

11. **Approval of the investment activity for the month of December 2019.**
(Cooke & Bieler) – Thad Fletcher
12. **Approval of the investment activity for the month of December 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 Phyllis J. Carr, an employee with the Planning & Engineering, for SERVICE PENSION at the rate of \$2,227.45 per month, effective February 1, 2020 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 Linda F. Coleman-Madison, an employee with the Mayor's Office, for SERVICE PENSION at the rate of \$4,166.01 per month, effective January 18, 2020 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 Arvin L. Conduff, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$532.63 per month, effective January 4, 2020 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 Cathy J. Daniel, an employee with Municipal Court, for SERVICE PENSION at the rate of \$1,201.85 per month, effective January 4, 2020 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 Carolyn E. Gregory, an employee with the Police Department, for SERVICE PENSION at the rate of \$925.74 per month, effective December 7, 2019 under the provisions of Article VI, Section 1 of the pension law. *Ms. Gregory was previously approved 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 at the Board Meeting on Wednesday, December 11, 2019.***

****Ms. Gregory's application is a revised calculation due to longevity payment processed on November 27, 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 Rodney A. Hall, an employee with the Police Department, for SERVICE PENSION at the rate of \$4,308.32 per month, effective January 2, 2020 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Hall has been receiving a Supplemental Pension in the amount of \$2,706.20 since August 3, 2018.

20. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Anthony J. Harris, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,187.56 per month, effective January 4, 2020 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 Frederick Heflin, Jr., an employee with the Public Works Department, for SERVICE PENSION at the rate of \$3,543.60 (DROP Amount \$137,898.49, DROP Date 12/20/2016) per month, effective December 21, 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 David O. McClain, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$735.07 per month, effective January 3, 2020 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 Deborah J. Rembert, an employee with Birmingham Public Library for SERVICE PENSION at the rate of \$2,271.02 per month (DROP Amount \$88,376.29, DROP Date 01/03/2017), effective January 4, 2020 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 James E. Ross, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$2,791.80 per month (DROP Amount \$25,655.53, DROP Date 04/03/2019), effective January 4, 2020 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 Valerie M. Stancil, an employee with Parks & Recreation Department, for SERVICE PENSION at the rate of \$968.39 per month, effective December 28, 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 Raymond W. Williams, Jr., an employee with the Fire Department, for SERVICE PENSION at the rate of \$6,320.00 per month (DROP Amount \$236,372.39, DROP Date 01/31/2017), effective February 1, 2020 under the provisions of Article VI, Section 1 of the pension law.**

27. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Desiree H. Womack-Jackson an employee with Planning & Engineering, for SERVICE PENSION at the rate of \$1,684.89 per month, effective February 1, 2020 under the provisions of Article VI, Section 1 of the pension law.**
28. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the ***CORRECTED APPLICATION* of Kenneth J. Robinson an employee with Planning & Engineering, for VESTED PENSION at the rate of \$521.82 per month, effective December 10, 2019 under the provisions of Article VI, Section 3 of the pension law “subject to the repayment of the pension loan”. ***NOTE: Mr. Robinson was previously approved 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 at the Board Meeting on Wednesday December 11, 2019.***
29. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Shirley Bidy, widow of Joe Bidy, a former employee with Equipment Management, for WIDOW’S BENEFITS at the rate of \$1,497.41 per month, effective November 29, 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 Linda F. Moss, widow of Jerrel S. Moss, a former employee with the Fire Department, for WIDOW’S BENEFITS at the rate of \$1,362.61 per month, effective December 3, 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 Alice Sertell, widow of Albert J. Sertell, a former employee with the Police Department, for WIDOW’S BENEFITS at the rate of \$1,176.12 per month, effective November 6, 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 Cindy Lou Silas, widow of Dalton R. Silas, Jr., a former employee with the Fire Department, for WIDOW’S BENEFITS at the rate of \$994.93 per month, effective October 29, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
33. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Adrienne J. Campbell, an employee with Law Department, for ORDINARY DISABILITY at the rate of \$843.37 per month, effective June 22, 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: 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.**

- 35. 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 \$1,525.51 per month, effective August 31, 2019 under the provisions of Article VI, Section 7 of the pension law.**

THE BOARD OF MANAGERS OF THE CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM met in Mayor’s Conference Room “D” on December 11, 2019 at 3:00 p.m.

The following Board Members were present, namely:

- Randall Woodfin, Chairman**
- Martin P. Leonard, Member No. 2**
- Steven A. Schultz, Member No. 4**
- Otis Luke, Member No. 6**
- 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 November 13, 2019 to be approved. Board Member Ronald Vaughn seconded.

The Board Members APPROVED the minutes of November 13, 2019.

Board Member Leonard made the motion to approve the financial statements for the month of October 2019. Board Member Vaughn seconded.

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

Board Member Leonard made the motion to approve the investment activity for the month of November 2019. Board Member Steven A. Schultz seconded.

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

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

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

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

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

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

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

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

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

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

Board Member Schultz made the motion for the Service Pension applications to be approved. Board Member Vaughn seconded.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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 \$71,713.36, DROP Date 12/27/2016), effective December 28, 2019 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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 28, 2019 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

Board Member Leonard made the motion to approve Victor L. Smith's Service Pension application from \$1,118.59 to \$1,124.92, due to change in longevity. Board Member Otis Luke seconded.

The Board Members APPROVED the application of Victor L. Smith, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,124.92 per month, effective December 7, 2019 under the provisions of Article VI, Section 1 of the pension law.

Board Member Leonard made the motion for Kenneth J. Robinson's application for Vested Pension to be approved. Board Member Vaughn seconded.

The Board Members APPROVED 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.

Board Member Luke made the motion for the Widow's Benefits applications to be approved. Board Member Kasandra Brundidge seconded.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

The Board Members APPROVED 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.

Board Member Leonard made the motion to approve Norris Silmon's Ordinary Disability application, due to changes made by the Payroll Coordinator. Board Member Brundidge and Board Member Luke seconded.

The Board Members APPROVED 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. *Mr. Silmon was previously approved for Ordinary Disability in the amount of \$895.37, effective September 14, 2019, at the Board Meeting on Wednesday, September 11, 2019.*

Board Member Luke made the motion to continue Michael S. Simmons' application until next month's Board Meeting. Board Member Leonard seconded.

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.

Ms. Sandy Roberts of Pension & Payroll stated there will be some changes in the future for longevity and the retirement date; the latter changes the calculation amount. The changes are not accounting errors.

There were appearances by Mr. Greg Burchell, Mr. Daymeon Fishback, and Ms. Whitney McDade of Morgan Stanley.

Mr. Fishback referenced the Wealth Management handout, and stated at the beginning of this year there was a discussion about the bull case being around 3000. Morgan Stanley was glad they were wrong, as the market is currently above 3100. How did the market get above 3100? There was reversal in rates. The US Federal Reserve Board Members discussed rate hikes at the end of last year, and now they are discussing reducing rates. The Trade War is another factor, as December 15, 2019 is date to see if there is going to be a trade agreement. The agreement will be verbal; nothing conclusive.

Mr. Fishback stated Morgan Stanley still feels like the US will be in the same trading range in 2020. The forecasted Gross Domestic Product (GDP) rate is going to be approximately 1.8%. Morgan Stanley wants to continue to watch the incoming data in order to confirm this bull case at 3000, now above 3100. As of now, Morgan Stanley feels like the Retirement & Relief System Board Members should be reducing exposure from more passive indexes and adding more exposure to the active managers. The Board Members should also focus on financials, healthcare, consumer staples, utilities, industries, and energy. Technology is underweighted in consumer discretionary sectors. The Purchasing Managers' Index (PMI) numbers were weak at the beginning of this week, but the good news was that the job report numbers were actually better. At the beginning of this year, there was discussion about how it was important for the consumer to stay strong. As a result of the job reports, Morgan Stanley feel like the consumer, who has been tested, will continue to maintain their strength. However, the consumer will not be as strong this year because the tax cuts of 2018 have now begun to fade.

Mr. Burchell stated Morgan Stanley has finished their 1st Quarter Invoicing. The money managers were in the preliminary stages of calculating the impact of the off savings that the R&R Board Members approved earlier this year. Mr. Burchell stated he is happy to report that the fees are down approximately \$73,000.00 for the quarter. On a blended basis, it includes outperformance above a blended index of \$3.5 million dollars. Mr. Burchell stated he will have more detail coming, as he is still finalizing the numbers.

Mr. Burchell stated \$8.6 million dollars was added in investment return for the 3rd Quarter. If the performance was just at the benchmark, the amount would have been \$5 million dollars.

Board Member Schultz asked Mr. Burchell if there was any relationship to what is showing in the financials over fees, based on what Mr. Burchell is describing. Mr. Burchell stated he has not looked at the financials in comparison, but he can look at it.

Board Member Schultz stated the Investment Managers' Fees show an increase, which would make sense if the managers outperformed their benchmark. Mr. Burchell stated the fee adjustment started...

Board Member Schultz stated July 1, 2019.

Mr. Burchell stated for clarity it was over than what it was last year. Board Member Schultz stated yes, according to what is reflected in the report.

Mr. Burchell stated he can take a look at it. Morgan Stanley calculates the numbers independently of what the financial statements show. However, Mr. Burchell stated he will look at what financial statements show and reconcile all of it. Board Member Schultz stated that would be helpful.

Board Member Leonard stated the Retirement & Relief System paid a lot in money mangers' fees last month. Mr. Burchell stated that is correct.

Board Member Leonard asked if he can assume that Morgan Stanley is working with the Finance Department to monitor and make sure the fees that are being approved and paid by the Finance Department conforms to the new contract. Mr. Burchell stated Morgan Stanley is doing that.

Board Member Leonard asked Mr. Burchell if Morgan Stanley will continue to do that. Mr. Burchell stated Morgan Stanley will continue to do that, until they get to point that it is not necessary.

Board Member Schultz referenced the financial statements for October 2019, and stated the Year-To-Date number is different from the prior Year-To-Date number. Mr. Burchell stated some of that is tied to private equity.

Board Member Leonard stated as the Board Members change money managers, the numbers can be reconciled but it would probably be extremely difficult i.e. contracts, to make an accurate comparison.

Mr. Burchell stated there may be some asset levels that are higher. If one were to calculate the current quarter on the old fee, it would be higher than what it was last year. Morgan Stanley is currently calculating the quarter, based on the old fee, and comparing it to what was actually invoiced. Board Member Schultz stated that is fine. Performance was part of the deal.

Mr. Burchell stated according to Morgan Stanley's calculations with higher assets, lowered fees were paid versus what done under the old contract. That is the best-case scenario.

Mr. Burchell referenced the Projects List, and stated the Board Members approved to hire two managers to replace Thornburg, Capital Group and Victory Tri-Valent. Capital Group was approved to be funded at \$70 million dollars, and Victory Tri-Valent was approved to be funded at \$30 million dollars. The original investment portfolio is now worth \$117 million dollars. Capital Group was funded \$70 million dollars last week. Thornburg currently has \$47 million dollars remaining. In June 2019, there was a discussion about renegotiating the manager fees and reallocating an additional \$30 million dollars to Capital Group for preferential pricing. Morgan Stanley was successful in negotiating the fees without the original funding. The Retirement & Relief System has \$17 million dollars more than what was approved to allocate somewhere else.

Mr. Burchell stated he would like to personally keep the international exposure the same, but maybe shift it a little bit. Mr. Burchell stated he is okay with recommending to the Board Members to reallocate \$70 million dollars to Capital Group, as oppose to \$30 million dollars. Mr. Burchell also recommends the Board Members taking \$30 million dollars from Lazard, and reallocating it to Capital Group; increasing them to \$100 million dollars. The purpose is to lower the exposure to a specific mandate, international large-cap value which is what Lazard is primarily invested in, and put it toward Capital Group.

Board Member Leonard asked Mr. Burchell to repeat that. Mr. Burchell stated Thornburg should be reallocated to Victory Tri-Valent; take Lazard down to approximately \$143 million dollars; and bring Capital Group up to \$100 million dollars.

Board Member Leonard stated for clarity the Board Members will be taking \$30 million dollars from Lazard and putting it into Capital Group. The Board Members will also be taking \$47 million dollars from Thornburg and putting into Victory Tri-Valent. Mr. Burchell stated yes.

Board Member Schultz stated for clarification the Board Members are closing out their position with Thornburg. Board Member Leonard stated yes.

Board Member Leonard made the motion to take \$47 million dollars from Thornburg and transfer it to Victory Tri-Valent; and take \$30 million dollars from Lazard and give it to the Capital Group.

Mr. Burchell stated Victory Tri-Valent invested in a market in South Korea that finally opened; that is one of the things Morgan Stanley has been waiting on. Morgan Stanley is waiting on the administrative green light from Victory Tri-Valent; they think that will happen in the next few business days. This will be the only caveat in funding Victory Tri-Valent.

Board Member Leonard asked what the caveat is. Mr. Burchell stated South Korea's market became open for Victory Tri-Valent, and they want to invest in a few companies there.

Mr. Burchell asked the Board Members to approve to move \$30 million dollars from Lazard and give it to Capital Group. Mr. Burchell also asked to move the balance that is in Thornburg into Victory Tri-Valent, once it is administratively feasible.

Chairman Woodfin stated there is motion on the floor to approve the close out Thornburg and move to Victory Tri-Valent, once it is administratively feasible. In addition, move \$30 million dollars from Lazard to Capital Group; making Capital Group \$100 million dollars and making Lazard \$143 million dollars plus. Board Member Luke seconded.

Board Member Brundidge asked what is the purpose in funding Capital Group \$100 million dollars. Mr. Burchell stated it is simply to bring balance to the two different international large-cap strategies. Currently, the portfolio is significantly overweighed in Lazard which has a more value-oriented strategy. Morgan Stanley would like to take some of that, and bring Capital Group up to \$100 million dollars. The purpose is for Capital Group to manage that piece to have a more core-growth strategy to compliment what Lazard is currently doing.

Board Member Brundidge stated for clarity the Board Members are getting rid of Thornburg. Board Member Leonard stated yes.

The Board Members APPROVED the close out Thornburg and move to Victory Tri-Valent, once it is administratively feasible. In addition, move \$30 million dollars from Lazard to Capital Group; making Capital Group \$100 million dollars and making Lazard \$143 million dollars plus.

Mr. Burchell stated at the end of November 2019, the City of Birmingham Retirement & Relief System almost hit \$1.1 billion dollars. The Finance Department took \$25 million dollars out of the cash account to make pension payments. Mr. Burchell referenced the handout, and stated the \$45 million-dollar number dropped down to \$20 million dollars under the cashflow account. The Retirement & Relief System took out \$40 million dollars Fiscal Year-To-Date to make pension obligations.

Mr. Burchell distributed a handout of the Investment Policy, and stated Morgan Stanley does not have any recommendations for the Board Members. The policy is for Board Members' review, and can be finalized at a later date upon review.

Mr. Burchell stated there are two outstanding contracts that are waiting to be finalized, but they should be completed next month.

Board Member Schultz asked Mr. Burchell if it is possible to get a report that shows how the fund is actually traded. Mr. Burchell asked Board Member Schultz if he is referencing the ticker. Board Member Schultz stated yes. Mr. Burchell stated he will provide that for Board Member Schultz.

Mr. Steve Scaro of Regions Bank stated there are a couple of positions in the distressed account that are being held. The City's Attorney asked Regions Bank to hold these positions pending possible securities litigation; making sure they are not being sold.

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 Leonard made the motion to go into Executive Session. Board Member Luke and Board Member Brundidge seconded.

The Board Members APPROVED to go into Executive Session.

The Board Members EMERGED from Executive Session.

Board Member Leonard made the motion to accept the \$87 million-dollar settlement with Barclays on the GSE litigation. Board Member Brundidge seconded.

The Board Members APPROVED to accept the \$87 million-dollar settlement with Barclays on the GSE litigation.

Board Member Leonard made the motion to accept the settlement of \$250 million dollars for the remaining defendants in the GSE, Fannie Mae, and Freddie Mac. Litigation. Board Member Luke seconded.

The Board Members APPROVED to accept the settlement of \$250 million dollars for the remaining defendants in the GSE, Fannie Mae, and Freddie Mac litigation.

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

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

ATTEST:

**Lorren Oliver
Secretary**

**Randall Woodfin
Chairman**