

**THE BOARD OF MANAGERS OF THE CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM met via Webinar and Teleconference Call on December 13, 2020 at 3:00 p.m.**

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

**Randall Woodfin, Member No. 1  
Kenneth Crenshaw, 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 Otis Luke made the motion to approve the November 18, 2020 Board Minutes. Board Member Kenneth Crenshaw seconded.**

**The Board Members APPROVED the November 18, 2020.**

**Board Member Dale Wyatt made the motion to approve the October 14, 2020 Board Minutes. Board Member Steven A. Schultz seconded. Board Member Kenneth Crenshaw abstained.**

**The Board Members APPROVED the October 14, 2020.**

**Chairman Woodfin made the motion to approve financial statements for the month of October 2020. Board Member Wyatt seconded.**

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

**Board Member Schultz made the motion to approve the investment activity for the month of November 2020. Board Member Luke seconded.**

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

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

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

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

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

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

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

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

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

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

**The Board Members APPROVED the **\*\*CORRECTED APPLICATION** of Tracey Lee, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,111.62 per month, effective October 24, 2020 under the provisions of Article VI, Section 1 of the pension law. *\*\*NOTE: Ms. Lee was for SERVICE PENSION at the rate of \$1,115.05 per month, effective October 24, 2020 under the provisions of Article VI, Section 1 of the pension law at the Board Meeting on Wednesday, November 18, 2020.***

**The Board Members APPROVED the application of Gussie Benain, an employee with the Airport Authority, for SERVICE PENSION at the rate of \$1,867.20 per month (DROP Amount \$61,907.76, DROP Date 04/30/2018), effective December 1, 2020 under the provisions of Article VI, Section 1 of the pension law.**

**The Board Members APPROVED the application of David S. Bradford, an employee with the Fire Department, for SERVICE PENSION at the rate of \$2,552.85 per month, effective December 5, 2020 under the provisions of Article VI, Section 1 of the pension law.**

**The Board Members APPROVED the application of Helen Cannon, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,121.20 per month (DROP Amount \$25,442.46, DROP Date 04/04/2020), effective December 5, 2020 under the provisions of Article VI, Section 1 of the pension law.**

The Board Members APPROVED the application of Reginald D. Eatmon, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$723.45 per month, effective November 17, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Ronald E. Elliot, an employee with the Airport Authority, for SERVICE PENSION at the rate of \$642.91 per month, effective November 12, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Pamela B. Florence, an employee with the Finance Department, for SERVICE PENSION at the rate of \$1,572.74 per month, effective December 19, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Jeannine E. Fowler, an employee with the Police Department, for SERVICE PENSION at the rate of \$1,748.78 per month (DROP Amount \$68,053.42, DROP Date 12/04/2017), effective December 5, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Errick D. Griggs, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,972.98 per month (DROP Amount \$34,826.85, DROP Date 07/18/2019), effective December 19, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Oleg Grigoryev, an employee with Birmingham Public Library, for SERVICE PENSION at the rate of \$3,656.55 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 Larita Y. Hardy, an employee with Parks & Recreation, for SERVICE PENSION at the rate of \$1,404.18 per month, effective December 5, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Erskine R. Jones, an employee with the Police Department, for SERVICE PENSION at the rate of \$2,410.48 per month, effective December 5, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Graydon C. Newman, an employee with the Police Department, for SERVICE PENSION at the rate of \$6,607.50 per month (DROP Amount \$257,129.54, DROP Date 11/24/2017), effective November 25, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of James Watkins, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$400.00 per month, effective October 16, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Tammie Wheeler, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$2,458.21 per month (DROP Amount \$92,805.54, DROP Date 12/30/2017) effective December 1, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Tony L. Woods, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$2,948.70 per month (DROP Amount \$45,734.04, DROP Date 09/04/2019) effective December 5, 2020 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Shirley A. Jackson, an employee with the Police Department, for SERVICE PENSION at the rate of \$4,587.29 per month, effective January 19, 2021 under the provisions of Article VI, Section 5 of the pension law.

Ms. Jackson has been receiving a Supplemental Pension in the amount of \$3,086.85 since May 31, 2020.

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

The Board Members APPROVED the application of Jacinda D. Anderson, an employee with the Law Department, for VESTED PENSION at the rate of \$3,542.64 per month, effective July 3, 2023 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 Leigh K. Wilson, an employee with Birmingham Public Library, for VESTED PENSION at the rate of \$3,517.31 per month, effective April 26, 2022 under the provisions of Article VI, Section 3 of the pension law “subject to the repayment of the pension loan”.

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

The Board Members APPROVED the application of Edwina Henslee, widow of Robert E. Henslee, a former employee with the Police Department, for WIDOW’S BENEFITS at the rate of \$1,292.81 per month, effective October 30, 2020 under the provisions of Article VI, Section 10(A) of the pension law.

**The Board Members APPROVED the application of Tammie G. Oliver, widow of Kever Oliver, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$537.50 per month, effective October 18, 2020 under the provisions of Article VI, Section 10(A) of the pension law.**

**The Board Members APPROVED the application of Alberta W. Reedy, widow of Terry Reedy, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$559.54 per month, effective September 13, 2020 under the provisions of Article VI, Section 10(A) of the pension law.**

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

**Mr. Fishback stated the market has continue to reach new highs in December 2020. In November 2020, the S&P and NASDAQ rose 11% and small-cap was up 18%. The resolution of the US Presidential Election uncertainty, combined with the expectant news about the COVID-19 vaccine, accounted for the bullish sentiment. It brought a rush of cash from the sidelines into the market. This is all in line with Morgan Stanley's forecast thesis from Mr. Mike Wilson, CEO of Morgan Stanley, with regards to a V-shape economic recovery. There are four dynamic reasons that supports Morgan Stanley's view:**

- 1) The Strong Consumer – Never before has Morgan Stanley seen such high unemployment accompanied by a rise in personal income and saving rate that actually doubled in one year, along with lower credit card balances and a higher net worth. For US household and the aggregate, the ratio of debt to disposable income is actually down about one-third from where it was back in the 2008 Financial Crisis. The power of increased spending capacity, matched with pinned-up demand from vacations, restaurants, sporting events, etc., will lead to a likely surge in economic growth as the COVID-19 pandemic finally comes to an end.**
- 2) The Housing Market – An economic lever that is perhaps underestimated by investors that is continuing strength. A rise in home values are contributing to consumers, and it is making them feel much wealthier. It is leading to new home construction, which continues to rise along with the increase of buying new homes.**
- 3) Fast Economic Wealth will likely lead to inflation, which is surprising to the upside. The monetary stimulus from the US Federal Reserve has led to dramatic growth in the money supply. The mask of pressure on inflation comes from price declines and the surge of COVID-19.**
- 4) The Inflationary Dynamic is the direction of the fiscal and monetary policies. The US Federal Reserve remains committed to a long-term dovish policy stance, at the same time. The US Congress seems much more likely to pass a fiscal stimulus bill before year end.**

**(#4 continued) The selection of former US Federal Reserve Chairman Janet Yellen by US President-Elect Joseph R. Biden, Jr. for US Secretary of Treasury suggests to Morgan Stanley that there may be a coordinated response among fiscal and monetary authorities that can include debt monitorization that would likely lead to a weaker dollar and higher inflation.**

**Mr. Fishback stated Morgan Stanley encourages investors to continue to hold, and add to their small-cap value in non-US stocks, and emerging market stocks as well. Morgan Stanley believes that 2021 will have higher inflation and steepening of the yield curve, along with new market leadership in those areas.**

**Mr. Burchell referenced the Projects List, and stated \$5 million dollars was withdrawn from Cooke & Bieler; \$8 million dollars from Rhumblin Advisers; and \$5 million dollars from Lazard for pension obligations.**

**Mr. Burchell stated Morgan Stanley continues to evaluate the impact of benefit changes and contribution changes. Morgan Stanley will be working the actuary to receive their projected withdrawal for the next twenty years, in order to put together an idea of what the expectation is on the pension fund itself. Morgan Stanley will also put together some samples of some sufficient portfolios for Board Members' consideration.**

**Mr. Burchell stated Morgan Stanley finished the October month end at \$1.51 billion dollars. It is in line with what Mr. Fishback was talking about the significant growth in the markets. Morgan Stanley expects a rotation, and the Retirement & Relief System's portfolio is positioned well in its asset allocation. Morgan Stanley will continue to see volatility but the fund is positioned well for the long-term.**

**Ms. McDade stated Grosvenor will speak at the January 2021 Board Meeting. The Retirement & Relief System is currently two years into a three-year funding period for private equity managers. Grosvenor will give specific examples of what they are investing in, and what a private investment looks like. Morgan Stanley will continue to invite other managers to speak on a quarterly basis.**

**The Board Members CONTINUED the discussion of Pension Buybacks until next month's Board Meeting.**

**Board Member Luke made the motion to adjourn. Board Member Brundidge seconded.**

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

**ATTEST:**

**Lorren Oliver  
Secretary**

**Randall Woodfin  
Chairman**