

CITY OF BIRMINGHAM
 RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
 FRIDAY, December 13, 2019
 FOLLOWING 8:15 A.M. RETIREMENT BOARD MEETING
 CONFERENCE ROOM 203

1) Call to Order

2) Roll Call

3) Announcements

A) Pierre Boutros is the new Mayor Representative on the Retiree Health Care Fund Investment Committee.

4) Consent Agenda

All items listed on the consent agenda are considered to be routine by the Retiree Health Care Fund Investment Committee and will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a committee member so requests, in which event the item will be removed from the general order of business and considered as the last item under new business.

- A) Approval of Retiree Health Care Fund Investment Committee Meeting minutes of September 13, 2019.
- B) Approval of Retiree Health Care Fund Expenses of \$60,971.92 for the period of October 4, 2019 through November 4, 2019.
- C) Resolution to receive the Summary of Assets for the period ending October 31, 2019 with a total market value of \$39,373,155.

	<u>10/31/2019</u>		<u>9/30/2019</u>		<u>10/31/2018</u>	
Abbey Capital - Managed Futures	0	0.0%	0	0.0%	1,578,169	4.6%
Apex Capital - SMID-Cap Growth	3,712,735	9.4%	3,609,575	9.3%	3,335,009	9.7%
Bahl & Gaynor - Large-Cap Growth	2,994,270	7.6%	2,982,342	7.7%	2,456,574	7.1%
Bradford & Marzec - Fixed Income	5,412,760	13.7%	5,273,018	13.6%	4,164,564	12.1%
Bramshill Investments-Fixed Incom	1,283,906	3.3%	1,278,953	3.3%	0	0.0%
C. S. McKee - Fixed Income	2,711,338	6.9%	2,579,863	6.7%	1,805,913	5.2%
Cavendish Managed Futures	1,190,860	3.0%	1,206,233	3.1%	1,817,401	5.3%
Gabelli - SmCap Value	3,060,912	7.8%	3,024,741	7.8%	3,058,222	8.9%
Goldman Sachs - Alternative	0	0.0%	0	0.0%	1,234,093	3.6%
Graham Absolute Return Hedge	1,154,380	2.9%	1,139,197	2.9%	0	0.0%
Lazard - International Equity	3,841,904	9.8%	3,755,265	9.7%	3,449,843	10.0%
Lazard - Emerging Market	1,984,413	5.0%	1,913,097	4.9%	1,808,019	5.3%
Seizert Capital - Mid Cap Value	2,708,640	6.9%	2,693,675	7.0%	2,533,134	7.4%
Vanguard S&P500 ETF	5,485,611	13.9%	5,367,725	13.9%	4,796,781	13.9%
Westwood - Large-Cap Value	2,720,949	6.9%	2,710,602	7.0%	2,385,080	6.9%
Whitebox Multi-Strategy Hedge	1,110,476	2.8%	1,118,369	2.9%	0	0.0%
Total	39,373,155	100.0%	38,652,656	97.1%	34,422,801	100.0%

5) Investments

- A) To concur in the recommendation of the Retirement Investment Committee to agree and consent to the Assignment of C.S. McKee's Advisory Agreement to CSM Advisors, LLC; to appoint CSM Advisors, LLC as an investment manager for the Birmingham Retiree Health Care Fund; and, to authorize Mark Gerber to sign the Consent to Assignment of the advisory agreement.
- B) To concur in the recommendation of Investment Consultant Steve Gasper and the Retirement Investment Committee to recommend portfolio allocation changes for the Retiree Health Care Fund; to direct Comerica Bank to reduce the allocation in the small-mid cap growth equity account managed by Apex Capital by \$1,300,000; to direct Comerica Bank to reduce the allocation in the small-cap value equity account managed by Gabelli Asset Management by \$400,000; to direct Comerica Bank to reduce the allocation in the mid-cap value equity account managed by Seizert Capital Partners by \$400,000; to direct Comerica Bank to reduce the allocation in the international equity account managed by Lazard Capital by \$400,000; to direct Comerica Bank to reduce the allocation in the emerging markets equity account managed by Lazard Capital by \$400,000; to direct Comerica Bank to transfer \$1,300,000 into the large-cap growth equity account managed by Bahl & Gaynor; to direct Comerica to transfer \$1,600,000 into the large-cap value equity account managed by Westwood Holdings Group.
- C) SUGGESTED ACTION NO 1:
To concur in the recommendation of the Retirement Investment Committee to terminate the agreement with active mid-cap value manager Seizert Capital Partners pursuant to Section 18 of the agreement; to direct Seizert Capital partners to cease buying, selling, or otherwise trading in any asset of the account upon receipt of a written request to do so; to direct Seizert Capital Partners to work with representatives at Comerica Bank, as necessary, to accomplish the transfer of assets.
SUGGESTED ACTION NO. 2:
To concur in the recommendation of the Retirement Investment Committee and Investment Consultant Steve Gasper to invest in the Vanguard Mid-Cap Index Fund (VO) for the Retiree Health Care Fund; to direct Comerica Bank to create a new Vanguard Mid-Cap Index account for the Retiree Health Care Fund.

6) Unfinished Business

7) New Business

- A) Resolution to approve the fiduciary liability insurance policy from Cincinnati Insurance Companies for the period from January 2, 2020 through January 2, 2021 with a \$3,000,000 limit of liability and a \$10,000 deductible with a premium of \$4,434 for the Retiree Health Care Fund.
- B) Resolution to receive the Retiree Health Care Fund Administration Budget for fiscal year 2020-2021.

8) Meeting Open to the Public for Items Not on the Agenda.

9) Adjournment

Mark Gerber
Secretary/Treasurer
Employees Retirement Board

Individuals requiring accommodations, such as interpreter services, for effective participation in this meeting should contact the City Clerk's Office at (248) 530-1880 at least one day in advance of the public meeting.

Las personas que requieren alojamiento, tales como servicios de interpretación, la participación efectiva en esta reunión deben ponerse en contacto con la Oficina del Secretario Municipal al (248) 530-1880 por lo menos el día antes de la reunión pública. (Title VI of the Civil Rights Act of 1964).

**MINUTES OF THE REGULAR MEETING OF THE
RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
HELD SEPTEMBER 13, 2019**

The meeting was called to order at 8:53 A.M. by Christopher Conti

PRESENT: Patty Bordman, Christopher Conti, Mark Gerber, Ruth Rowland,
Joseph Valentine

ALSO PRESENT: Steve and David Gasper, UBS; Pierre Boutros, Matthew Bartalino
and Pete Kauffman, Retirement Board

09-2019

Mark Gerber reported that the city is required to book the liability for the Retirement and Retiree Health care funds on the annual CAFR. The city was recently advised that at June 30, 2019 the liability numbers for the Retiree Health Care Fund were down considerably from the previous year to the point that the liability for the Retiree Health Care Fund is less than that for the Retirement Fund. The Retiree Health Care Fund is approximately 70% funded. Mark Gerber was directed to present data when the audit is presented to the city commission that illustrates where Birmingham's funding level stands in comparison to other Michigan communities.

10-2019

Motion by Valentine:

Second by Bordman:

To approve the Consent Agenda:

To approve the Retiree Health Care Fund Investment Committee meeting minutes of June 14, 2019;

To approve the Retiree Health Care Fund Expenses of \$49,304.56 for the period from March 1, 2019 through September 30, 2019;

To receive the Summary of Assets for the period ending July 31, 2019 with a total market value of \$38,307,224.

Bordman: Aye
Conti: Aye
Gerber: Aye
Rowland: Aye
Valentine: Aye

10-2019

Steve Gasper stated that the Retiree Health Care Fund's investments mirror those of the Retirement Fund's; and, no changes are recommended at this time.

11-2019

Motion by Valentine:
Second by Bordman:

To schedule the 2020 regular meetings of the Retiree Health Care Fund Investment Committee to be held immediately following the Retirement Board meetings on March 13, June 12, September 11, and December 4 in the municipal building.

Ayes: 5
Nays: 0

The meeting was adjourned at 9:00 A.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant

Retiree Health Care Fund Expenses
7/1/2019 - 12/31/2019

<u>Date</u>	<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
10/10/2019	Bahl & Gaynor	Investment Management Period of 7/1/2019- 9/30/2019	\$ 2,236.63
10/4/2019	Seizert Capital Partners	Investment Management Period of 7/1/2019 - 9/30/2019	\$ 4,040.00
10/10/2019	C.S. McKee	Investment Management Period ending 12/31/2019	\$ 1,804.44
10/16/2019	Fiera Capital	Investment Management Fourth Quarter	\$ 4,961.57
10/10/2019	Gamco	Investment Management Period of 7/1/19/2019 - 9/30/2019	\$ 7,556.00
10/11/2019	Westwood Trust	Investment Management Period Ending 9/30/2019	\$ 4,308.13
10/15/2019	Lazard	Investment Management Period of 10/01/2019 - 12/31/2019	\$ 6,109.68
10/14/2019	Tortoise	Investment Management Period of 7/01/2019 - 9/30/2019	\$ 3,302.03
10/25/2019	UBS	Investment Consultant Period of 7/01/2019 - 9/30/2019	\$ 6,224.05
10/8/2019	Gabriel, Roeder, Smith	June 30, 2019 GASB Stmt. #74 snd #75 and calculations	\$ 16,500.00
10/25/2019	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 7/1/2019 - 9/30/2019	\$ 1,502.53
11/4/2019	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 7/1/2019 - 9/30/2019	\$ 2,426.86
TOTAL			<u>\$ 60,971.92</u>

Bahl & Gaynor

Investment Counsel

October 10, 2019

Mr. Mark Gerber
The City of Birmingham
151 Martin Street
P.O. Box 3001
Birmingham, MI 48012-3001

Acct: 1055053143
Code: bers-2
Mgr: Scott D. Rodes
State Residence: MI

MANAGEMENT FEE:

The City of Birmingham Retirees Health Care Fund

9/30/2019 Market Value: \$ 2,982,173.70

Quarterly Fee Based On:

\$ 2,982,174 @ 0.30% per annum

\$ 2,236.63

Quarterly Fee:

\$ 2,236.63

For the Period 7/1/2019 through 9/30/2019

If you are making a payment:

Mail payment to our lockbox address:

Bahl & Gaynor / Lockbox, P. O. Box 640688, Cincinnati, Ohio 45264-0688

For proper processing, indicate either the code or the account number on all payments.

Wire/ACH payments are available. Information provided upon request.

For address changes, questions, or concerns, please contact:

Christina Lannan @ 513.618.4018 or email clannan@bahl-gaynor.com

Bahl & Gaynor Main Phone Number: 513.287.6100

736-860.600-802.6200



October 4, 2019

Ms. Jennifer Bacon

Cust: Comerica

Acct: XXXXXX1327

Code: 1514

MANAGEMENT FEE:

City of Birmingham Retiree HealthCare
Mid Cap
1514

9/30/2019 Portfolio Value:	\$ 2,693,434
Annual Fee Based On:	\$ 16,161
\$ 2,693,434 @ 0.60% per annum	\$ 16,161
Quarterly Fee:	\$ 4,040
For the Period 7/1/2019 through 9/30/2019	

Wire Instructions

J.P. Morgan Chase Bank

ABA#: 072000326

Account Name: Seizert Capital Partners

Account #: 869575618

FFC: Reference Seizert Invoice Code:

PLEASE NOTE: In accordance with Rule 206 of the Investment Advisers Act of 1940, Seizert Capital Partners recommends verifying the fee calculation whether paid directly from the account by the custodian or by you, the client. If you have any questions, please call 248-593-1500.

736-860-000-802.0200

C.S. McKee L.P.

Payment Center
PO Box 536059
Pittsburgh, PA 15253-5902
412 / 566-1234
866 / 691-3074 FAX
Direct billing inquiries to:
Kelly Lesko (klesko@csmknee.com)

10/10/2019

CSMcKee client # 90706

Invoice # 38255

City of Birmingham Retiree Health Care Fund

Ms. Mark Gerber CPA
Assistant Finance Director
Birmingham Employees' Retirement System
151 Martin Street, P.O. Box 3001
Birmingham, MI 48012

Quarterly Advisory Fee Invoice

Fee for Period Ending: 12/31/2019

<u>Asset Value Date</u>	<u>Asset Value</u>
9/30/2019	\$2,577,767.33

Amount Due

\$1,804.44

736-860.000-802.0200



October 16, 2019

(UBSTA 1055073997) Birmingham Employees Retirement System, City of
(UBSTA 1055074004) City of Birmingham Retiree Healthcare System
151 Martin Street
Birmingham, MI 48009

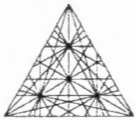
Fiera Capital Inc. Fourth Quarter 2019 Statement of Management Fees

	Market Value	Quarterly Fee
Account Values at September 30, 2019		
Account 3997	\$11,004,781.05	
Account 4004	\$3,608,423.27	
Quarterly Fee @ .55% per annum <i>101-274 000-8020-2000</i> Account 3397		\$15,131.57
Cash Flow on 7-8-19 of \$402		(<u>\$0.04</u>)
		\$15,131.53
Quarterly Fee @ .55% per annum <i>736-860 000-8020-2000</i> Account 4004		\$4,961.58
Cash Flow on 7-8-19 of \$78		(<u>\$0.01</u>)
		\$4,961.57
 Total		 \$20,093.10
Fee Due and Payable		\$20,093.10

Send a check payable to
Fiera Capital Inc
Attn: Myron Charas
10050 Innovation Drive, Suite 120
Dayton, OH 45342

Billing inquiries should be directed to
Myron Charas
BillingFCI@fieracapital.com
mcharas@fieracapital.com
(937) 388-1437

ACH Wire Instructions
Citi Private Bank
1 Court Square, 22nd Floor
Long Island City, NY 11120
Routing # 021000089
Acct # 4974013748
Account Name:
Fiera Capital Inc



GAMCO
ASSET MANAGEMENT

One Corporate Center
Rye, NY 10580-1422
t 914.921.5000
GABELLI.COM

October 10, 2019

Mr. Mark Gerber
City of Birmingham
Assistant Finance Director
151 Martin Street
PO Box 3001
Birmingham, MI 48012-3001

INVOICE FOR INVESTMENT MANAGEMENT SERVICES

PERIOD UNDER MANAGEMENT: October 1 - December 31, 2019

Portfolio Values

S9507 City of Birmingham Retiree Health Care	09/30/2019	\$3,022,683
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Fee Basis

1.000% Of First \$40,000,000	\$7,556
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Current Amount Due

\$7,556

S9507 City of Birmingham Retiree Health Care Fund-Small Cap

October 10, 2019
20190930-154-5620-A

Current Amount Due \$7,556

Please make checks payable to Gamco Investors, Inc.

39

736-860.000-802.0200

**CITY OF BIRMINGHAM RETIREE HEALTH
CARE FUND**

Account: 41-2031-01-5
Invoice: 5000946
Invoice Date: October 11, 2019
Page 1 of 2

Invoiced Fee Summary

Balance From Previous Invoice	\$4,115.60
Payments Received	-4,115.60
Current Quarterly Fees	4,308.13
Total Amount Due	\$4,308.13

Detach and return portion below in the enclosed envelope.

DA

Westwood Trust
200 Crescent Court, Ste. 1200
Dallas TX 75201

Account: 41-2031-01-5 Invoice: 5000946
Invoice Date: October 11, 2019

Amount Due: \$4,308.13

Amount Paid:

Please remit payment to:

PAYMENT DUE 15 DAYS FROM INVOICE DATE

Westwood Trust
Attn: Trust Accounting Group
200 Crescent Court, Ste. 1200
Dallas TX 75201

City of Birmingham
Attn: Mark Gerber, CPA
P.O. Box 3001, 151 Martin
Birmingham MI 48012

DA

**CITY OF BIRMINGHAM RETIREE HEALTH
CARE FUND**

Account:
Invoice:
Invoice Date:
Page 2 of 2

41-2031-01-5
5000946
October 11, 2019

Current Quarterly Fees To 09/30/2019

Total Relationship Market Value: \$2,709,975.90

65 BP - ETFS AND MFS EXCLUDED

Based on \$2,651,155.95 in value:

First	\$2,651,155.95	@	0.650 %		17,232.51
			Annual Total		\$17,232.51
				X	1/4
					\$4,308.13

Total Current Period Fees **\$4,308.13**

Amount Due for Current Period **\$4,308.13**

Total Amount Due **\$4,308.13**

LAZARD

ASSET MANAGEMENT

Billing Period: 10/01/2019 - 12/31/2019
Invoice Number: 1769072
Account Number: 30600250

Date Issued: 10/15/2019
Value Date: 09/30/2019

Mr. Mark Gerber
Birmingham Employees Retirement System
P.O. Box 3001,

Birmingham, MI 48012

**For Billing Inquiries
Please Call 610-576-3110**

CITY OF BIRMINHGAM RETIREE HEALTH CARE
Account# 1055021179

Management Fees:

Market Value Fees

3,759,804.67 @ 0.0065 annually x 1/4

6,109.68

Total Management Fees

\$6,109.68

Current Period Due: \$6,109.68
Over 30 Days: \$0.00
Over 60 Days: \$0.00
Over 90 Days: \$0.00
Total Amount Due: \$6,109.68

Please detach and return bottom of statement with your payment.

Remit Payment:

By Mail:

Lazard Asset Management
P.O. Box 5394
New York, NY
10185-5394

By Wire:

Citibank NA
SWIFT: CITIUS33
ABA: 021000089
Account Name: Lazard Asset Management LLC
Account #: 30938403
Please include account # and invoice # with payment

Invoice Number: 1769072
Account Number: 30600250
Current Period Due: \$6,109.68
Total Due: \$6,109.68

736-860.000-802.6200



October 14, 2019

Fixed Income Management Fee
City of Birmingham
Retiree Health Care Fund
xxxxxx3214

Inception Date: 09/17/2009

	<u>Billing Period</u>	<u>Asset Value</u>
Beginning	July 1, 2019	
Ending	September 30, 2019	\$5,271,478.37

Billing Summary

Management Fee Schedule:

Market Value Tiers

From	To	Fee Rate	Value	Days in Year	Days in Period	Fee
\$ -	\$ 50,000,000	0.250%	\$5,271,478.37	360	90	\$3,294.67
Prorated Contributions/Withdrawals						
July 3, 2019		0.250%	1,875.40	360	2	(\$0.03)
July 3, 2019		0.250%	6,696.66	360	2	(\$0.09)
July 16, 2019		0.250%	30.52	360	15	\$0.00
July 18, 2019		0.250%	1,950.49	360	17	(\$0.23)
July 18, 2019		0.250%	6,983.01	360	17	(\$0.82)
August 1, 2019		0.250%	1,871.53	360	31	(\$0.40)
August 1, 2019		0.250%	6,709.53	360	31	(\$1.44)
August 14, 2019		0.250%	(167,832.05)	360	44	\$51.28
August 15, 2019		0.250%	8,781.95	360	45	(\$2.74)
August 22, 2019		0.250%	105,690.37	360	52	(\$38.17)
August 29, 2019		0.250%	2,090.58	360	59	(\$0.86)
August 29, 2019		0.250%	7,456.01	360	59	(\$3.05)
September 12, 2019		0.250%	1,892.50	360	73	(\$0.96)
September 12, 2019		0.250%	6,763.67	360	73	(\$3.43)
September 19, 2019		0.250%	105,690.37	360	80	(\$58.72)
September 24, 2019		0.250%	105,690.37	360	85	(\$62.39)
Total Management Fee						\$3,302.03

ACH/EFT Instructions:

Bank: CrossFirst Bank
Bank Address: 4707 W. 135th St.
Leawood, KS 66224
Account Name: Tortoise Credit Strategies, LLC
ABA #: 101015282
Account Number: 0000000201545701

Check Payments:

Checks should be made out to
"Tortoise Credit Strategies, LLC"
and sent to the following address:

Tortoise Credit Strategies, LLC
Attn: Accounts Receivable
11550 Ash Street, Suite 300
Leawood, KS 66211



UBS Financial Services Inc.
1000 Harbor Boulevard, 6th FL.
Weehawken, NJ 07086-6761

ubs.com/fs

736-866-000-802.0600

Invoice

Attn: Mark Gerber
CITY OF BIRMINGHAM
RETIREE HEALTH CARE FUND
ATTN - MARK GERBER CPA
151 MARTIN STREET
PO BOX 3001
BIRMINGHAM MI 48012-3001

Date: 10/25/2019
Contract ID: 1255
Invoice No.: 20190930410A
Billing Period: 07/01/2019 to 09/30/2019
Institutional Consultant: The Gasper Group

Institutional Consulting

Charges for the period:	\$6,224.05
Fee for AUA: \$37,989,632.00	\$6,224.05
Other Consulting Fees:	\$0.00
Credits for the period:	\$0.00
Prior Balance:	\$0.00
Ending Balance:	\$6,224.05

(PLEASE PAY)

Please note:

Valuation of assets held outside UBS is based on information provided by you or at your direction. UBS does not verify this information. Account statements provided by your custodian are the only official record of your holdings.

Payment instructions

Full payment must be received within 30 days of the receipt of this invoice. Please reference the Invoice Number with your payment.

If paying by check, please send to:

UBS Financial Services
2301 W. Big Beaver Rd. Suite 800
Troy, MI 48064
Attention: The Gasper Financial Group

If paying by wire, please remit payment to:

UBS ABA: 026007993
UBS A/C: 101-WA-258641-000
Further credit to: YYY146500070
Client name: CITY OF BIRMINGHAM
RETIREE HEALTH CARE
FUND
Contract ID: 1255
Bank address: UBS
600 Washington Blvd.
9th Floor
Stamford, CT 06901

If paying by Direct Debit with your UBS account, your Institutional Consultant will arrange for your account(s) to be debited.

Fees and credits for the period

Fee for Assets Under Advisement

Account	Asset Value	Rate	Fee
V1 XXX38	\$37,989,632.00	0.065%	\$6,224.05
Total			\$6,224.05

**Gabriel, Roeder, Smith & Company**

One Towne Square
Suite 800
Southfield, Michigan 48076-3723
(248) 799-9000

Invoice

Date	Invoice
10/8/2019	450162

Bill To:

Attention: Mr Mark Gerber
Birmingham City OPEB
P.O. Box 3001
Birmingham, Michigan 48012

Please Remit To:

Dept. # 78009
Gabriel, Roeder, Smith & Company
PO Box 78000
Detroit, Michigan 48278-0009

Federal Tax ID

38-1691268

Client 3167, GASB 7475 2019 0630, Project 3167-007**Amount**

For the June 30, 2019 GASB Statement No. 74 and 75 report for the City of Birmingham Retiree Health Plan	11,000.00
Additional calculations by component unit (3 component units)	3,000.00
Michigan Public Act 202 calculations under uniform assumptions	2,500.00
Amount Due:	\$16,500

736-860.000-802 0400

PLEASE INDICATE THE INVOICE NUMBER ON YOUR REMITTANCE. THANK YOU.



City of Birmingham

151 Martin, P.O. Box 3001
Birmingham, Michigan 48012
248-644-1800 fax 248-644-5614

Dept.#: 1011 Date: 10/25/2019

Req. #: _____ Vendor #: 979

Vendor Name: Comerica Bank

Address: Attn: Trust Fee Accounting Group

P.O. Box 67600

Detroit, MI 48267

PAYMENT REQUISITION FORM

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.	_____	_____	_____	<u>\$ 1,502.53</u>	<u>Custodial Services/market value fees</u>
Account #:	<u>736-860.000-802.0300</u>			<u>7/1/2019-9/30/2019</u>	

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

GRAND TOTAL: \$ 1,502.53

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board
Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____



City of Birmingham

151 Martin, P.O. Box 3001
Birmingham, Michigan 48012
248-644-1800 fax 248-644-5614

Dept.#: 1011 Date: 11/4/2019

Req. #: _____ Vendor #: 979

Vendor Name: Comerica Bank

Address: Attn: Trust Fee Accounting Group

P.O. Box 67600

Detroit, MI 48267

PAYMENT REQUISITION FORM

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.	_____	_____	_____	<u>\$ 2,426.86</u>	<u>Custodial Services/market value fees</u>
Account #:	<u>736-860.000-802.0300</u>			<u>7/1/2019-9/30/2019</u>	

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

GRAND TOTAL: \$ 2,426.86

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board

Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____

MEMORANDUM

DATE: November 19, 2019

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director/Treasurer

SUBJECT: Request for Consent to Assignment of C. S. McKee Contract

We have received the attached communication from C. S. McKee that reports the anticipated sale of all of the assets of C. S. McKee to CSM Advisors, LLC, an affiliate of North Square Investments, LLC. Attached is a request from C. S. McKee to consent to an assignment of the C.S. McKee Contract to CSM Advisors, LLC.

The Retirement Investment Committee reviewed the possible assignment of C. S. McKee's contract and is recommending that the Retiree Health Care Fund Investment Committee agree and consent to the Assignment of C. S. McKee's Advisory Agreement to CSM Advisors, LLC; appoint CSM Advisors, LLC as an investment manager for the Birmingham Retiree Health Care Fund; and, authorize Mark Gerber to sign the Consent to Assignment.

SUGGESTED ACTION:

To concur in the recommendation of the Retirement Investment Committee to agree and consent to the Assignment of C. S. McKee's Advisory Agreement to CSM Advisors, LLC; to appoint CSM Advisors, LLC as an investment manager for the Birmingham Retiree Health Care Fund; and, to authorize Mark Gerber to sign the Consent to Assignment of the advisory agreement.



INVESTMENT
MANAGERS

November 19, 2019

City of Birmingham Retiree Healthcare Fund
Birmingham Employees' Retirement System
151 Martin Street, P.O. Box 3001
Birmingham, MI 48012

Attn: Mr. Mark Gerber CPA

C. S. McKee, L.P.
One Gateway Center
Pittsburgh, PA 15222
412/566-1234
FAX 412/566-1545

Re: Request for Consent to Assignment of Contract

Dear Mark,

I am pleased to inform you of an expected sale (the "Transaction") of substantially all of the assets of C. S. McKee, L.P. (the "Company" or "C. S. McKee") to CSM Advisors, LLC, an affiliate of North Square Investments, LLC ("North Square") that we believe will be a very positive development for you and the Company. This Transaction is the culmination of an employee led succession event, ensuring that you receive the same institutional quality investment management and client service you are accustomed to receiving.

North Square, an asset management firm based in Chicago, has been seeking to partner with an industry-leading institutional money management firm and was thrilled when C. S. McKee's management selected it as their preferred partner. C. S. McKee's management selected North Square for not only its commitment to you by protecting its existing culture and professionals, but committing to several initiatives that have been in process. These include:

- Maintaining C. S. McKee's well-established and highly regarded brand in the institutional marketplace.
- Preserving C. S. McKee's business activities in a separate entity, facilitating the continuation of our culture and professional investment services.
- Adding resources and investment strategies to complement those already being provided to better serve you.
- Implementing a strategy to deliver commingled products using C. S. McKee's investment advisory professionals' investment advice for clients and consultants who might desire additional format choices.

We do not expect the Transaction to have any material impact on the investment advisory services that you currently receive from the Company. The terms of your investment advisory agreement with the Company (your "Investment Advisory Agreement") will continue as they are following the consummation of the Transaction (the "Closing").

In connection with the Transaction, and subject to certain customary closing conditions, the Company will sell substantially all of its assets, including, without limitation, your Investment Advisory Agreement, to CSM Advisors, LLC, a recently formed entity that is a registered investment adviser with the U.S. Securities and Exchange Commission (the "SEC") under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). While the buyer, CSM Advisors, LLC, will operate as a separate advisor continuing advisory services provided by C. S. McKee, it legally will be controlled by an affiliate of North Square, which, in turn, is controlled by a private fund advised by Estancia Capital Management,

LLC. The Transaction is expected to close before the end of the Fourth Quarter of this year, but may be completed in early 2020.

C. S. McKee itself is registered as an investment adviser with the SEC under the Advisers Act and certain state securities regulators. Under definitions in the Advisers Act, the Transaction will result in an "assignment" (the "Assignment") of your Investment Advisory Agreement to CSM Advisors, LLC. In accordance with your Investment Advisory Agreement and the Advisers Act, we are writing to request your written consent to the Assignment.

Please check the box and sign the statement below to confirm your consent to the Assignment and your desire to continue receiving the investment advisory services provided by the Company under the terms of your current Investment Advisory Agreement, as assigned to CSM Advisors, LLC, following the Closing. Please return this notification and consent letter no later than 30 days from your receipt, by sending it by electronic transmission (PDF/scanned copy) to consent@csmmckee.com. If we do not timely receive your consent to the Assignment prior to the Closing or such later date as the Company may communicate in writing to you, this letter will serve as notice of the Company's intention, due to the terms of your current Investment Advisory Agreement and the Advisers Act, to terminate your Investment Advisory Agreement, which termination would be effective as of the Closing (or such later date the Company may communicate in writing to you). In the event the Transaction is not consummated, we will notify you of such and the contents of this letter shall automatically become null and void.

By signing below, the undersigned client of the Company agrees and consents to the Assignment of its Investment Advisory Agreement and that this notice and the undersigned client's consent will be deemed to satisfy any notice or consent requirements contained in the client's Investment Advisory Agreement which arise, directly or indirectly, as a result of the Transaction.

Name of Client (Print): _____

Signatory & Title (Print): _____

Signature: _____ Date: _____

FOR ERISA CLIENTS ONLY: The Company is also seeking, if applicable, your appointment of CSM Advisors, LLC as an "investment manager" (within the meaning of Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) of your accounts that are currently managed by the Company that are subject to ERISA ("ERISA Plan Accounts"). Accordingly, by providing consent above, you also will be deemed to appoint CSM Advisors, LLC, effective as of the consummation of the Transaction, as an "investment manager" within the meaning of Section 3(38) of ERISA with respect to your ERISA Plan Accounts. Effective as of the consummation of the Transaction, CSM Advisors, LLC will acknowledge and accept its (i) appointment as an "investment manager" within the meaning of Section 3(38) of ERISA with respect to your ERISA Plan Accounts, and (ii) status as a "fiduciary" within the meaning of (A) Section 3(21) of ERISA with respect to your ERISA Plan Accounts and/or (B) Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to any accounts managed by the Company that are subject to Section 4975 of the Code. Finally, this notice is intended to update and supplement the prior fee disclosures provided with respect to ERISA Plan Accounts pursuant to Section 408(b)(2) of ERISA. As mentioned above CSM Advisors, LLC will provide investment advisory services to you under the terms of your current Investment Advisory Agreement, as assigned to CSM Advisors, LLC, following the Closing.

If you have any questions, please contact the Company at:

C. S. McKee, L.P.
ATTN: Compliance Department
420 Fort Duquesne Blvd
Pittsburgh, PA 15239
mckeecompliance@csmeke.com
Phone: 412-566-1234
Fax: 412-566-1557

We are confident that CSM Advisors, LLC will continue our legacy as a highly qualified advisory firm that provides a high level of service to its clients. We value your business and look forward to continuing to serve your investment needs.

Sincerely,



Gene M. Natali
Chief Executive Officer
C.S. McKee
One Gateway Center
Pittsburgh, PA 15222

MEMORANDUM

DATE: November 26, 2019

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director/Treasurer

SUBJECT: Investment Committee Recommendations

The Retirement Investment Committee held a regular meeting on November 25, 2019, to review the performance of the fund's investment managers and the asset allocation of the fund. Investment Consultant Steve Gasper and the Investment Committee are recommending specified changes to the asset allocation of the fund to bring it into compliance with the fund's Investment guidelines.

The Retiree Health Care Fund Investment Committee is requested to take the following action.

SUGGESTED ACTION:

To concur in the recommendation of Investment Consultant Steve Gasper and the Retirement Investment Committee to recommend portfolio allocation changes for the Retiree Health Care Fund; to direct Comerica Bank to reduce the allocation in the small-mid cap growth equity account managed by Apex Capital by \$1,300,000; to direct Comerica Bank to reduce the allocation in the small-cap value equity account managed by Gabelli Asset Management by \$400,000; to direct Comerica Bank to reduce the allocation in the mid-cap value equity account managed by Seizert Capital Partners by \$400,000; to direct Comerica Bank to reduce the allocation in the international equity account managed by Lazard Capital by \$400,000; to direct Comerica Bank to reduce the allocation in the emerging markets equity account managed by Lazard Capital by \$400,000; to direct Comerica Bank to transfer \$1,300,000 into the large-cap growth equity account managed by Bahl & Gaynor; to direct Comerica to transfer \$1,600,000 into the large-cap value equity account managed by Westwood Holdings Group;

MEMORANDUM

DATE: November 26, 2019

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director/Treasurer
Thelma Golden, Treasury Consultant

SUBJECT: Investment Committee Recommendations -
Terminate Seizert Capital - Add New Mid-Cap Index Fund

The Retirement Investment Committee held a regular meeting on November 25, 2019, to review the performance of the fund's investment managers and is recommending the termination of the agreement with active mid-cap value manager Seizert Capital Partners and the transfer of the remainder of those assets into a mid-cap index fund. Steve Gasper has recommended the Vanguard Mid-Cap Index Fund (VO).

The Retiree Health Care Fund Investment Committee is requested to take the following actions in two separate motions.

SUGGESTED ACTION NO 1:

To concur in the recommendation of the Retirement Investment Committee to terminate the agreement with active mid-cap value manager Seizert Capital Partners pursuant to Section 18 of the agreement; to direct Seizert Capital partners to cease buying, selling, or otherwise trading in any asset of the account upon receipt of a written request to do so; to direct Seizert Capital Partners to work with representatives at Comerica Bank, as necessary, to accomplish the transfer of assets.

SUGGESTED ACTION NO. 2:

To concur in the recommendation of the Retirement Investment Committee and Investment Consultant Steve Gasper to invest in the Vanguard Mid-Cap Index Fund (VO) for the Retiree Health Care Fund; to direct Comerica Bank to create a new Vanguard Mid-Cap Index account for the Retiree Health Care Fund.

MEMORANDUM

DATE: November 25, 2019

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Assistant Finance Director
Thelma Golden, Treasury Consultant

SUBJECT: Application for Fiduciary Liability Coverage Renewal

The quote for renewal of fiduciary liability insurance for the policy period from January 2, 2020 through January 2, 2021 is attached for the Committee's review and approval.

The annual policy will remain the same as last year with a \$3,000,000 limit of liability and a \$10,000 deductible. The following quote to cover both the Retirement and Retiree Health Care Funds is \$15,689

It is recommended that the Committee accept the proposal from Cincinnati Insurance Companies with an annual premium of \$15,689 for both the Retirement Fund and the Retiree Health Care Fund. The Retiree Health Care Fund's portion will be \$4,434

SUGGESTED ACTION:

To approve the fiduciary liability insurance policy from Cincinnati Insurance Companies for the period from January 2, 2020 through January 2, 2021 with a \$3,000,000 limit of liability and a \$10,000 deductible with a premium of \$4,434 for the Retiree Health Care Fund.

**MANAGEMENT LIABILITY
Pillar - Non-Profit Organizations Proposal**

**CITY OF BIRMINGHAM EMPLOYEES RETIREMENT
SYSTEM**

PO BOX 3001
BIRMINGHAM, MI 48012

Proposed Policy Period
01/02/2020 - 01/02/2021

Date Prepared 11/14/2019

This is not a policy.



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PREMIUM SUMMARY

The Cincinnati Insurance Company

Named Insured: CITY OF BIRMINGHAM EMPLOYEES RETIREMENT SYSTEM

Address: PO BOX 3001
BIRMINGHAM, MI 48012

Agency: Johnston Lewis Associates, Inc.

Proposed Policy Period: 01/02/2020 - 01/02/2021

Coverage	Premium
Fiduciary Liability	\$15,689
Terrorism	Included
Total Annual Premium	\$15,689.00

Ask your agent about various billing and payment options.



MEMORANDUM

DATE: November 6, 2019

TO: Birmingham Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director

SUBJECT: Approval of 2020-2021 Budget

The Retiree Health Care Fund was established for the purpose of providing medical and health-care benefits for the welfare of eligible retirees of the City receiving monthly benefits from the Birmingham Employees Retirement System (BERS) and the eligible dependents of such retirees.

In November 1999 the State Legislature passed enabling legislation to provide that a City Commission may establish by resolution a Health Care Fund, which allows investments in the same manner as retirement plans. On November 27, 2000 the City Commission adopted the City of Birmingham Retiree Health Care Fund Plan Document, which became effective January 1, 2001. Pursuant to Article IX, Section 9.01(c) of the Plan Document:

“A portion of net earnings may be used for payment for reasonable and necessary professional services, costs and expenses related to assisting the Investment Committee and plan administrator in the operation of the Fund. The Investment Committee shall determine what costs, fees and professional services are reasonable and necessary.”

As of October 31, 2019 there were 274 retired members and their eligible dependents receiving health-care benefits. The City prepares a two-year budget. The proposed Retiree Health Care Fund budget for fiscal year 2020-2021 is submitted for your review and approval.

SUGGESTED ACTION:

To approve the Retiree Health Care Fund Administration Budget for fiscal year 2020-2021 as submitted.

CITY OF BIRMINGHAM
 RETIREE HEALTH CARE ADMINISTRATIVE COSTS
 PROPOSED BUDGET 2020-2021, 2021-2022, 2022-2023

	Actual 2018-2019	Budget 2018-2019	Projected 2019-2020	Request 2020-2021	Planned 2021-2022	Planned 2022-2023
OTHER CONTRACTUAL SERVICES						
802.0100 AUDIT	725	750	750	780	810	840
802.0200 INVESTMENT MANAGEMENT	128,443	140,060	139,160	144,300	147,400	150,190
802.0300 INVESTMENT CUSTODIAL	17,842	19,450	19,300	20,000	20,470	20,860
802.0400 ACTUARY	36,750	16,500	16,500	37,250	17,100	38,400
802.0600 INVESTMENT CONSULTANT	22,587	24,510	25,000	25,750	26,350	26,880
957.0200 OTHER CASUALTY INSURANCE	3,962	4,000	4,250	4,500	4,750	5,000
962.0000 MISCELLANEOUS	97	-	-	100	100	100
OTHER CONTRACTUAL SERVICES TOTAL	<u>210,406</u>	<u>205,270</u>	<u>204,960</u>	<u>232,680</u>	<u>216,980</u>	<u>242,270</u>
TOTAL EXPENDITURES	<u>210,406</u>	<u>205,270</u>	<u>204,960</u>	<u>232,680</u>	<u>216,980</u>	<u>242,270</u>

**BIRMINGHAM RETIREE HEALTH CARE FUND
INVESTMENT MANAGERS/CUSTODIAN/OTHER SERVICES**

		DATE HIRED/ CHANGED	ORIGINAL \$/ TRANSFERS \$	DATE HIRED/ CHANGED	ORIGINAL \$/ TRANSFERS \$	MANAGEMENT FEE*
FIXED INCOME	BRADFORD & MARZEC (TORTOISE CREDIT STRATEGIES)	9/3/2009 6/11/2010 12/21/2010 10/31/2011 3/8/2013	\$3,338,708 -\$549,560 -\$152,170 \$1,000,000 -835,504	6/12/2015 9/8/2017	-1,380,000 -1,648,000	.30% ON THE FIRST \$50 MILLION
FIXED INCOME	BRAMSHILL INVESTMENTS INCOME PERFORMANCE FUND BRMSX	3/18/2019	1,255,691			1.10%
FIXED INCOME	C.S. MCKEE	8/25/2009 6/11/2010 12/21/2010 3/11/2011 10/31/2011 12/14/2012 3/8/2013	\$3,338,506 -\$739,825 -\$304,330 -\$590,000 \$660,000 -1,300,000 -\$355,089	6/12/2015 12/11/2015 9/8/2017	-1,656,000 1,067,020 -1,950,500	.35% ON THE FIRST \$25 MILLION 30% ON THE NEXT \$25 MILLION PLUS 20% DISCOUNT
EQUITY LARGE-CAP GROWTH	BAHL GAYNOR, INC.	9/16/2009 6/11/2010 3/11/2011 9/9/2011 10/31/2011 12/14/2012 3/8/2014 3/4/2014	\$903,788 \$538,850 \$590,000 \$200,000 \$154,772 \$400,000 \$417,752 -\$1,610,760	6/12/2015 4/4/2016 9/9/2016 12/9/2016	\$690,000 -2,000,000 -500,000 -520,000	.30% OF TOTAL ASSETS
EQUITY LARGE-CAP VALUE	WESTWOOD HOLDINGS GROUP	7/9/2009 10/31/2011 12/14/2012 3/8/2013 3/4/2014 6/12/2015	\$2,352,860 -\$950,000 \$300,000 \$417,752 -\$244,050 \$552,000	4/14/2016 9/9/2016 12/9/2016	-\$700,000 -500,000 -\$520,000	0.65% ON ASSETS UP TO \$25,000,000
EQUITY LARGE-CAP INDEX FUND	VANGUARD S&P 500 ETF (VOO)	4/14/2016 9/9/2016 12/9/2016 9/8/2017	\$1,300,000 \$1,000,000 \$1,040,000 \$360,000			0.05%
EQUITY SMID-CAP GROWTH	FIERA CAPITAL INC. (APEX CAPITAL)	6/20/2015 9/8/2017	\$2,238 \$672,600			.55% OF ASSETS ON LAST BUSINESS DAY OF PREVIOUS QUARTER
EQUITY MID-CAP VALUE	SEIZERT CAPITAL PARTNERS	8/11/2017 9/8/2017	\$2,101,810 \$360,800			0.60%
EQUITY SMALL-CAP VALUE	GABELLI ASSET MANAGEMENT	6/15/2001 7/11/2001 3/11/2005 12/9/2005 3/10/2006 12/8/2006 5/21/2008	\$658,161 \$823 -\$266,131 \$41,895 -\$343,956 -\$24,027 25,073	6/11/2010 3/8/2013 3/4/2014 6/12/2015 9/8/2017	45,250 1,148,818 -\$341,680 \$138,000 302,700	1%- 1ST \$40 MILLION .5%- OVER \$40 MILLION DUE ON 1ST DAY OF QTR
EQUITY INTERNATIONAL	LAZARD CAPITAL	6/15/2001 7/11/2001 12/10/2004 3/11/2005 12/9/2005 3/10/2006 12/8/2006 11/16/2007 5/21/2008	\$715,393 \$895 \$95,310 \$65,408 \$158,985 \$137,583 \$257,646 -\$285,000 -\$268,819	6/11/2010 12/21/2010 9,9,2011 12/14/2012 6/12/2015	-\$150,270 -\$304,330 -\$200,000 \$150,000 \$690,000	0.65% LAST BUSINESS DAY OF QUARTER
EQUITY EMERGING MARKETS	LAZARD CAPITAL (LZEMX)	11/16/2007 5/21/2008 6/1/2010	\$285,000 -\$6,965 \$646,105	12/14/2012 9/8/2017	\$150,000 \$672,600	1%
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/18/2019	\$1,126,494			1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/18/2019	\$1,126,494			2% MANAGEMENT 25% INCENTIVE
MANAGED FUTURES FUND	CAVENDISH MANAGED FUTURES (WINTON CAPITAL MANAGEMENT)	4/14/2016 9/8/2017 3/18/2019	\$1,400,000 \$302,700 -\$661,030			MANAGEMENT FEE - 1% PERFORMANCE FEE - 20% OF NEW PROFITS
CUSTODIAN	COMERICA	6/15/2001				0.0475%
INVESTMENT CONSULTANT	STEVE GASPER, UBS	3/9/2007				.065% OF PLAN ASSETS ON LAST DAY OF PREVIOUS FY PD QTRLY

*Management fees will be based on the aggregate of the BERS and the BRHC Funds

NOTE:

Abbey Capital Managed Futures Fund liquidated 3/18/2019
Goldman Sachs Strategic Income Fund liquidated 3/18/2019

Revised: 10/10/2019