

**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, December 11, 2019 at**  
**3:00 p.m. in Mayor’s Conference Room “D”**  
**Birmingham City Hall**

**Minutes:**

**Attached are the minutes of the November 13, 2019 meeting.**

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- 1. Approval of the minutes for the November 13, 2019 meeting.**
  - 2. Approval of the financial statements for the month of October 2019.**
  - 3. Approval of the investment activity for the month of November 2019. (BBVA Compass) – Richard Underwood**
  - 4. Approval of the investment activity for the month of November 2019. (Quantitative Management/Prudential) – Kevin McGrory**
  - 5. Approval of the investment activity for the month of November 2019. (FIS Group) – Charles Curry**
  - 6. Approval of the investment activity for the month of November 2019. (INVESCO Capital) – Sam Mosolino**
  - 7. Approval of the investment activity for the month of November 2019. (Lazard) – Anthony Dote**
  - 8. Approval of the investment activity for the month of November 2019. (Thornburg Investment Management) – Greg Whitaker**
  - 9. Approval of the investment activity for the month of November 2019. (Rhumblin Advisers) – Denise D’Entremont**
  - 10. Approval of the investment activity for the month of November 2019. (Penn Capital) – Steve Loizeaux**

11. **Approval of the investment activity for the month of November 2019.  
(Cooke & Bieler) – Thad Fletcher**
12. **Approval of the investment activity for the month of November 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: the application of Ronald C. Brown, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,404.25 per month (DROP Amount \$52,887.94, DROP Date 12/06/2016), effective December 7, 2019 under the provisions of Article VI, Section 1 of the pension law.**
15. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Marvin T. Davis, an employee with Equipment Management, for SERVICE PENSION at the rate of \$3,031.06 per month (DROP Amount \$117,953.09, DROP Date 12/20/2016), effective December 21, 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 Gaines M. Dunn, an employee with the Fire Department, for SERVICE PENSION at the rate of \$4,673.66 per month (DROP Amount \$177,159.63, DROP Date 12/01/2016), effective December 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 Anthony Ray Gardner, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$2,580.72 per month (DROP Amount \$81,042.43, DROP Date 06/06/2017), effective December 7, 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 application of Carolyn E. Gregory, an employee with the Police Department, for SERVICE PENSION at the rate of \$923.60 per month, effective December 7, 2019 under the provisions of Article VI, Section 1 of the pension law.**
19. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Teresa P. Harris, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,842.83 per month (DROP Amount \$71,713.86, DROP Date 12/27/2016), effective December 28, 2019 under the provisions of Article VI, Section 1 of the pension law.**

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

20. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Arleatha McAlpine, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,737.95 per month, effective October 17, 2019 under the provisions of Article VI, Section 5 of the pension law.**

**Ms. McAlpine has been receiving a Supplemental Pension in the amount \$2,511.98 since June 7, 2019.**

21. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Gatha Webster Norton, an employee with the Finance Department, for SERVICE PENSION at the rate of \$400.00 per month, effective December 7, 2019 under the provisions of Article VI, Section 1 of the pension law.**
22. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Barton G. Smith, an employee with the Finance Department, for SERVICE PENSION at the rate of \$505.64 per month, effective December 27, 2019 under the provisions of Article VI, Section 1 of the pension law.**
23. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Victor L. Smith, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,118.59 per month, effective December 7, 2019 under the provisions of Article VI, Section 1 of the pension law.**
24. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Ana Marina Soliz De Mejia, an employee with the Airport Authority, for SERVICE PENSION at the rate of \$400.00 per month, effective December 1, 2019 under the provisions of Article VI, Section 1 of the pension law.**
25. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Carrie M. Washington, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,966.94 per month (DROP Amount \$76,543.08, DROP Date 12/20/2016), effective December 21, 2019 under the provisions of Article VI, Section 1 of the pension law.**
26. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Kenneth J. Robinson, an employee with the Law Department, for VESTED PENSION at the rate of \$521.83 per month, effective December 10, 2019 under the provisions of Article VI, Section 3 of the pension law.**
27. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Vickie Elaine Carter, widow of Wendell Wayne Carter, a former employee with the Police Department, for WIDOW'S BENEFITS at the rate of \$1,595.00 per month, effective September 26, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**

28. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Laurel J. Gutierrez, widow of Arturo Gutierrez, a former employee with the Police Department, for WIDOW'S BENEFITS at the rate of \$773.80 per month, effective October 18, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
29. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Bessie J. Milliner, widow of Donald E. Milliner, a former employee with Equipment Management, for WIDOW'S BENEFITS at the rate of \$320.00 per month, effective October 19, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
30. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Evelyn Wilson, widow of Benny T. Wilson, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$1,870.03 per month, effective October 26, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
31. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Agatha Wright, widow of Ralph Wright, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$1,148.71 per month, effective October 18, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
32. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Norris Silmon, an employee with Parks & Recreation, for ORDINARY DISABILITY at the rate of \$904.16 per month, effective October 26, 2019 under the provisions of Article VI, Section 7 of the pension law.**
33. **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.**
34. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: litigation update**

**THE BOARD OF MANAGERS OF THE CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM met in Mayor's Conference Room "D" on November 13, 2019 at 3:00 p.m.**

**The following Board Members were present, namely:**

**Randall Woodfin, Chairman  
Martin P. Leonard, Member No. 2  
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 Dale Wyatt made the motion for the minutes of October 9, 2019 to be approved. Board Member Martin P. Leonard seconded.**

**The Board Members APPROVED the minutes of October 9, 2019.**

**Board Member Leonard made the motion to approve the financial statements for the month of September 2019. Board Member Wyatt seconded.**

**The Board Members APPROVED the financial statements for the month of September 2019.**

**Board Member Otis Luke made the motion to approve the investment activity for the month of October 2019. Board Member Leonard and Board Member Wyatt seconded.**

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

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

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

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

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

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

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

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

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

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

**Board Member Leonard made the motion to rescind the application of Dorothy L. Montgomery for Survivor’s Benefits, due to being approved by the City of Birmingham Firemen’s & Policemen’s Supplemental Pension System Board. Board Member Luke seconded.**

**The Board Members APPROVED to 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, due to being approved by the City of Birmingham Firemen’s & Policemen’s Supplemental Pension System Board.**

**Board Member Wyatt made to approve the Service Pension applications. Board Member Leonard seconded.**

**The Board Members APPROVED 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.**

**The Board Members APPROVED 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.**

**The Board Members APPROVED 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.**

The Board Members APPROVED the application of Jerry W. McDole, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$421.51 per month, effective November 2, 2019 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED 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.

Board Member Leonard made the motion to approve the Corrected Application for Hudie King. Board Member Luke seconded.

The Board Members APPROVED 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.*

Board Member Leonard made the motion to continue the Ordinary Disability applications until next month's Board Meeting. Board Member Wyatt seconded.

The Board Members CONTINUED 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 until next month's Board Meeting.

The Board Members CONTINUED 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 until next month's Board Meeting.

There was an appearance by Mr. Greg Burchell and Mr. Daymeon Fishback of Morgan Stanley. Mr. Fishback stated the Wealth Management handout, and stated he and Mr. Burchell had been talking about the percentages' increase of a Recession during the last two quarters. The stock market has been setting all-time highs, but how did that happen? The elephant in the room is that there has been a change in sentiment, along with a lot of monetary policy. In 2018, there were four interest rate hikes. In 2019, there were three interest rate cuts. The current Trade War between China and US were continuing to escalate and now there is a verbal agreement. As far as Phase One go, the trade war will discontinue escalating which is huge for China because there is supposed to be another set of tariffs that came into place around December 15, 2018.

India had cut corporate rates, as well. Brexit is more orderly, and changes will occur. Mr. Mike Wilson, Chief Investment Officer at Morgan Stanley, is still of the belief that the US is still in the same trading range. Even though the stock market is setting all-time highs, the US is around 3000 but getting close to 3100. Mr. Wilson believes the US markets are rich. Mr. Wilson wants the R&R Board Members to maintain their patience, and for Mr. Fishback and Mr. Burchell take their time with the R&R's portfolio.

Mr. Fishback stated if there is a trade war that is actually done that is Phase One or the US Federal Reserve Board Members continue to lower interest rates, it will add liquidity to the US economy which would be positive overall for the consumer. However, Mr. Wilson does not believe that will be the case. Mr. Wilson believes that even though the US has interest rates and it is about the best as it can be, the growth in the US economy has not changed. Mr. Wilson believes the growth is slow, and the US economy will be in this range-bound trading range going forward.

Mr. Fishback stated at one point the US Treasury was 1.40% or 1.56%, and it increase to fifty basis points. Mr. Wilson wants his staff members to monitor how close the 10-Year gets to 2.00%; another indicator of the US economy going the right way. The consumer must stay strong. Hopefully, companies will not begin to lay off workers. If both of these stay intact, the US economy will catch up with the sentiments that Morgan Stanley has right now.

Mr. Burchell referenced the performance handout, and stated the Retirement & Relief System has a little less than 35% in US; 28% in international; 22% in fixed income; and 5.00% in alternatives which private equity and real estate. The Retirement & Relief System made 0.84% for the quarter. At one point, the markets were down at 6.00%, but the Retirement & Relief System made approximately \$6.8 million dollars for the quarter. For the One-Year, it was 3.12%; Three-Year was 7.49%; Five-Year was 6.43%; and the Ten-Year was 8.1%. Lower term, things look better. Shorter-term, not quite as great.

Mr. Burchell referenced the handout, and stated Morgan Stanley included a Year-To-Date on the Total Fund Composite. The Retirement & Relief System is up approximately 15.40%, Calendar Year to Date, which is \$150 million dollars. The money managers performed pretty much in line or better with their benchmark; doing well on quarterly basis. The new performance represents their first quarter of the performance fees. Mr. Burchell stated he is in the process of working the Finance Department to verify if the performance fees are playing out; he will provide the calculations from managers and putting the numbers upon receipt in a single workbook for reference verification purposes.



**Board Member Wyatt asked Mr. Burchell about the \$60 million dollars that the Board Members moved a few months back in case the market starts to dip. Is the \$60 million dollars taken out in one whack, or incrementally? Mr. Burchell stated the S&P was around 3000 when the \$60 million dollars was approved, and it is down to \$45 million dollars because it was used for two quarters. The Retirement & Relief System still has three quarters left for funding.**

**Board Member Wyatt stated he was curious about the revenue it would generate, since the market did go up. Mr. Burchell stated he thinks it would be incrementally higher but it would be in basis points; representing approximately 4.50% of the portfolio.**

**Chairman Woodfin thanked Mr. Fishback and Mr. Burchell for their presentation.**

**Mr. James Love, Board Counsel, asked the Board Members to go into Executive Session.**

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

**Board Member Wyatt made the motion to go into Executive Session. Board Member Luke seconded.**

**The Board Members APPROVED to go into Executive Session.**

**The Board Member EMERGED from Executive Session.**

**Board Member Wyatt made the motion to approve the Goldman Sachs and Fannie Mae & Freddie Mac settlement, based on counsel's recommendation. Board Member Luke seconded.**

**Chairman Woodfin stated "All in Favor".**

**Board Member Martin P. Leonard: AYE**

**Board Member Otis Luke: AYE**

**Board Member Dale Wyatt: AYE**

**Board Member Ronald Vaughn: AYE**

**Chairman Woodfin asked if there were any abstentions.**

**Board Member Kasandra Brundidge: ABSTAIN**

**The Board Members APPROVED the Goldman Sachs and Fannie Mae & Freddie Mac settlement, based on counsel's recommendation.**

**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**