are on the same page, they should not have a problem with him and Board Member Brundidge telling employees. The pension fund is the employees' money. If the Board Members are pulling strings, they are still affecting the employees' future.

Board Member Reese stated he wants to work with the Board Members; he is not against anyone. Board Member Reese stated when he became a Board Member, he had a little animosity because he thought it was not done right. Now, Board Member Reese is getting a better picture of it. The Board Members have to get it right. The employees are giving the Board Members the respect to manage their money.

Board Member Wyatt stated he is guilty too, because he tells his members that the R&R Board Members meets every second Wednesday of the month. However, this is not about telling members about a meeting. It is about putting an item on the agenda to allow public speaking and turning the normal monthly Board Meeting into a Public Hearing. Board Member Wyatt stated he does not have a problem with hearing from employees. However, if the Board Members are going to have a public hearing they can schedule it for next month to hear what employees have to say about the City's Unfunded Liability. Leading up today's Board Meeting, the Board Members did not do that.

Board Member Reese stated it is misunderstanding somewhere.

Board Member Brundidge stated the agenda needs to come earlier.

Board Member Wyatt stated the Board Members can set a date for a public hearing today.

Board Member Leonard asked what specific agenda item the Board Members are referring to. Board Member Luke stated the employees want to know what is going on with the unfunded liability, and some of them want to address it.

Board Member Leonard stated the addition of an agenda item at the last minute got Board Member Brundidge's attention, and he is not sure what the agenda item is that caused...

Board Member Luke stated he thinks it is Item #15: discussion regarding the options presented to Board Members from the Segal Company. It was not on the agenda at first when it was sent out. Board Member Leonard stated Board Member Luke is absolutely correct. The item was not on last month's agenda at the request of the Chairman.

Board Member Luke stated if the Board Members are going have a public hearing, they will need to decide if they are going to have one. By setting a date, the employee groups will know when the hearing will be. The Board Members and the Mayor's staff will hear what the employees have to say. In turn, the Board Members will have their regularly scheduled meeting separate from the public hearing.

Board Member Leonard stated this is what the Board Members have done so far:

- The Board Members had requested the City to make up the total amount of the unfunded liability. Because of budget constraints, the City made an effort by adding some additional funding to the pension plan but not totally funding it.
- There was an issue regarding the increase in contributions to a half of one percent for employees, and it FAILED. As far as Board Member Leonard knows, that issue is not on the table. Some Board Members may think it is, but Board Member Leonard stated he is convinced that it is not on the table.
- The only thing left was Mr. Rocky Joyner's recommendations concerning changing benefits for new hires. When the Board Members voted on those recommendations, it FAILED because four Board Members were for it and four Board Members were against it. The Board Members did not have the five votes.

Board Member Leonard stated from this point on, he does not know what else the Board Members are going to do and he does not have a clue what the employees want to say about the unfunded liability. Board Member Leonard stated he does not know what the employees know in order for them to come and make a presentation before the Board Members. Board Member Leonard stated he does not mind hearing from the employees, but he is not sure as to what he will listen to and how to answer it.

Board Member Leonard stated he would like to have an idea of what the employees want to talk about in order for the Board Members to be in a position to reply back.

Chairman Woodfin stated he has been part of several public organizations where the rules were suspended to allow the public to speak. Usually, the people were allowed to speak on any topic and the board members did not respond but they received the employees' information.

Chairman Woodfin stated if the City employees want to speak on an issue; a topic; or discuss anything they would like to share with the Board Members, the Board Members will receive it only. There will be no back and forth dialogue, or conversation.

Board Member Leonard stated he will agree with what the majority of the Board Members want to do. While the employees can speak, Board Member Leonard stated he would hope the number of employees wanting to speak will be a limited number. Chairman Woodfin stated the Board Members can limit the number of people, but they cannot narrow what the employees want to talk about. This is based on Chairman Woodfin's experience being on boards.

Mr. Love stated the Board Members cannot limit the number of people, and they cannot limit what the people want to talk about.

Board Member Ronald Vaughn stated he thinks the majority of the Board Members would like to hear from the employees. Board Member Vaughn stated he agrees with Board Member Reese about the pension plan being the employees' fund. The Board Members take their fiduciary responsibilities seriously. A multitude of issues came before [past] Board Members over the years. With the present Board Members, there is no pill to swallow that will make the unfunded liability go away. The present Board Members have been working on the unfunded liability for six months or longer.

Board Member Vaughn stated he thinks the Board Members do not want to get into a back and forth with the employees. The Board Members will not be answering back, but Board Member Vaughn stated he is not sure if the audience in the Council Chambers is informed on everything that has taken place. The Board Members do not want to get into a blame game. The City's Unfunded Liability is not an easy fix, as it may take a combination of things according to what Mr. Joyner told the Board Members.

Board Member Vaughn stated he thinks the Board Members would like to hear from the employees but it should not be redundant, e.g. having six people say the same thing. The Board Members could ask the employees to put it in writing so that the Board Members can get the answers from Mr. Joyner, Morgan Stanley, or some past board minutes. Some of the issues the employees bring up may have been already addressed, because the Board Members historically do not have people come to the meeting. Every few years, something big comes up and there will be a big audience at the meeting. However, the meeting historically consists of the board, legal staff, and one or two employees who applied for Extraordinary Disability.

The consensus is that the Board Members would like to hear from the employees, but the meeting should not go a long time with hearing the same thing without accomplishing something. The Board Members want to accomplish something.

Board Member Schultz asked if the idea was to make sure that employees knew when the meeting was, or was the idea for employees to actually speak.

Board Member Reese stated the employees ask "us" every month when the meeting is. If the new Board Members were not supposed to tell them, the [seasonal] Board Members should have told the new Board Members. Board Member Reese stated he does not understand why the Board Members should not tell employees when the meeting is.

Board Member Luke stated the Board Members should tell the employees when the meeting is.

Board Member Schultz stated it is public space.

Board Member Reese asked the Board Members if they have a problem with employees being here now, because the Board Members are acting like it is a problem.

Board Member Wyatt stated to the audience that it has nothing to do with them being in the room, and he does not have a problem with it. Board Member Wyatt stated he is glad they are here, thanked them for coming, and told them that the meeting is same day every month.

Board Member Wyatt stated to Board Member Reese that he keeps telling the employees that Board Member Wyatt and [other] Board Members do not want them in attendance. Board Member Wyatt stated Board Member Reese keeps accusing the Board Members of things that Board Member Wyatt does not have a problem with. Board Member Wyatt stated he does not have a problem with any employee or anyone from the public coming to the meeting.

Board Member Reese stated he is not going to make this personal. Board Member Wyatt stated Board Member Reese already has.

Board Member Reese stated if he makes it personal, it would have been personal. Board Member Wyatt stated it has been personal two meetings in a row.

Board Member Reese stated he has not been at two meetings in a row. Board Member Wyatt it was personal at the last one that Board Member Reese attended.

Chairman Woodfin stated "gentlemen..."

Board Member Wyatt stated he is not going allow Board Member Reese jump all over him and just take it.

Board Member Brundidge stated she wants to clear this up...

Chairman Woodfin asked Board Member Brundidge to pause for a moment.

Chairman Woodfin asked the Board Members to compose themselves, because they are in a public meeting. The Board Members will have a sidebar when the meeting is adjourned.

Chairman Woodfin stated Board Member Brundidge has the floor.

Board Member Brundidge stated if the Board Members had gotten the agenda early, the Board Members could have effectively said "Okay, let's discuss XYZ items". Receiving an agenda on Monday and a second amended agenda on Tuesday at 4:42 p.m. is unacceptable when the meeting is Wednesday. It caused Board Member Brundidge to take extra time to read the amended agenda, but she sent an email asking "Can we have an item to allow people to speak?" If the Board Members change the agenda on Monday, it can surely be changed on Tuesday to allow people to speak. Board Member Brundidge stated her thought was "Well, maybe people may want to speak to what is on the agenda". The Board Members have to be consistent. If the Board Members are going to get the agenda on Monday, they cannot get something different on Tuesday. Board Member Brundidge stated people had asked her to speak; that is it. Board Member Brundidge stated she merely sent an email at 10:28 p.m. asking if this item can be put on the agenda for inclusion, as well as participation, from members that have no choice in the matter in putting their funds in the pension board. It is going to come out before the employees get their check. The purpose of the additional agenda item is to allow inclusion of the shareholders, i.e. the people that put their money into the pension board system each pay period.

Board Member Schultz stated that is a little different from what he originally understood. Board Member Schultz stated he thought it was about people wanting to know when the meeting was, but Board Member Brundidge wants people to have the opportunity to speak. The reason why it is different is because some of the Board Members represent employee groups. Some of the Board Members have done a great job representing their employee groups. In fact, one of the options that the Board Members discussed got shot down by employee groups.

Chairman Woodfin stated the Board Members representing employees groups should speak on the employees' behalf.

Board Member Schultz stated allowing employees to speak has not been done in the past apparently, because the Retirement & Relief System has Board Members who represent certain employee groups.

Chairman Woodfin stated the Board Members who represent employees groups are the voices for the employees. The employees should go their respective Board Members and the Board Members should speak on the employees' behalf through their voice, vote, and discussion.

Chairman Woodfin asked for a motion to adjourn.

Board Member Luke made the motion to adjourn. Board Member Leonard seconded.

There being no further discussion, the Board Members APPROVED to be adjourned.

ATTEST:

**Lorren Oliver
Secretary**

**Randall Woodfin
Chairman**