

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

Minutes:

Attached are the minutes of the August 14, 2019 meeting.

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1. **Approval of the minutes for the August 14, 2019 meeting.**
 2. **Approval of the financial statements for the month of July 2019.**
 3. **Approval of the investment activity for the month of August 2019.**
(BBVA Compass) – Richard Underwood
 4. **Approval of the investment activity for the month of August 2019.**
(Quantitative Management/Prudential) – Kevin McGrory
 5. **Approval of the investment activity for the month of August 2019.**
(FIS Group) – Charles Curry
 6. **Approval of the investment activity for the month of August 2019.**
(INVESCO Capital) – Sam Mosolino
 7. **Approval of the investment activity for the month of August 2019.**
(Lazard) – Anthony Dote
 8. **Approval of the investment activity for the month of August 2019.**
(Thornburg Investment Management) – Greg Whitaker
 9. **Approval of the investment activity for the month of August 2019.**
(Rhumblin Advisers) – Denise D’Entremont
 10. **Approval of the investment activity for the month of August 2019.**
(Penn Capital) – Steve Loizeaux

11. **Approval of the investment activity for the month of August 2019.
(Cooke & Bieler) – Thad Fletcher**
12. **Approval of the investment activity for the month of August 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 items for discussion by the Board: Development of Written Parliamentary Procedures to Streamline Conduction of Board Meetings.**
15. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Kenneth W. Blackmon, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,812.74 per month, effective September 26, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Blackmon has been receiving a Supplemental Pension in the amount \$2,301.23 since September 25, 2009.
16. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Mark Files, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,463.40 per month, effective September 26, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Files has been receiving a Supplemental Pension in the amount \$2,200.60 since December 18, 2009.
17. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of James A. Henderson, an employee with the Police Department, for SERVICE PENSION at the rate of \$4,202.48 per month, effective September 27, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Henderson has been receiving a Supplemental Pension in the amount \$2,594.71 since September 30, 2009.
18. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Hudie King, an employee with the Public Works Department, 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.**

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

19. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Kenneth H. Knox, an employee with Community Development, for SERVICE PENSION at the rate of \$3,832.06 per month, effective September 28, 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 John E. Lewis, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$653.87 per month, effective June 22, 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 Jeffrey C. Lucas, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,463.40 per month, effective September 27, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Lucas has been receiving a Supplemental Pension in the amount \$2,085.31 since September 29, 2009.

22. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Ronnie D. Mack, an employee with the Police Department, for SERVICE PENSION at the rate of \$1,413.45 per month, effective August 1, 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 Foster C. McClain, an employee with Community Development, for SERVICE PENSION at the rate of \$1,979.66 per month, effective September 28, 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 Patricia D. Mitchell, an employee with Municipal Court, for SERVICE PENSION at the rate of \$1,816.97 per month, effective September 14, 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 Derrick R. Reed, an employee with the Fire Department, for SERVICE PENSION at the rate of \$3,619.71 per month, effective May 7, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Reed has been receiving a Supplemental Pension in the amount \$2,361.57 since August 8, 2016.

26. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Andrew Russo, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,619.82 per month, effective October 14, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Russo has been receiving a Supplemental Pension in the amount \$2,406.83 since December 11, 2015.

27. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Donald S. Salser, an employee with the Police Department, for SERVICE PENSION at the rate of \$3,653.71 per month, effective September 26, 2019 under the provisions of Article VI, Section 5 of the pension law.**

Mr. Salser has been receiving a Supplemental Pension in the amount \$2,511.97 since April 30, 2013.

28. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Cedric L. Stevens, an employee with the Police Department, for SERVICE PENSION at the rate of \$6,712.58 per month (DROP Amount \$253,767.30, DROP Date 09/13/2016), effective September 14, 2019 under the provisions of Article VI, Section 1 of the pension law.**
29. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Edward Castleberry, widower of Maxine Castleberry, a former employee with the Police Department, for WIDOW'S BENEFITS at the rate of \$1,381.63 per month, effective July 17, 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 Valencia Evans, widow of Ardis Evans, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$1,069.02 per month, effective July 30, 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 Ann Howard, widow of Bobby Howard, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$884.10 per month, effective June 29, 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 Linda Lively, widow of John R. Lively, a former employee with Parks & Recreation, for WIDOW'S BENEFITS at the rate of \$1,070.99 per month, effective July 12, 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 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.**
34. **Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Consue Morris, widow of James Morris, a former employee with Equipment Management, for WIDOW'S BENEFITS at the rate of \$1,191.52 per month, effective July 25, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**

- 35. Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Sarah Olson, widow of Robert B. Olson, a former employee with the Fire Department, for WIDOW'S BENEFITS at the rate of \$1,373.37 per month, effective August 14, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
- 36. Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Hurel B. Stewart, widow of Earnest N. Stewart, a former employee with the Public Works Department, for WIDOW'S BENEFITS at the rate of \$743.26 per month, effective August 26, 2019 under the provisions of Article VI, Section 10(A) of the pension law.**
- 37. Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: the application of Kathy C. Taylor, an employee with Birmingham Parks & Recreation, for ORDINARY DISABILITY at the rate of \$1,065.06 per month, effective February 23, 2019 under the provisions of Article VI, Section 7 of the pension law.**
- 38. Lorren Oliver, Secretary, submits the following agenda item for discussion by the Board: discussion of litigation matters.**

THE BOARD OF MANAGERS OF THE CITY OF BIRMINGHAM RETIREMENT AND RELIEF SYSTEM met in the Birmingham City Council Chambers on August 14, 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. 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 for the minutes of July 10, 2019 to be approved. Board Member Dale Wyatt seconded.

The Board Members APPROVED the minutes of July 10, 2019.

Board Member Leonard stated as a general rule, the Board Members generally defer the approving the PRELIMINARY financial statements for the month of June 2019 until they have been audited and resubmitted to the Board Members.

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

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

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

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

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

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

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

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

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

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

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

Board Member Wyatt made the motion to approved the Service Pension and Widow’s Benefits applications. Board Member Otis Luke seconded.

The Board Members APPROVED the application of Wesley Clark, an employee with the Public Works Department, for SERVICE PENSION at the rate of \$1,987.79 per month, effective August 1, 2019 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Lorenzo Pratt, an employee with the Birmingham Museum of Art, for SERVICE PENSION at the rate of \$1,019.20 per month, effective August 3, 2019 under the provisions of Article VI, Section 1 of the pension law.

The Board Members APPROVED the application of Susie Mae Bender, widow of Douglas Bender, a former employee with the Public Works Department, for WIDOW’S BENEFITS at the rate of \$961.90 per month, effective July 1, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Ivy Elaine McDaniel, widow of James McDaniel, a former employee with the Police Department, for WIDOW’S BENEFITS at the rate of \$1,082.67 per month, effective June 24, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

The Board Members APPROVED the application of Norma Zales, widow of Richard J. Zales, a former employee with the Police Department, for WIDOW’S BENEFITS at the rate of \$1,096.30 per month, effective June 7, 2019 under the provisions of Article VI, Section 10(A) of the pension law.

Board Member Leonard made the motion to continue the application of Ms. Kathy C. Taylor for Ordinary Disability until next month's Board Meeting. Board Member Wyatt seconded.

The Board Members CONTINUED the application of Kathy C. Taylor, an employee with Birmingham Parks & Recreation, for ORDINARY DISABILITY at the rate of \$1,065.06 per month, effective February 23, 2019 under the provisions of Article VI, Section 7 of the pension law until next month's Board Meeting.

Board Member Wyatt made the motion to terminate the application of Ms. Valerie Stencil for Ordinary Disability benefits effective July 7, 2019. Board Member Luke seconded.

The Board Members APPROVED the termination of Valerie Stencil's Ordinary Disability benefits effective July 7, 2019. Ms. Stencil was approved last month's Board Meeting but subsequently returned to work.

Chairman Woodfin referenced the agenda items for discussion regarding "Development of a Written Plan or Orientation for New Board Members" and "Development of Written Parliamentary Procedures to Streamline Conduction of Board Meetings". Chairman Woodfin asked the Board Members if there is any more discussion on these items.

Board Member Leonard stated he thinks the Board Members should form a group...

Ms. Jill Madajczyk, Chief Human Resources Officer, stated the Human Resources Department has a proposed list of items that covers training for New Board Members and Current Board Members. The proposal will be sent via email or some other source asking for Board Members' availability for the second week of September 2019. The Human Resources Department will coordinate orientation for that period of time, upon getting most peoples' attendance. Ms. Madajczyk stated she anticipates giving the Board Members a number of topics to be covered that will take a whole day. The orientation can be done on a Saturday, if the Board Members prefer to do that.

Board Member Leonard referenced the topics reflected in the handout given by Ms. Madajczyk to the Board Members, and stated a couple of items are missing. The items important in an overall training program needs to be included. Board Member Leonard stated he realizes this cannot all be done in one time, but the training should include: "Duties & Activities of the Custodian", "Duties & Activities of the Actuary" and "Explanation or Training on some of the Fundamentals of Actuarial Science". These items are not main bullet points, but Board Member Leonard asked Ms. Madajczyk to make sure to include the actuary, custodian, and financial advisers.

Board Member Leonard extended his apologies, as he sees those items are referenced in the handout. Ms. Madajczyk stated that is fine. The Board Members can email Ms. Madajczyk or Mr. Barry Lollar if they think of what they want to include in the orientation, and both will be happy to do so.

Board Member Leonard stated the handout is great. It is exactly what the Board Members need.

Board Member Wyatt stated it is a step in the right direction.

Board Member Kasandra Brundidge stated in relation to what Board Member Leonard had stated, she thought it was something that was supposed to be for New Board Members vs. it being for Board Members who have been on the R&R Board previously. Board Member Brundidge stated she thinks the orientation should be kept “bare bones” as possible; adding stuff about the actuary, etc. is going way beyond where the Board Members need to go. As a new Board Member, Board Member Brundidge stated thinks the new Board Members need to know simple stuff vs. adding in the actuary and financial advisers. With understanding the basics first, the new Board Members will eventually understand the roles of the financial advisers and actuary.

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

Board Member Leonard stated he does not disagree that the new Board Members should be overloaded, at this point. However, there are some things that the Board Members (as a whole) may want to rely on such as having direct contact with the actuary; financial advisers; etc. Board Member Leonard stated he agrees with Board Member Brundidge fundamentally.

Chairman Woodfin stated the orientation seems pretty legit, and does not seem overwhelming. Training is definitely needed; not this month but at some point. Item #16 keeps being on the agenda and requires a majority vote; stating what the Board Members want to or do not want to do. The Board Members will need to move on with the discussion.

Board Member Wyatt asked Chairman Woodfin if the Board Members need to take action on Item #16. Chairman Woodfin asked Board Member Wyatt to tell him. Item #16 is the “Development of a Written Plan or Orientation for New Board Members” and “Development of Written Parliamentary Procedures to Streamline Conduction of Board Meetings”. Both bullets are something the Board Members will need to move forward with; decide if they want to support this or not.

Board Member Brundidge stated she again thinks Item #16 needs to be two separate items. The “Development of a Written Plan or Orientation for New Board Members” and “Development of Written Parliamentary Procedures to Streamline Conduction of Board Meetings” are not one in the same.

Board Member Brundidge stated she does not think the Board Members should consider Written Parliamentary Procedures as part of the orientation. These items need to be separate, if the Board Members are going to vote on these today.

Board Member Leonard stated to Board Member Brundidge that Parliamentary Procedures is a totally different project. It is not part of the orientation. Board Member Leonard stated he totally agrees with Board Member Brundidge that the Parliamentary Procedures needs to be removed from the orientation. Until the Board Members can determine what they want to do with the Parliamentary Procedures, there is no point in having it as a part of the orientation right now.

Chairman Woodfin asked the Board Members if there is a motion to approve the Development of a Written Plan or Orientation for New Board Members, minus the Written Parliamentary Procedures.

Board Member Luke asked who will conduct the training. Ms. Madajczyk stated the training will be conducted by a variety of individuals who have the necessary expertise, such as someone from the Finance Department will talk about the financial statements or Regions Bank. In terms of Parliamentary Procedures, the Human Resources Department asked Mr. Lee Frazier, City Clerk. If the Board Members want to have training on multiple days, that is fine. If the Board Members want the Human Resources to develop a schedule to discuss one or two topics at the end of each Board Meeting, that is fine. The Human Resources Department identified key items that are necessary for the Board Members to meet their fiduciary obligations, or what they may need a refresher on. Some people may have been on the Retirement & Relief System Board for a while. The Human Resources Department is required to go through ethics training and it does not hurt to be reminded what their obligations are.

Board Member Wyatt stated he is good to go either way on the Robert's Rules of Order. However, Board Member Wyatt stated he thought the Board Members discussed at last month's Board Meeting that they are supposed to use Robert's Rules of Order according to past Board Minutes. The Robert's Rules of Order had been adopted by the Board Members. Unless the Board Members are going to change that, they will still use Robert's Rules but they will need basic training on it. The training will not be bad for the rest of the Board Members. Board Member Wyatt stated that was his understanding from last month's discussion.

Chairman Woodfin stated he will entertain any motion from any Board Member who wants to make it.

Board Member Wyatt stated it may be a lot to take in during one meeting as well, as he has been on the R&R Board in the past and since October 2018 or November 2018. The training may not produce the best output when doing it the first time, but the Board Members may learn something from it. When it gets time to do training again, it will be better the next time.

Board Member Wyatt made the motion to move forward with the Development of a Written Plan or Orientation for New Board Members. Board Member Ronald Vaughn seconded.

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

Board Member Brundidge stated for clarification the Board Members are only voting on the the Development of a Written Plan or Orientation for New Board Members, and not the Development of Written Parliamentary Procedures.

Chairman Woodfin stated there is a motion on the floor to support everything reflected in the document giving by Ms. Madajczyk.

The Board Members APPROVED to move forward with the proposed training for New Board Members.

There were appearances by Ms. Maya Saxena, Mr. Chuck Jeroldman, and Ms. Stephanie Leverett of Saxena-White. Ms. Saxena stated Saxena-White is one of the Retirement & Relief System's securities litigation monitoring firms. Saxena-White monitors the R&R's portfolio on an ongoing basis. Anytime there is a stock price drop in any securities the R&R owns, Saxena-White evaluates whether or not it is fraud-related. Most of the time, it is not fraud-related because stocks go up and down all the time. Saxena-White comes in by looking at these stock drops; evaluating whether or not it has anything to do with fraud. If it is a fraud-related case such as Worldcom or Enron or a big accounting scheme, Saxena-White will advise the R&R Board Members of their legal options. The Board Members have two legal options: 1) Be an Absent Class Member and do nothing; the pension fund will get some money back eventually if the case settles or 2) Be a Lead Plaintiff.

Ms. Saxena stated Saxena-White thinks it is very important for public pension funds to be lead plaintiff, because studies have shown over the years that when a public fund serves as a lead plaintiff, the recoveries are significantly higher as much as 33%. Saxena-White thanks the R&R Board Members for taking an active role in these types of cases.

Ms. Saxena stated Saxena-White has offices in three states. Saxena-White is headquartered in Boca Raton, FL, with offices in CA and NY. Saxena-White is the only firm in the industry that is a certified minority- and female-owned enterprise; it is something they are very proud of. In terms of the work Saxena-White has done, Saxena-White has been working with the Retirement & Relief System since 2012. Saxena-White had a few cases with the R&R, and they were successful. One of the cases Ms. Saxena was most proud of was the case against Wells-Fargo Bank. Two years ago, Wells-Fargo Bank was front page news in terms of what they were doing with their sales' practices. Wells-Fargo had some very egregious and aggressive company policies, such as creating fake customer accounts in order to record higher numbers.

Wells-Fargo did some things such as cutting off someone's signature page on a change of address form and pasting it on a new account form; they did a series of egregious corporate practices across the board. Saxena-White came in as lead plaintiff in that case, and represented the R&R Board Members. The case was the highest recovery case in history. The case settled for \$320 million dollars. The R&R Board Members' involvement really changed the way Wells-Fargo is now run, which is really important because the pension fund has an ongoing investment with them. Saxena-White required more independent directors, got back money that was given to individual corporate executives, and strengthened the way Wells-Fargo goes forward.

Ms. Saxena stated Regions Bank assists Saxena-White with recovery of funds. Every year, there is about a billion dollars-worth of recovery in cases like Wells-Fargo Bank. In order for a pension fund to get money, a Proof of Claims form must be filled out. With Regions Bank, Saxena-White filed these claims forms to make sure the Retirement & Relief System got back the money that was owed. Saxena-White is another set of eyes on the Retirement & Relief System's portfolio, and provides advice on legal options when something happens.

Ms. Saxena stated she was told the Retirement & Relief System has new Board Members, and she wanted to introduce the firm. Ms. Saxena thanked the Board Members for their business over the years, and continues to look forward with working with them.

Ms. Saxena asked the Board Members if they have any questions.

Board Member Wyatt stated to Ms. Saxena that she mentioned a \$320 million-dollar case that was settled with Wells-Fargo Bank. Board Member Wyatt asked Ms. Saxena how the money is distributed as pertains to case like that, i.e. when the money is paid out. Does the lead plaintiff get more money? Is it done by the size of the pension fund that was affected, or how much the losses were? Ms. Saxena stated Saxena-White works with Straight Securities Fraud Cases – A case where the company executives will be sued because they lied to the investment community. In those types of cases, there may be a \$500,000.00 loss (example). Saxena-White will look to get the money back. There was case with Brixmor, and Saxena-White got back approximately 40% in losses for the Retirement & Relief System. The Retirement & Relief System will get more when serving as a lead plaintiff, because Saxena-White puts in something stating “the City of Birmingham staff members had put in a certain amount of hours, the staff members' hourly rate, etc.” The Retirement & Relief System will receive a Plaintiff Reimbursement Award. The Wells-Fargo Bank case was a little bit different, because it is called a Derivative Case. Saxena-White took action on the company itself and got the money back from them. The investment in the stock goes up significantly because the Retirement & Relief System still owns it.

Board Member Wyatt stated for clarification that it was not a monetary cash award. It was just the stock went back up. Ms. Saxena stated that is correct.

Board Member Vaughn asked Ms. Saxena about Saxena-White's fee structure. It is Board Member Vaughn's understanding that Saxena-White does not get paid unless they recover money for the Retirement & Relief System. Ms. Saxena stated that is true. Saxena-White's monitoring service is done free of charge. The ongoing monitoring service, e.g. the quarterly reports the Board Members receive; the alerts; and the assistance with the claims filing are done free of charge. Saxena-White has a mechanism set up to handle that. When Saxena-White does a case, there is no obligation for the R&R Board Members to hire them. Just because Saxena-White does the monitoring for the Retirement & Relief System does not mean the Board Members has to hire them as lead counsel on a case. However, Saxena-White hopes the Board Members do. Saxena-White hopes to make a good impression in order for the Board Members to hire them. If Saxena-White serves as lead counsel on a case, it would be entirely contingent. In these types of cases, it is subject to the court. The court will say, "Okay, you have fifty hours and I will give you 20% of the overall fee". Saxena-White will never be in a situation where they would come before the Board Members and say, "We lost the case and we want \$500,000.00 back because of the time spent on expenses".

Ms. Saxena thanked the Board Members again for working with Saxena-White. The Board Members thanked Ms. Saxena White.

There were appearances by Mr. Greg Burchell and Mr. Daymeon Fishback of Morgan Stanley. Mr. Fishback referenced the Market Overview handout, and stated the S&P 500 had strong performance in the second quarter; it was the best since 1997. The S&P gained 4.30%. The performance was led by financials, materials, and technology, which is up approximately 8.00%. Energy was the biggest lagger.

Mr. Fishback stated there has been a lot of dialogue and conversation about uncertainty in the market. The topics are tariffs and the volatility in the market. Morgan Stanley expects this to continue throughout August 2019 and September 2019, at a minimum. Morgan Stanley has been calling for correction for quite some time. The reason for the correction is not just the tariffs or the US Federal Reserve Board Members reducing rates a little later than they should have. The reason is for the overall slowdown in the economy. Mr. Mike Wilson, Chief Equity Strategist at Morgan Stanley, has been calling for this since early 2018. The good news is that the Retirement & Relief System's portfolio is prepared for that. The portfolio has 9.00% in cash right now. However, the market has an inverted yield curve. The portfolio's short-term duration bonds are actually yield more than longer-term bonds; this is usually indicative of some type of recession. Morgan Stanley is not calling for a recession, although they do think the chance of a recession has increased. With regards to tariffs, people are wondering how tariffs are going to affect the overall economy. When the tariffs were extended from September 2018 to December 2018, Apple outperformed. Just like the rest of the market at the present moment, companies like Apple went down for the most part. Companies have an option to: 1) Absorb the tariffs, but most of them may not want to do that or 2) Pass the cost of the tariffs to the consumer. Only time will tell to see which option the companies will choose.

Ms. Fishback stated again the R&R System's portfolio is ready, and Morgan Stanley will be looking for the opportunity on the pull back. When the US Federal Reserve Board Members changed from tightening and reducing the balance sheet, it caused December 2018 to be one of the worst Decembers in ten years. Since then, the US Federal Reserve Board Members lowered rates so that the economy will not get hit quite as hard.

Mr. Fishback referenced the Total Fund's performance, and stated the current quarter was 3.61%; close to \$37 million dollars. For Fiscal Year-To-Date, it was 5.44%; close to \$54 million dollars. For the Three-Year number, the R&R Board Members should be commended because the pension fund had close to \$246 million dollars.

Mr. Fishback discussed the money managers' performance. Each manager has outperformed their benchmark since inception. The R&R Board Members should be commended for their selection process. For the Year-To-Date, the pension fund made approximately \$150 million dollars. When mentioning about the portfolio being prepared for the correction in pull back, the Board Members approved to put \$60 million dollars-plus to the side at last month's Board Meeting. At the time, the S&P was over \$3,000.00. It was a move that paid dividends for this portfolio.

Mr. Burchell referenced the Projects List, and stated Victory Tri-Valent is the international manager that is looking to replace Thornburg in small-cap. The Capital Group is looking to fill the larger US space. Victory Tri-Valent's contract was finalized, and expects to be funded. There are some account set-ups in the local country exchanges; a little legwork will need to be done prior to September 2019. There will be a conference call this week with Capital Group to get their contract finalized as well.

Board Member Steven A. Schultz referenced the handout reflecting the Fiscal Year-To-Date number, and asked Mr. Burchell to give an explanation. Mr. Burchell stated the Fiscal Year-To-Date number is a Calendar Year-To-Date number. The Fiscal Year-To-Date is from July 1st to June 30th. The One-Year Number and the Fiscal Year-To-Date Number are the same number, as reflected in the report.

Board Member Schultz asked which number will go into the actuarial report. Mr. Burchell stated the Segal Company would use the Fiscal Year-To-Date number to do their actuarial forecast.

Chairman Woodfin referenced the item on the agenda the "discussion regarding the options presented to Board Members from the Segal Company". Chairman Woodfin stated the handout reflecting the options were printed and distributed to people who are present at today's Board Meeting. Chairman Woodfin stated the Board Members had these options since March 2019, and people will know what the Board Members are discussing.

Chairman Woodfin stated he has some comments and thoughts, but will allow any Board Member who would like to speak first and asked them to be candid.

Board Member Leonard stated he was instrumental in working with the actuary on a plan or proposal to gain some extra money to go into the pension plan. The proposal has two parts: The first part is establishing a third tier pertaining to employees who were hired on or after the date when the legislation passes. The multiplier would be reduced from the present 2.25% to 1.75%. The reduction will not affect any working employee. It will not affect fire and police also. The fire and police multiplier would stay at the current 2.25% for new employees. The next change would be for people who retire that have spouses and they may want the spouse to have a benefit upon the retiree's death. The retiree would have to pay for a reduction in their initial benefit in order to pay for the survivor to have a benefit. This would affect fire and police.

Board Member Leonard stated the second part would apply to all employees. It would be asking the current employees to increase their contribution from 7.00% to 7.50%; this would include fire and police. The second part has been a source of contention for a number of months.

Board Member Leonard stated the Board Members have not had any deep discussions at all on the benefits that would apply to new employees. Board Member Leonard stated he thinks the bone of contention that the Board Members are struggling with is whether or not current employees would agree to pay an additional 1.50% of 1.00% into the pension fund.

Board Member Michael Reese stated he is trying to understand why the Board Members have to make up a deficit that was already in place, prior to Mayor Woodfin being elected. Why are the Board Members trying to get employees to pay for what the Mayor handles? It should happen "in house", instead putting on the employees.

Board Member Reese stated he is lost and asking for understanding, because it is coming across as divisive. The fire and police are not going to be exempt on some things. Board Member Reese stated Public Works employees and other employees are just as strong as fire and police. That is what the Board Members are missing. Board Member Reese stated he understands that fire and police have a job to do, just like Public Works. However, all employees are under the City of Birmingham's umbrella. The fire and police are dividing the umbrella badly, and that needs to change. The Board Members watch over all this money.

Board Member Reese asked the Board Members if all employees are going to get a clear shake on their money, because it is not just fire and police. Even though fire and police are first priority or as least that is what they say, they get all the glory. However, the Board Members need to keep in mind that Public Works are right here.

Board Member Wyatt stated to Board Member Reese that he did not come up these options. The options were done by the actuary. Board Member Wyatt stated he did not make these recommendations. The recommendations were brought to the Board Members by the actuary; showing what the numbers will do.

Board Member Wyatt stated he is not trying to divide anybody. However, police and fire do not get Social Security upon retirement like the general employees. Board Member Luke concurred.

Board Member Wyatt stated to Board Member Reese that when Board Member Reese retires, he will get Social Security on his salary. Board Member Wyatt will not.

Board Member Reese stated the police and fire can retire, get a pension, come back, and get a check. It is evident that police and fire are dividing themselves from general employees.

Board Member Luke stated to Board Member Reese that Public Works employees pay into Social Security. The City pays an additional 60% towards that Social Security. Police and Fire do not get that benefit. That is why it is a little bit different for police and fire based on what the actuary is stating. There is no Social Security benefit for police and fire at all.

Board Member Luke stated if he were to work an extra job that has Social Security, he would have to pay 25% towards Social Security from that extra job. Police and Fire are not dividing the City employees. It has always been different for police and fire. The current law about police and fire retiring and coming back was not something done by the Board Members, but by the previous City's Administration. It is a state law that was signed by the Governor of Alabama. Police and Fire still pay into the pension system, but they cannot get another benefit. It is locked. No matter how many more years they work, police and fire pays into both City pension systems. Police and Fire cannot get any additional money.

Board Member Luke stated (as an example) if he retires today and decide to come back, his retirement check is \$2,200.00. Board Member Luke stated he will still pay into the Retirement & Relief System. The benefit will be deducted out of his check, and it will stay \$2,200.00 regardless. Police and Fire are still paying into the system, which benefits the system, but they cannot pull another benefit.

Board Member Reese stated the police and fire are still putting more on general employees; making sound like it is general employees' fault. Board Member Luke stated it is not anyone's problem. It is the law.

Board Member Luke stated the employees are altogether in the City's Unfunded Liability, but it is not the employees' problem.

Board Member Reese asked how are the employees altogether in this. Board Member Luke stated the employees are taking the brunt right now. The employees' check went down because they have not received a Cost of Living Adjustment (COLA) increase. The employees are probably not going to get a COLA next year, provided if the City does not increase its actuarial amount to pay a COLA. The City took the COLA for this year and put it towards the pension system.

Board Member Luke asked Board Member Reese if his insurance benefits went up. Board Member Reese stated yes. All employees' insurance benefits went.

Board Member Luke stated the employees are all facing the same problem. Board Member Luke stated his check went down this year, compared to what it was last year. This is not something that is dividing employees. It should be something to where the employees should be unified and try to come up with a decision on how to handle the pension fund the future.

Board Member Luke stated he is not for paying an additional half percent out of his check, when his check is already going down. Board Member Reese stated he heard general employees will have to pay the extra money, and police and fire were not.

Board Member Wyatt stated that is not the case at all. Board Member Wyatt stated he is not in support of anyone paying another half percent. The numbers reflected in the handout are based on if the Board Members were to adopt them, this is what numbers will do. Board Member Wyatt stated he did not say he will support these options.

Board Member Reese asked if the Board Members are exhausting every option they have to all this. Board Member Wyatt stated the options reflected in the handout are what the changes will do.

Board Member Reese asked who made these changes. Board Member Wyatt stated the actuary.

Mr. James Love, Board Counsel, stated he thought a committee came up these changes. Board Member Wyatt stated no. The actuary sent these changes to the committee to discuss and bring forth to the Board Members. The actuarial numbers were done by Mr. Rocky Joyner of the Segal Company. The options reflect if the Board Members made these changes, this would be the savings to the contributions. Whether or not the Board Members adopt one or any of them will be up to the board as a whole. Board Member Wyatt stated he did not say that he would support or not support any of these options. The options were presented to the committee.

Board Member Wyatt stated he is not supporting any increase to employee contributions for police, fire, and anyone else. The numbers were presented to the committee. If the Board Members were to adopt these options, that will be the savings.

This is what the handout is about. Board Member Wyatt stated he is not trying to put anything on anyone else. Board Member Reese stated okay. The way it looked came across as being divisive.

Board Member Wyatt stated Board Member Reese this is first time the two of them had a conversation.

Board Member Vaughn stated the today's discussion is a really good view as to why an orientation is needed. Today's discussion is just a misunderstanding. The options did not come from the Board Members. The options came from the actuary. The actuary does a forensic audit that shows what it will take, i.e. what these numbers will actually do. Board Member Wyatt had said it is up to the Board Members to vote on these options, up or down, based on what the numbers will do.

Board Member Vaughn stated he thinks the Board Members are united, but some orientation classes would really do them well.

Board Member Brundidge stated she recalls Mr. Joyner meeting with the Board Members at either her first or second Board Meeting about the unfunded liability. For the last seventeen years according to Board Member Brundidge's understanding, the City chose the option of not putting anything into the Retirement & Retirement System; whether they could have or should have. However, the employees were not giving that option. Each month, the retirement benefit is taken out of Board Member Brundidge's check.

Board Member Brundidge stated she does not see why the Board Members are considering this. The entity that owes the money needs to look at options to pay that money to the pension system. Board Member Brundidge stated she understands the options in the handout were submitted by the actuary. However, Board Member Brundidge stated she wants to know what the people on the R&R Board were doing, prior to today. Why they did not say something then? Board Member Brundidge stated she is thinking about the City employees' future. When Board Member Brundidge turns sixty-five years old and cannot work or people who are sixty-five and cannot work, the Board Members will have to be good stewards and look into who actually owes this money to the pension system.

Board Member Leonard stated Board Member Brundidge is absolutely right about the City failing to pay the required contributions for last seventeen years. What did [past] R&R Board Members do? Board Member Leonard stated he has been on the R&R Board for thirty-two years. Every year, the Board Members receive the actuarial study from the actuary. The actuarial study shows the status of the pension fund, i.e. whether the pension fund is overfunded or underfunded. The Finance Director is the treasurer of the pension fund. When the Retirement & Relief System became underfunded, the Finance Director (at that time) was made very well aware of the underpayment.

As a pension board member, knowing this information had to be passed on to people in the City's Administration, Board Member Leonard and [past] R&R Board Members were not in a position individually to go to the Mayor's Office or his assistant's office to make demands, e.g. "You got to put an X number of dollars in this fund". When the Retirement & Relief System became underfunded, it continued to grow and grow. The [past] City's Administration failed to make its required contribution. As far as blaming any particular Board Member, that is not the right thing to do because the Board Members did not have any control individually. The R&R Board Members at that time did what they were supposed to do.

Board Member Reese stated to Board Member Leonard for clarity that Board Member Leonard mentioned he has been on the R&R Board for thirty years. Board Member Reese asked Board Member Leonard if he served with ten Mayors or five Mayors. Board Member Leonard stated at least five.

Board Member Reese stated Board Member Leonard did not address the problem with past Mayors or the Birmingham City Council; none of the present Board Members served on the R&R Board but Board Member Leonard. Board Member Leonard stated when he came on the R&R Board the first time, (former) Mayor Richard Arrington, Jr. was the Chairman. Mayor Arrington attended virtually every R&R Board Meeting that Board Member Leonard ever attended. During Mayor's Arrington's tenure, the Retirement & Relief System was always overfunded. When Mayor Arrington left, (former) Mayor Bernard Kincaid became Chairman. Mayor Kincaid may have attended one – three Board Meetings in the eight years as Mayor.

Board Member Reese stated that means [past] Board Members were running Board Meetings by themselves without the Mayor. Board Member Leonard stated that is correct.

Board Member Reese stated the [past] Board Members still had an obligation to employees. Board Member Leonard stated that is correct.

Board Member Reese stated "we" put it on the wrong people. If a Mayor was not present for any R&R Board Meetings and [past] Board Members still met, Board Member Leonard is thirty years in.

Board Member Leonard asked Board Member Reese if he is saying that Board Member Leonard should have taken the money out of his own pocket. Board Member Reese stated no.

Chairman Woodfin asked that the conversation to be free-flowing and candid. Even though there are some feelings about this, the Board Members must be respectful when engaging each other.

Board Member Leonard continued by stating while (former) Mayor Kincaid did not attend any R&R Board Meetings, the same thing occurred with (former) Larry Langford's term. Former Mayor Langford attended one R&R Board Meeting, and that was when he wanted to put the entire pension fund in treasury bills. It made for an interesting afternoon.

Board Member Leonard stated all R&R Board business, transactions, and results were passed on to the Finance Director and powers that be. The [past] R&R Board Members met their responsibility by managing the pension fund and passing along the results of each year. Board Member Leonard stated he does not know what he and [past] Board Members individually could have done.

Board Member Reese apologized to Board Member Leonard. Board Member Leonard stated he is not offended.

Board Member Reese stated a lot of us are stuck in the past, but "we" are here now. The current nine Board Members have to get it right, because the City has employees who are trying to retire. The City also has employees who are not trying to retire. The Board Members are with employees who are trying to retire. Every month, the Board Members are responsible for every dime. Twenty years from now, the Board Members will still be accountable. Just like what happened back then, it was former Mayors. Board Member Reese stated the only thing he would like for the Board Members to do is come as one; no dividing. The employees come to serve the City of Birmingham and to make Mayor Woodfin look good; that is their job. There is so much disrespect towards Public Works, e.g. people are saying there are more employees in fire and police. Everyone knows fire and police works hard, but this Birmingham, AL. The City of Birmingham is biggest city in the state.

Board Member Leonard asked Board Member Reese if he realizes that Board Member Leonard is not an employee. Board Member Reese stated he realizes it.

Board Member Reese stated the employees are looking at the Board Members. Board Member Leonard stated he has served them for thirty-two years; paying his civic rent. During the time Board Member Leonard was on the R&R Board, the [past] Board Members increased benefit multiplier from 2.00% to 2.25%. Approximately five years later, it went from 2.25% to 2.50%.

Board Member Leonard stated he knows Board Member Reese is not blaming him. If Board Member Reese wants say that "Board Member Leonard should have done something" when the pension fund became underfunded, for goodness sake Board Member Leonard should be given credit for increasing the benefits by 25% over the last thirty-two years. Board Member Reese thanked Board Member Leonard.

Board Member Reese stated the Board Members need to lock in right now. Board Member Leonard stated he thinks the Board Members need to exhaust every possibility of coming up with the money that is required to make the pension fund 100% funded. A lot of people would say the “the City did not pay” or “it is the City’s responsibility”, and that may be absolutely right. However, Board Member Leonard stated he is wondering if the Board Members have exhausted all resources in coming up with a solution.

Board Member Schultz stated the issue is a complicated issue, because the Board Members look to the City and say “They did not do their job”; that argument can certainly be made at least during the last seventeen years. However, when breaking down the \$404 million dollar-unfunded liability hole that the Retirement & Relief System has, a third of it comes from the City underfunding the pension fund during that seventeen-year period. Another third comes from the market crash in 2007 and 2008, which no one had control over. Another third comes from various ancillary things, with the biggest being the Voluntary Retirement Incentive Plan (VRIP) that was done four or five years ago. Sixty million dollars was taken out of the pension fund to fund the VRIP.

Board Member Schultz stated it is easy to point the finger and say “the City needs to do this, because they created the \$404 million dollar-hole”. The argument can be made when stating it is the City’s responsibility, because past administrations did not do what they were supposed to do. Even if they had, the City would still have an unfunded liability and the Board Members would need to address it.

Board Member Brundidge stated she has an issue with handout from the actuary. The handout reflects Member Contributions; City’s Cost Savings from a Thirty-Year standpoint; and City’s Cost Savings from a Forty-Year standpoint. Board Member Brundidge asked where the employees’ cost savings are. The Board Members really need to figure out something other than this (handout). Board Member Brundidge stated she does not want to contribute anything additional for pension.

Board Member Brundidge stated she again goes back to not having an option when getting her check every two weeks; that money is taken out regardless. Board Member Brundidge stated she understands what Board Member Schultz said earlier. However, if the City had put in their required amount during the last seventeen years, the [current] Board Members would not be at this point i.e. Would the pension fund would be at a much greater or much lesser amount in liability?

Board Member Wyatt stated he has no further comment. The Board Members have discussed this time and time again. The handout from the actuary has been discussed before. The Board Members are where they are. Board Member Wyatt stated he is not in support of employee contributions going up, and does not know what other issue the Board Members need to discuss today.

Board Member Luke stated he is not in favor of any additional employee contributions; he cannot take another hit to his pockets in every paycheck. Board Member Luke stated he thinks the City has to look at other options or other valuations on some additional funding that is not on the back of employees.

Chairman Woodfin stated to the Board Members when this conversation started originally, they knew it was going to be tough and hard. The Board Members would have to make tough, unpopular decisions but the overall goal was to honor their fiduciary duty of protecting the pension; making it solvent collectively for current employees, retirees, and future employees. It was not necessarily for City's employee groups.

Chairman Woodfin stated some of the Board Members came on the Board by way of their employee groups, but the nine Board Members act as a collective body through a majority vote when making decisions that works for the pension. It is very, very easy to get into a conversation among nine Board Members when pointing fingers and placing blame. The Board Members received a history lesson acknowledging every administration or prior Board Members on what they should have done or did not do.

Chairman Woodfin stated he has been wearing two hats as Mayor and Chairman for twenty months, and many of the R&R Board Members are new. When this conversation first started approximately ten or twelve months ago, the conversation centered on being a three-way sharing pain. The City could not 100% absorb all the cost, when \$0.08 out \$0.10 goes directly to employees. The \$0.20 goes towards operational cost for basic services. The Board Members had asked themselves "What can they all agree upon? There are trust issues that exist here". There are no trust issues among employee groups, but there are trust issues among City of Birmingham's Administrations collectively and the pension board. If the City was willing to put up more as a collective body, the Board Members would entertain the other two thirds of what they have to do. Morgan Stanley did the cost-saving figures for overhead fees. The next step was what to do about new employees and current employees in order to reach some type of agreement. The handout reflecting the options were done by the actuary, but he did voluntarily create that. Some of the Board Members went to the actuary and asked for some options that they can discuss. The City is eating 41% of the cost. The investment managers cut their fees. This leaves one-third of the conversation for the Board Members to have in finding a way to stomach some form of an agreement, as it relates to employees and move forward. The Board Members have been tip-toeing around this since March 2019. The City showed its trust by putting extra money in the general fund, because they are serious about making sure the pension is solvent for current employees, retirees, and future employees. Morgan Stanley did their part.

Chairman Woodfin stated he understands this conversation is tough, but the Board Members cannot deviate from their fiduciary responsibilities when making tough decisions even if they are uncomfortable.

Chairman Woodfin addressed the audience, and stated he was told someone invited them by saying “All employees, General, Police, and Fire should be unified and demand that our pension law should not be changed”. Chairman Woodfin stated agrees with the first part of the statement. All employees should be unified. The demand about the pension law not being changed comes at a heavy cost that Chairman Woodfin does not think many of them are prepared to talk about, but he wants to start the discussion.

Chairman Woodfin held up \$1.00, and stated the dollar represents a \$453 million dollar-budget. Out of \$1.00, \$0.80 goes towards employee salaries. The other \$0.20 goes towards paving streets and other basic services for City residents. When there is an increase of revenues coming in, it is driven by sales tax; business licenses, etc. Believe it or not, a lot of that money goes toward additional benefits, the “\$0.80”, in merit and longevity pay. Chairman Woodfin stated he made a tough decision last year, and the City’s administration is still looking at the budget as to what they can do for next year. In that regards several people, the Fraternal Order of Police (FOP) and Fire Leadership in particular, complained to Chairman Woodfin about the COLA. Chairman Woodfin stated he had to make a tough decision between the City owning up to its promise; making the first step by taking additional monies out of the general fund to make the pension solvent and still do things in the short-term for employees such as longevity, merit, and insurance. Now the City is left with how to go forward. Several employees, along with Mayor Woodfin’s colleagues, have this mindset that “If it is the City’s responsibility to make the pension solvent, the City should be 100% responsible for that”. Chairman Woodfin stated he can do it, but it would require him to reallocate that \$0.80. Chairman Woodfin stated he guarantees that many employees would not agree with where he will reallocate that \$0.80, because he cannot take it from the \$0.20.

Chairman Woodfin stated there is an expectation that 100% of the unfunded pension should come from the City. It will require very tough, unpopular decisions. Chairman Woodfin stated he wants the employees to know that he is 100% prepared to make those decisions, as Mayor. The decisions come with a cost of reallocating the \$0.80. However, it will not be reallocated if the employees take the position by demanding that no else does anything. The Board Members have the fiduciary responsibility to make the pension solvent. Public Works is a minimum of one-fourth of the employees; Police Officers are second; and Firefighters and General Employees are tied at third. Chairman Woodfin stated he represents employees too. If the City is 100% responsible for this unfunded liability, it will have ripple somewhere else that will not work for what the Board Members want to do in support of employees. That is why the Board Members agreed to one-third, one-third and one-third because the City could not afford to eat it all without it being an adverse ripple somewhere else.

Chairman Woodfin stated the podium in middle of the Council Chambers represent compromise. People do not everything they want at the podium; there is some pain here.

Chairman Woodfin stated to the Board Members that he supports them, and tries everything he can do to support employees. The employees deserve a fully-funded pension, a COLA every year, and merit increases every year. When wearing his Mayor hat, Mayor Woodfin is not allowed to kick the can down the road anymore. As one of nine Board Members, Chairman Woodfin does not believe the Board Members are allowed to kick the can. This leaves the Board Members in a position to make tough, unpopular decisions but the long-term cause is make the pension solvent. The Board Members will be doing it not necessarily for the individual employee groups, but they will do it for the pension that supports all employees; retirees; and future employees.

Chairman Woodfin asked the Board Members what is their pleasure.

Board Member Wyatt asked Chairman Woodfin if he is asking for an up or down vote on these changes. Chairman Woodfin stated he is asking for a discussion, because he does not think the Board Members discussed it.

Chairman Woodfin stated he is not asking for an up or down vote, because he does not think the Board Members attempted to discuss it. Everyone came out the gate and said “no”; at least that is the sentiment around the table.

Board Member Leonard stated this overall proposal would come up with 1.56% additional monies for meeting the unfunded liability. Only one-half of one percent includes the raise for additional contribution from the current employees.

Board Member Leonard stated he got a feeling there is probably a few more things that the Board Members can do in a Tier III that could up with some more money, and he would be willing to work with the actuary to look at it. The Board Members can take out the half-percent in the proposal, and still have something to look at that will not affect current employees. Board Member Leonard stated he is not an industrial engineer, but he thinks it would be interesting to look at every department within the City of Birmingham and make an evaluation to see if any are overstaffed. If so, the City can reduce employees in some departments through attrition. Board Member Leonard stated he is not pointing fingers at fire; police; Public Works; or anyone else. However, the City can reduce staff through attrition.

Board Member Leonard stated he is trying to make sure the Board Members are not overlooking something they can continue to look at to help solve this problem, without touching the employee contribution. Chairman Woodfin stated that is understood.

Chairman Woodfin stated pertaining to the part about the employee contribution conversation he believes the way the Board Members got these options was based on the Board Members being pretty adamant about some things as a non-starter. Chairman Woodfin stated he recalls the non-starters, specifically police and fire. That is how the options, or a combination of the options, came about that gear towards general new hires.

Chairman Woodfin stated today's conversation is "We do not want any of these ten options", and asked the Board Members for an explanation. That is not how the conversation started among the Board Members, and that is not what the records or notes reflect from previous Board Meetings when they started this conversation about having a third, third, third. It was not necessarily having an equal one-third, one-third but a three-way of sharing pain. Now, all of a sudden the Board Members are saying that it is "totally off the table".

Board Member Leonard stated he has the general opinion that the employees reject the half of one percent increase in their pension contribution, for a lot of good reasons. It is not on the table anymore.

Chairman Woodfin asked about the other nine options. Board Member Leonard stated he does not know.

Board Member Reese asked if the deficit is going to get worse. Chairman Woodfin stated yes. The deficit is projected to increase every year.

Board Member Reese asked how much. Chairman Woodfin stated that is a question for the actuary.

Board Member Leonard stated that would depend on what the actual investment return is every year. The City can get some years that are more than 7.50%, such as 8.00% or 9.00% that could stabilize the increase. If the City gets some years that were as good as 2007, it would be significant help to the unfunded liability.

Chairman Woodfin stated if history shows anything the Board Members should be extremely fiscally conservative when participating in a recession. However, things may not always be good. The Board Members also has to remember how the City derives its revenue, and it is not necessarily recession-proof either.

Board Member Leonard stated again that some of these other savings can be done by creating a third tier that would not affect anyone working. The third tier may be a viable source of additional funds.

Board Member Leonard also stated if the Board Members started with a Tier III and somehow pull out of this unfunded situation in a period of years, the City could always increase the benefits for these people in the third tier just like how it was done in prior years. Board Member Leonard stated if he was a working employee he would probably not have that much objection, if any, to this third tier since it will not affect any working employee.

Board Member Schultz stated one of the things the Board Members have to remember is that the City came off a year where the investment returns were not really that bad.

The 5.44% should reflect very good quarters, and yet the City still falls short of the actuarial assumption of 7.50%. In other words, the City went backwards. It is really frustrating because the City is going into several years where it will be very, very difficult to get to 7.50%.

Board Member stated he totally agrees with Board Member Schultz. However, Board Member Leonard stated he is suggesting, not proposing, that the Board Members look at least saving two-thirds by eliminating the increase from employees; 1.00% is better than nothing.

Chairman Woodfin stated if there is no more discussion or nothing else to add, more time will be given to the last two items on the agenda. The start of the conversation regarding the unfunded liability started as view of compromise. Everyone would share in cost savings: the management of fees, the City, and employee benefits. It seems now that the conversation has shifted, even after the City acted in good faith with its portion and Morgan Stanley with its portion. Minus Board Member Leonard, Chairman Woodfin stated he is not hearing anything from the other Board Members as being open-minded, open to discussion, or figuring out a compromise. Chairman Woodfin stated he is hearing “no”. If that is the case with the majority of the Board Members, they will need to vote up or down in order to stop the discussion. Chairman Woodfin stated he will be glad to stop discussing this in order to communicate to all employees very early of the decisions that the City will make. Chairman Woodfin stated he serves at the pleasure of the Board Members.

Board Member Wyatt stated the changes presented in the handout reflects a great majority of options affecting general employees, other than the half-percent and the joint survivor that all employees would have dealt with.

Board Member Wyatt stated he and Board Member Reese are obviously on different pages, or Board Member Reese thinks Board Member Wyatt has other intentions. To say that the discussion is over, Board Member Wyatt does not have a problem discussing these issues further to see if there is something the Board Members can deal with. Board Member Leonard mentioned about coming to an agreement on other stuff. Board Member Wyatt stated he represents the firefighters, but he does not see any employee group supporting the half percent right now.

Board Member Wyatt stated the other stuff will have to be discussed with other employee groups, because the greatest majority will affect Board Member Brundidge’s employee group and Board Member Reese’s employee group, as it pertains to new employees. The general employees will come in with a different multiplier.

Board Member Wyatt stated he is not saying it has to be voted up or down today, but the discussion needs to continue. Board Member Wyatt stated he is good either way. The discussion should come from the other Board Members as to whether discussion ends now, or they can move on with it for another day.

Board Member Leonard stated to continue the discussion, there has to be some type of process of bringing this before employees. Board Member Leonard stated he does not know how to do it. Board Member Leonard stated he knows the fire department has a union and they have meetings. However, not all of the firefighters are union members. Not all police officers are members of the FOP. Board Member Leonard stated he is not sure if there is an organized group for Public Works or general employees. But if the Board Members are going to move anything on, something has to be done in order to present what they are talking about to the average rank and file employee.

Mr. Love stated the actions of the Board Members have to take place at a Board Meeting, in public. If Board Member Leonard is talking about distributing some kind of literature or something, the Board Members and the City can do that however they want to do it.

Chairman Woodfin stated the Board Members got move the conversation from this. The Board Members are very comfortable with telling him what they do not want, but he wants them to tell him what they can live with. It has to be discussed, and there is not a lot of time left. If there is anything that needs to be discussed, whether it is the options in handout; a hybrid of it; something different from it; or anything related to new employees; anything pertaining to current employees requires state law and needing to go Montgomery, AL, the Board Members will need to make a decision. From March 2019 to August 2019, the Board Members had these options. The Board Members will have to get to a point when making a decision and it will be hard.

Board Member Reese stated he wants to make sure that if the Board Members are going to move on, the Board Members should do it as one. The Board Members should not be divided. If the Board Members are divided, they will show employees or Board Members that other people are better than other people. If employees have to pay more, (inaudible) should pay more.

Board Member Wyatt stated nobody will be paying any more. It will be a new multiplier for new employees.

Chairman Woodfin stated it needs to be explained.

Board Member Wyatt stated if the Board Members do away with the half percent, no one will pay any more into the pension fund. There will be a new multiplier that is a lower benefit for new hires. There will not be anyone paying any more into the pension fund. Everyone will pay 7.00%.

Board Member Luke stated to Board Member Reese that if the Board Members take the half percent off, the change will not affect anyone currently employed with the City of Birmingham. The change will affect the new people. If "Joe Snow" gets hired tomorrow after the Board Members changes the rules and adopted by the state legislature, he will not have the same benefit that he and Board Member Reese have.

The new employees will not retire at the same benefit that current employees have, if some of these changes are made. The multiplier will change, because the new employees will receive a lesser benefit than what current employees receive. From [July 1,] 2017 to present, new employees are hired at a lesser benefit. The new employees do not have the same benefits as employees who were hired between the 1980's and early 2000's. The suggestion is for a third tier. Employees hired after the rules are change will have a different retirement benefit than employees hired prior to [July 1] 2017 and after 2017. The benefit will be less; dropping down to 62%.

Board Member Reese stated he understands. Board Member Reese stated he wants to make sure there will be no changes for current employees. Board Member Luke stated that is correct.

Board Member Wyatt stated no one will pay a half percent unless the Board Members agree on it, and that is not going to happen.

Chairman Woodfin referred to the handout, and asked the Board Members discussed options two, three, and four among themselves.

The Board Members discussed the options two, three, and four.

Chairman Woodfin stated the non-starters are preventing the Board Members from having dialogue around other things on this page. Chairman Woodfin asked Mr. Lester Smith, Chief Investment Officer, how much will be saved in dollar amounts if the half percent is taken off. Board Member Leonard stated \$2 million dollars.

Mr. Smith stated the Finance Department is looking at approximately \$3.2 million dollars in current additional funding, as a result of these changes on an estimated City payroll of \$210 million dollars. If the Board Members pull out 0.05%, it is only \$1 million dollars.

Chairman Woodfin asked the Board Members to discuss options two, three and four or options six, seven, and eight.

Board Member Wyatt asked Chairman Woodfin if he is looking for an up or down vote on these other issues. Chairman Woodfin stated he is looking for a discussion. Chairman Woodfin stated option number nine is off the table. This is should not prevent the Board Members from discussing options two through eight. Options two through eight did not come out of the air from the actuary because the Board Members shared what they could live with, what they could not live with, what they could discuss, and what will work. The options were shot back to the Board Members, so they owe it to themselves discuss options two through eight as a collective body.

Board Member Vaughn asked if the Board Members look at options three, five and eight would that be the \$2.2 million dollars. Board Member Wyatt stated yes. Chairman Woodfin and Board Member Leonard stated yes.

Board Member Vaughn asked if it would be fair to see hear what other Board Members think. Chairman Woodfin stated this is good time for them to express what they think about that.

Board Member Vaughn stated the Board Members should look at options three, five, and eight. Board Member Vaughn stated he represents everybody but was elected by retirees, and it looks to him that these options are affecting new hires. When the City hires a new employee, the employee will know what to expect. The Board Members owes it to themselves and current employees; they all agree that the pension fund is in a pickle.

Board Member Vaughn stated the Board Members and the City got some ground to make up and today's discussion is one way to get started. The discussion is about new hires, and he can at least listen to what other Board Members think about it. The Board Members do not have to be unified, but at least it is a starting point.

Chairman Woodfin stated it is an ultimate compromise...

Board Member Vaughn stated options three, five, and eight looks good but he will hear any discussion from other Board Members. Mayor Woodfin had mentioned the Board Members have kicked this down the road a lot. It is not good to go back and blame past Board members. The current Board Members cannot force Mayor Woodfin to pay 20% or whatever, but they can make a recommendation. The options are some recommendations that came from the actuary. The actuary does not look at any employee group; he looks at numbers. The Board Members should look at options three, five, and eight.

Chairman Woodfin stated options three, five, and eight is a good start. If the Board Members choose options three, five, and eight, that is \$2.2 million dollars. It is a good faith effort.

The Board Members further discussed options three, five, and eight.

Mr. Love stated the Board Members will need to go into Executive Session on the last two items on the agenda. Chairman Woodfin thanked Mr. Love.

After further discussion among the Board Members, Chairman Woodfin resumed the Board Meeting.

Chairman Woodfin acknowledged Board Member Luke.

Board Member Luke stated if the Board Members were to choose option three, it would require employees working thirty years and only getting 52% of their current retirement payment. Board Member Luke stated he has a problem with employees working for thirty years and getting 52% of what earned after serving the City of Birmingham.

Board Member Luke asked the Board Members if they know the dollar amount if the employees were go with option two.

Mr. Love asked the Board Members if this is for a vote, or a discussion. Chairman Woodfin stated this is a discussion...

Mr. Love stated “until next month”...

Chairman Woodfin stated unless one of these great people decide they want to vote today, he guesses they are still going to have a discussion.

Chairman Woodfin again acknowledged Board Member Luke.

Board Member Luke asked what the dollar amount is in savings between options two and three; a 2.00% multiplier vs. a 1.75% multiplier. Board Member Leonard stated it would \$625,000.00 less.

Board Member Schultz stated for clarity that is differences between those two multipliers. Board Member Leonard stated yes.

Board Member Luke asked for the dollar amount in the reduced spousal benefit. Board Member Wyatt stated the spousal benefit would be based on an actual percentage. If an employee is sixty years old when he retires and his spouse is forty-five years old, the number would be different actuarially. If the spouse is sixty years old and his spouse is fifty-nine years old, she will be expected not to live as long. The actuary will do an analysis of the retiree’s situation based on life expectancy and probabilities. It will be an actuarially adjusted benefit, if the employee were to choose a reduced spousal benefit upon retirement.

Board Member Luke stated it is different for every individual. Board Member Leonard stated yes.

Board Member Wyatt stated the numbers would be run at the same time as the pension contribution. The employee would know what their pension would be; the 2.50% multiplier (or whatever the number would be) times years of service. Based on the employee’s age and the spouse’s age, that number would vary based on the actuarial adjusted amount.

Board Member Luke stated the number is based on how long they think she will live. Board Member Wyatt stated yes. It is based on mortality tables. The reduced spousal benefit will only affect new hires.

Board Member Leonard stated if the spouse is substantially younger than the employee, the employee's benefit would be reduced more than if they were the same age.

Board Member Brundidge stated "no" on all the options.

Board Member Reese stated he is a "no" as well.

Chairman Woodfin stated Board Member Brundidge and Board Member Reese are saying "no" for the record. However, the other Board Members are still having a discussion.

Chairman Woodfin acknowledged Board Member Schultz.

Board Member Schultz stated the only thing that is frustrating is that the Board Members will have to all of this again, i.e. be at the table next month because they still have not gotten to where they need to get.

Board Member Leonard stated he thinks after the Board Members get through this, he does not know if there is going to be anything else to discuss. Board Member Leonard stated he thinks the Board Members are ending the discussion [today].

Board Member Schultz stated the problem with that is it still does not solve the problem. Board Member Leonard stated the Board Members should not do anything, if that is the case. The Board Members are at least they are addressing the problem. Are Board Members going to solve the problem today? No. Absolutely not.

Chairman Woodfin asked Board Member Leonard if he has anything else to add. Board Member Leonard stated "no sir".

Chairman Woodfin stated seeing there is no more dialogue in regards with what the Board Members shared, he asked the Board Members if anyone of them would entertain a motion prior moving to Items #24 and #25 on the agenda.

Board Member Leonard made the motion to adopt Options Three, Five, and Eight as presented by Mr. Rocky Joyner of the Segal Company.

Board Member Brundidge asked for a Roll Call Vote.

Board Member Leonard restated the motion to adopt Options Three, Five, and Eight as presented by Mr. Rocky Joyner of the Segal Company, and asked for a Roll Call Vote. Board Member Schultz seconded.

Chairman Woodfin stated there is motion on the floor that has been properly seconded to adopt for the City of Birmingham Retirement & Relief System's plan changes of Options Three, Five, and Eight. Option Three is the 1.75% Multiplier for General New Hires; Option Five is Minimum Age 55 on 30 [Years] & Out Retirement for General New Hires; and Option Eight is Actuarially Reduce the 60% Joint & Survivor (J&S) Benefit for All New Hires.

Board Member Martin P. Leonard: YES

Board Member Michael Reese: NO

Board Member Steven A. Schultz: YES

Board Member Otis Luke: NO

Board Member Dale Wyatt: NO

Board Member Kasandra Brundidge: NO

Board Member Ronald Vaughn: YES

Chairman Randall Woodfin: YES

Chairman Woodfin stated the Votes are TIED.

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.

Mr. Love asked the Board Members to vote to go into Executive Session.

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

The Board Members APPROVED to go into Executive Session.

The Board Members EMERGED from Executive Session.

Board Wyatt made the motion to approve the Extraordinary Disability application for Ms. April Levins, based on counsel and doctor recommendations. Board Member Luke seconded.

The Board Members APPROVED the application of April Levins, an employee with the Fire Department, for EXTRAORDINARY DISABILITY at the rate of \$4,246.85 per month, effective January 3, 2019 under the provisions of Article VI, Section 8 of the pension law based on counsel and doctor recommendations.

Board Member Wyatt made the motion to have Saxena-White represent the Board Members as lead plaintiff in the A. O. Smith Corporation litigation. Board Member Vaughn seconded.

The Board Members APPROVED Saxena-White to represent the Board Members as lead plaintiff in the A. O. Smith Corporation litigation.

Board Member Wyatt made the motion to have Saxena-White represent the Board Members as lead plaintiff in the Pluralsight litigation. Board Member Vaughn seconded.

The Board Members APPROVED Saxena-White to represent the Board Members as lead plaintiff in the Pluralsight litigation.

Board Member Wyatt made the motion to have Robbins Geller Rudman & Dowd LLP to represent the Board Members as lead plaintiff in the Anheuser-Busch InBev litigation. Board Member Vaughn seconded.

The Board Members APPROVED Robbins Geller Rudman & Dowd LLP to represent the Board Members as lead plaintiff in the Anheuser-Busch InBev litigation. Board Member Luke seconded.

Board Member Wyatt 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

City of Birmingham Retirement & Relief System

Project 1:

Due to the current equity market valuations, our recommendation is to raise \$60 million for current and future short-term pension obligations. We believe that this will help avoid selling assets at depressed levels to meet pension obligations in the event of an equity market pull back - **COMPLETED JULY 2019**

Project 2:

Morgan Stanley's Global Investment Committee believes that we are in a multi-year rate normalization period, with low expected bond total returns. We also expect increased volatility from equities, yet with lower returns. To deal with these issues we have updated the asset allocation study with the new actuarial projections, reflecting the projected liability withdrawal schedule as a result of the change in projected benefits and increased contributions. – **ASSET ALLOCATION STUDY COMPLETED NOV. 2018**

Results: Legislation passed to lower the fixed income minimum threshold to 15%.

Action:

- 2/14/18: The Board voted and approved and is currently funding \$150 million of invested capital over the next four years to be equally split 50% Hamilton Lane and 50% Grosvenor.
- Hire Capital Group to manage \$70 million in their International Large Cap portfolio and Victory Trivalent to manage \$30 million in their International Small Cap portfolio at the September meeting.
 - Source of funds for consideration: Thornburg International Value

AUGUST 2019 Update: The Victory Trivalent Small Cap International and Capital Group International contracts are being finalized and are to be funded upon execution.

Project 3:

In previous meetings, we have discussed our efforts to collectively negotiate and reduce the base management fees by \$2.2 million, annually at benchmark returns, across all of the board's existing and potential asset managers.

BBVA Compass, Invesco and Rhumblin proposed are lowering their traditional fee. Piedmont, Penn Capital, Cooke & Bieler, QMA, Great Lakes, and Lazard have all proposed a performance fee. – **APPROVED, AMENDMENTS ARE EXECUTED FOR A 7/1/2019 EFFECTIVE DATE.**

Watch List: Thornburg, Pending Reallocation, –Board approved to reallocate Thornburg's assets into the new Capital Group and Victory Trivalent accounts once set up.

Piedmont/FIS Group, on Watch, June 13, 2018 – Due to manager transition. Attended August 2018 board meeting and the May 2019 managers' conference.

Birmingham Retirement & Relief

Values as of August 31, 2019

		<u>Net Asset Values</u>	
	Loans*	\$10,110,781	* 1%
Fixed Income	Distressed Collateral	Fixed Income	\$593,947 0.06%
	Cash Flow	Cash	\$45,406,307 4.34%
	Penn Capital	Short Term High Yield	\$43,045,461 4%
	BBVA	Core Fixed Income	\$62,576,474 6%
	Piedmont	Core Fixed Income	\$130,916,475 13%
	TOTAL FIXED INCOME	\$292,649,444	** 28%
Equity			
	Cooke & Bieler	Large Value - Active	\$160,510,467 15%
	Quantitative	Large Core - Index	\$84,947,759 8%
	Rhumblin	Large Growth - Index	\$66,682,608 6%
	Great Lakes	SMID Core - Active	\$102,154,094 10%
	Thornburg	International Equity	\$110,332,272 11%
	Lazard	International Value	\$165,194,720 16%
	Cap Group	International Growth	\$0 0%
	Victory Trivalent	International Small Cap	\$0 0%
	TOTAL EQUITY	\$689,821,920	66%
Alternative Investments			
	Invesco	REITS	\$14,577,322 1%
	Mesirow Financial (Termed)	Cash Hold Back	\$3,212,448 *** 0%
	Capital Call Funding	Capital Call Cash Reserve	\$27,258,052 3%
	Hamilton Lane	Private Markets	\$8,934,064 **** 1%
	Grosvenor	Private Markets	\$10,638,258 **** 1%
	TOTAL ALTERNATIVES	\$64,620,144	6%
TOTAL FUND BALANCE		TOTAL FUND	\$1,047,091,509 100%

TOTAL FISCAL YTD WITHDRAWALS		PRIVATE EQUITY FUNDING: Grosvenor & Hamilton Lane	
Pension Payments	(\$15,000,000)	Capital Call Commitments	\$150,000,000
Securities Lending Income	(\$97,036)	Current Commitments	\$75,825,000
Fixed Income Interest	\$0	Funded Capital Calls	-\$17,431,331
TOTAL WITHDRAWALS	(\$15,097,036)	Distributions	\$779,049
	Fiscal Year to Date	Outstanding Current Commitment	\$58,193,669
	(\$45,736,785) 2019 Calendar YTD		
	(\$56,944,303) 2018 Fiscal Year		

* Value of loans is from the May 2019 Balance Sheet provided by the Birmingham Finance Dept.

** Total fixed income allocation, including cash held in equity mandates is 33.0%

*** Funds are currently in cash. 5% is to remain at Mesirow Financial through next audit

**** Value of Private Equity is delayed and reflects Capital Call amounts only

Morgan Stanley

The above summary/prices/statistics have been obtained from Regions and are believed reliable but are not necessarily complete and cannot be guaranteed.

Retirement & Relief Expected Actuarial Fiscal Cashflow vs Actual

Plan Year Beginning <u>July 1</u>	Expected Benefit <u>Payments</u>	Expected Total Contributions - <u>14% of Payroll*</u>	Expected Administrative <u>Expenses</u>	Expected <u>Cashflow</u>	Actual Withdrawals <u>Fiscal YTD*</u>	Difference <u>Fiscal YTD</u>	Annual Rate of Withdrawal <u>(%)</u>
2014	75,896,100	27,146,135	144,630	-48,894,595	-59,836,295	-10,941,700	5.75%
2015	79,250,383	30,334,686	168,314	-49,084,011	-65,622,946	-16,538,935	6.42%
2016	82,098,472	31,093,053	172,521	-51,177,940	-51,441,107	-263,167	5.27%
2017	86,786,345	31,870,379	176,834	-55,092,800	-57,213,630	-2,120,830	5.61%
2018	88,995,747	32,667,138	181,255	-56,509,864	-56,944,303	-434,439	5.38%
2019	95,048,722	33,483,817	185,787	-61,750,692	-15,097,036	46,653,656	1.43%
2020	98,404,261	34,320,912	190,431	-64,273,780			
2021	103,147,558	35,178,935	195,192	-68,163,815			
2022	107,160,232	36,058,409	200,072	-71,301,895			
2023	110,004,921	36,959,869	205,074	-73,250,126			
2024	114,414,267	37,883,865	210,201	-76,740,603			
2025	117,233,543	38,830,962	215,456	-78,618,037			
2026	119,689,802	39,801,736	220,842	-80,108,908			
2027	123,639,599	40,796,780	226,363	-83,069,182			
2028	126,819,841	41,816,699	232,022	-85,235,164			
2029	128,863,133	42,862,117	237,823	-86,238,839			
2030	131,859,201	43,933,669	243,768	-88,169,300			
2031	133,811,884	45,032,011	249,862	-89,029,735			
2032	134,976,740	46,157,811	256,109	-89,075,038			
2033	136,258,408	47,311,757	262,512	-89,209,163			
2034	138,104,672	48,494,551	269,075	-89,879,196			
2035	138,520,395	49,706,914	275,801				

*Actual Withdrawals FYTD as of August 31, 2019

*The contributions in the first year of the projection for the Retirement & Relief Plan are based on 13% of payroll. The 14% total contribution rate became effective July 1, 2015.

Note: These projections are based on the July 1, 2015 actuarial valuations for the Plans, and have not been adjusted to account for actual cash flows in the 2015-2016 year.

The contributions for both plans include expected contribution transfers from F&P to R&R for F&P retirees. The R&R contributions reflect matching contributions from the City.

The above summary/prices/statistics have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Past performance is no guarantee of future results.