

THE BOARD OF MANAGERS OF THE CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM met via Webinar and Teleconference Call on September 9, 2020 at 3:00 p.m.

The following Board Members were present, namely:

**Randall Woodfin, Member No. 1
Martin P. Leonard, Member No. 2
Steven A. Schultz, 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 to approve the August 12, 2020 Board Minutes. Board Member Otis Luke seconded.

The minutes of August 12, 2020 Board Meeting were APPROVED.

Board Member Leonard made the motion to approve financial statements for the month of July 2020. Board Member Luke seconded.

The Board Members APPROVED the financial statements for the month of July 2020.

Board Member Leonard made the motion to approve the investment activity for the month of August 2020. Board Member Dale Wyatt seconded.

The Board Members APPROVED the investment activity for the month of August 2020. (BBVA Compass) – Richard Underwood

The Board Members APPROVED the investment activity for the month of August 2020. (Quantitative Management/Prudential) – Kevin McGrory

The Board Members APPROVED the investment activity for the month of August 2020. (Xponance, Inc.) – Charles Curry

The Board Members APPROVED the investment activity for the month of August 2020. (INVESCO Capital) – Mark Blackburn

The Board Members APPROVED the investment activity for the month of August 2020. (Lazard) – Anthony Dote

The Board Members APPROVED the investment activity for the month of August 2020. (Thornburg Investment Management) – Greg Whitaker

The Board Members APPROVED the investment activity for the month of August 2020. (Rhumblin Advisers) – Denise D’Entremont

The Board Members APPROVED the investment activity for the month of August 2020. (Penn Capital) – Steve Loizeaux

The Board Members APPROVED the investment activity for the month of August 2020. (Cooke & Bieber) – Thad Fletcher

Board Member Wyatt made the motion to approve the Service Pension applications. Board Member Luke seconded.

The Board Members APPROVED the application of Frank J. Baldone, an employee with Planning & Engineering, for SERVICE PENSION at the rate of \$3,614.70 per month (DROP Amount \$140,665.33, DROP Date 08/07/2017), effective August 8, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Charles E. Black, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$548.57 per month, effective September 1, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Jacqueline E. Brooks, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$616.31 per month, effective May 23, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Gregg A. Clark, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$3,303.96 per month (DROP Amount \$16,246.93, DROP Date 04/11/2020), effective September 12, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Harriett H. Curry, an employee with the Municipal Court, for SERVICE PENSION at the rate of \$1,700.21 per month (DROP Amount \$66,163.33, DROP Date 09/11/2017), effective September 12, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Leadell B. Lumpkin, an employee with Human Resources, for SERVICE PENSION at the rate of \$1,232.66 per month, effective September 26, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Edith T. Major, an employee with the Birmingham Public Library, for SERVICE PENSION at the rate of \$4,195.20 per month (DROP Amount \$124,836.15, DROP Date 05/11/2018), effective September 12, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members CONTINUED the application of Robert E. Scott, an employee with Parks & Recreation, for SERVICE PENSION at the rate of \$620.37 per month, effective November 15, 2017 under the provisions of Article VI, Section 1 of the pension law until next month's Board Meeting.

The Board Members APPROVED the application of Michael A. Tinker, an employee with Traffic Engineering, for SERVICE PENSION at the rate of \$2,903.88 per month (DROP Amount \$60,686.74, DROP Date 01/11/2019), effective September 12, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Eugene R. West, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$541.80 per month, effective August 29, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Jody Alfano, an employee with the Fire Department, for SERVICE PENSION at the rate of \$4,222.04 per month, effective September 11, 2020 under the provisions of Article VI, Section 5 of the pension law.

Ms. Alfano has been receiving a Supplemental Pension in the amount of \$2,733.11 since December 13, 2012.

The Board Members APPROVED the application of Kenneth R. Booth, an employee with the Fire Department, for SERVICE PENSION at the rate of \$4,077.54 per month, effective September 11, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Booth has been receiving a Supplemental Pension in the amount of \$2,502.52 since October 7, 2011.

The Board Members APPROVED the application of Nettie D. Comack, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,463.40 per month, effective September 14, 2020 under the provisions of Article VI, Section 5 of the pension law.

Ms. Comack has been receiving a Supplemental Pension in the amount of \$2,279.58 since November 4, 2011.

The Board Members APPROVED the application of Cindy L. Head, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,463.40 per month, effective September 11, 2020 under the provisions of Article VI, Section 5 of the pension law.

Ms. Head has been receiving a Supplemental Pension in the amount of \$2,283.28 since November 18, 2011.

The Board Members APPROVED the application of Dana Sue Johnston, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,636.77 per month, effective September 15, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Johnston has been receiving a Supplemental Pension in the amount of \$2,333.80 since February 25, 2011.

The Board Members APPROVED the application of Ronald A. Jones, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,508.30 per month, effective September 11, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Jones has been receiving a Supplemental Pension in the amount of \$2,187.33 since October 31, 2010.

The Board Members APPROVED the application of Darryl L. Mack, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,463.40 per month, effective September 18, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Mack has been receiving a Supplemental Pension in the amount of \$2,221.29 since February 18, 2011.

The Board Members APPROVED the application of Beauowtin T. Marshall, an employee with the Fire Department, for SERVICE PENSION at the rate of \$4,812.18 per month, effective September 11, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Marshall has been receiving a Supplemental Pension in the amount of \$2,829.92 since August 21, 2020.

The Board Members APPROVED the application of Ural T. Mitchell, an employee with the Fire Department, for SERVICE PENSION at the rate of \$4,481.43 per month, with the ****CORRECTED EFFECTIVE DATE** of May 18, 2020 under the provisions of Article VI, Section 5 of the pension law. ****NOTE: Mr. Mitchell's previous effective date was July 8, 2020 when his application was previously approved on Wednesday, July 8, 2020.**

Mr. Mitchell has been receiving a Supplemental Pension in the amount of \$2,965.25 since September 16, 2014.

The Board Members APPROVED the application of Stephen F. Parnell, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,636.77 per month, effective September 13, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Parnell has been receiving a Supplemental Pension in the amount of \$2,418.99 since September 30, 2011.

The Board Members APPROVED the application of Sammie E. Powell, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,812.74 per month, effective September 15, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Powell has been receiving a Supplemental Pension in the amount of \$2,389.46 since September 17, 2010.

The Board Members APPROVED the application of Charles R. Underwood, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,463.40 per month, effective September 13, 2020 under the provisions of Article VI, Section 5 of the pension law.

Mr. Underwood has been receiving a Supplemental Pension in the amount of \$2,213.71 since January 14, 2011.

Board Member Leonard made the motion to approve the Vested Pension applications. Board Member Kasandra Brundidge seconded.

The Board Members APPROVED the application of Cynthia D. Dismukes, a non-sworn employee with the Police Department, for VESTED PENSION at the rate of \$994.11 per month, effective April 19, 2020 under the provisions of Article VI, Section 3 of the pension law "subject to the repayment of the pension loan".

The Board Members APPROVED the application of Stephanie S. Jiles, an employee with the Public Works Department, for VESTED PENSION at the rate of \$1,502.05 per month, effective September 1, 2020 under the provisions of Article VI, Section 3 of the pension law “subject to the repayment of the pension loan”.

Board Member Brundidge made the motion to approve the Widow’s Benefits applications. Board Member Luke seconded.

The Board Members APPROVED the application of Peggy Ford, widow of James Ford, an employee with the Health Department, for WIDOW’S BENEFITS at the rate of \$2,086.56 per month, effective August 3, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Patricia C. Gragg, widow of William S. Gragg, an employee with the Police Department, for WIDOW’S BENEFITS at the rate of \$1,096.07 per month, effective May 17, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Flossie S. Lowe, widow of James A. Lowe, an employee with the Birmingham Public Library, for WIDOW’S BENEFITS at the rate of \$320.00 per month, effective July 5, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Delores Sewell Mathews, widow of Cannon Gary Mathews, an employee with the Fire Department, for WIDOW’S BENEFITS at the rate of \$1,214.14 per month, effective June 17, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of JoAnn Plunkett, widow of Morris E. Plunkett, an employee with the Fire Department, for WIDOW’S BENEFITS at the rate of \$826.42 per month, effective June 16, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Sue L. Sartain, widow of Francis Leon Sartain, an employee with the Police Department, for WIDOW’S BENEFITS at the rate of \$1,243.15 per month, effective July 23, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Minnie Scott, widow of Thomas Crawford, an employee with the Public Works Department, for WIDOW’S BENEFITS at the rate of \$320.00 per month, effective July 10, 2020 under the provisions of Article VI, Section 10(A) of the

Board Member Luke made the motion to approve the Ordinary Disability application based on staff and physician recommendations. Board Member Brundidge seconded.

The Board Members APPROVED the application of Velma A. Peterson, an employee with the Public Works Department for ORDINARY DISABILITY at the rate of \$1,312.19 per month, effective August 1, 2020 under the provisions of Article VI, Section 7 of the pension law based on staff and physician recommendations.

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

Mr. Fishback stated the market had an impeccable correction over the last week, as it was down between 6% and 7%. Where did the correction come from? Some of the correction was due to options and calls from larger institutions, but most importantly the correction has not changed Morgan Stanley's outlook. Morgan Stanley still believes this is not the end of the bull market, because it is at the beginning. Even though these corrections were long overdue because they were extended, it did not derail the bull market as discussed during the last three or four quarters.

Mr. Fishback stated something had changed in the long-term interest rates. The US Federal Government and Mr. Mike Wilson, Chief Information Officer at Morgan Stanley, expect long-term interest rates to go up substantially and do not expect the rates to go down any further. The US Federal Government is allowing those long-term interest rates to go up. It is a positive signal for the economy, because it is likened for the economy to stay stable enough for the rates to go up. The current correction is a reminder of what happened in 2013 when the US Federal Government started tapering back a little bit, and it caused a 7% or 8% downside. The market adjusted, and continued to go move higher. However, the market is not in the clear because Morgan Stanley still expects volatility in the future. The uncertainty will continue because the US Stimulus Bill has not been passed; this could be a huge concern if this does not happen pretty soon. The US Presidential Election will take place on November 3, 2020 and it could be possibly contentious due to COVID-19; mail-in ballots; and other things that are out of the peoples' control. There is always a potential second wave of COVID-19 that may occur in the fall or winter. The trade war between the US and China is continuously going on.

Mr. Burchell stated he would like to potentially have a discussion on the asset allocation due to the flows and changes of the City of Birmingham Retirement & Relief System. Morgan Stanley wants to make sure they are in line to create the most-high probability for success. Mr. Burchell stated Morgan Stanley would like to proceed with doing the asset allocation study. Morgan Stanley will look at the first-quarter assets and match them with the liabilities as presented by the actuary. The study will be presented to the R&R Board Members in First Quarter 2021.

Ms. McDade stated Morgan Stanley continues to look for educational opportunities for the R&R Board Members. Ms. McDade stated she is proposing to invite someone to speak at one Board Meeting per quarter. It could be one of the investment managers, a Morgan Stanley economist, or a Morgan Stanley strategist. Provided if it is agreeable with the R&R Board Members, Ms. McDade would like to invite a Morgan Stanley strategist to speak at the November 2020 Board Meeting. The Board Meeting will occur after the US Presidential Election on November 3, 2020 and the Morgan Stanley strategist will give their outlook on what the election results will hold for the market.

Ms. McDade asked if this is agreeable with the Board Members.

Board Member Wyatt stated it is fine with him.

Board Member Leonard stated it is fine with him.

Board Member Brundidge stated she thinks is fine, but wants to know if there is road map as far as getting the pension fund to a certain point in the system since Morgan Stanley wants the R&R Board Members to get education. A strategist will be coming in November 2020. What is the goal for the next quarter? Board Member Brundidge stated she wants an understanding of what the speaker is going to talk about. Once the speaker is finished in November, will Ms. McDade tell the Board Members about a plan for the next quarter? Board Member Brundidge stated she is still kind of new to the R&R Board, and wants to stay educated as possible. Ms. McDade stated the invitation of speakers will be scheduled out one year in advance. The Board Members will know who will be presenting, and what they will be speaking about.

Ms. McDade stated the invitation of speakers once a quarter is a replacement for the Annual Investment Manager Meeting, as it was considered information overload. The invitation of speakers once a quarter will be a little more digestible for the Board Members.

Ms. McDade stated she and Mr. Burchell will be returning the Projects List format for Board Members' review.

Board Member Steven A. Schultz stated to Mr. Burchell that Mr. Rocky Joyner of the Segal Company will be doing his five-year study, while Mr. Burchell will be working on the asset allocation study. Board Member Schultz stated Mr. Burchell's function may change, but he asked Mr. Burchell if he is coordinating with Mr. Joyner. Mr. Burchell stated absolutely. Morgan Stanley will look at the current assets, and match them with the projected liabilities over the next twenty years. Morgan Stanley will have a portfolio with different scenarios, and present the highest probability of success within that given frameworks of the pension law and investment policy to the R&R Board Members. Morgan Stanley will check all the information from Mr. Joyner into account.

Board Member Schultz stated for clarity Mr. Burchell will take Mr. Joyner's assumptions into account for what Mr. Burchell knows what the accountabilities will be. Mr. Burchell stated that is correct. Mr. Burchell wants to give Mr. Joyner enough time to revise his five-year estimates and experience review.

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

Mr. Jay Turner, Board Counsel, stated the discussion of litigation matters is removed from the agenda.

Ms. Jill Madajczyk, Director of Human Resources, asked the Board Members if their preference is to have the Board Meetings through Webex or Teleconference.

After further discussion, Chairman Woodfin stated the Board Members will conduct the Board Meetings both through Webex and Teleconference. The Board Members can choose either one in accordance to personal preference.

Ms. Madajczyk stated she will make sure the call-in number is prominent at the top of the invitation for Board Members who want to call in, because the number can be hidden in the Webex invitations. The Board Members stated that is fine.

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

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

ATTEST:

**Lorren Oliver
Secretary**

**Randall Woodfin
Chairman**