

MINUTES OF A REGULAR MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
DECEMBER 1, 2021

The meeting was called to order at 7:43 A.M.

PRESENT: Mark Gerber, Finance Director/Treasurer
VIA ZOOM: Richard Aginian, Citizen Member; Sarasota, Florida
Christopher Conti, Retirement Board Trustee; Birmingham, MI

ALSO PRESENT
VIA ZOOM: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board;
Dori Drayton and Jeremy Chambers, Captrust

Motion by Conti:
Second by Aginian:

To approve the minutes of the special meeting held August 30, 2021, and the regular meeting held September 1, 2021.

ROLL CALL VOTE:

Aginian: Aye
Conti: Aye
Gerber: Aye

Motion by Conti:
Second by Aginian:

To change the regular meeting of the Retirement Investment Committee scheduled for March 2, 2022 to February 23, 2022, at 7:30 A.M.

ROLL CALL VOTE:

Aginian: Aye
Conti: Aye
Gerber: Aye

Jeremy Chambers stated that he would review the fund's performance using Comerica's Composite Performance Review as of September 30, 2021. Captrust will add their market update as of September 30, 2021. Captrust will provide their full report next quarter. The report will compare with the Comerica report but will be on the Captrust template.

Jeremy Chambers reviewed the Summary of Investment Performance for periods ending September 30, 2021 provided by Comerica. He also reviewed market

commentary provided by Captrust that included reports explaining asset classes that posted mixed results in the third quarter; an in depth analysis of the performance of stocks and bonds for Q3 2021, YTD 2021 and the last twelve months; the headwinds and tailwinds of the economic outlook; wage inflation; the global logistic logjam; household wealth surge; and index performance.

Chris Conti suggested that Captrust should limit their presentation to the Retirement Board to five to seven minutes, focusing on their report on headwinds and tailwinds. If a manager significantly outperforms or underperforms, they will provide the index table to show why.

The Captrust report will replace the Comerica performance report for next quarter. We will still use Comerica for QTD and YTD historical returns.

Dori Drayton reviewed the allocation of the Retirement Fund as of November 15, 2021. Most of the changes in the portfolio have been implemented with the exception of the hedge funds and the Starwood Real Estate Income Trust. These funds will be addressed in Step 2 of the implementation in 2022 once the liquidation of all other funds has been completed.

Dori Drayton explained that the Investment Policy Statement would change over time based on litigation in the industry and based on the ERISA space. The current investment policy has language that is more specific. They propose a policy that has broader language that will result in a higher likelihood of compliance. They will highlight changes they are proposing and forward to the committee members.

Mark Gerber stated that the committee members could communicate their suggestions to Captrust but not to other committee members. The decision-making aspect has to be made at a meeting. The Investment Committee will schedule a special meeting to review the investment policy in January or February.

Captrust will not present the proposed investment policy to the Retirement Board at the December meeting but will report that the development of a new policy is under review and will be presented at the March 2022 meeting.

Jeremy Chambers will forward a proposed investment policy to Committee members and outline major changes and reasons for the changes.

Captrust typically reviews the policy annually. Frank Pisano suggested that the Committee should review the policy semiannually for the protection of the committee and board members.

Dori Chambers stated that their quarterly report ties in to the Investment Policy Statement. Jeremy Chambers stated that, if any managers do not comply with the policy, they would find out why and provide an explanation.

Mark Gerber reported that the transition to the new investments has been working out smoothly. He appreciated that Captrust provided necessary documents to Comerica during the transition, which greatly reduced the City's administrative duties. He likes the mutual funds because it is much easier to sell assets to fund payments. He provided Captrust with a cash flow statement so they can anticipate when disbursements may be needed.

Mark explained that the actuary will perform a 5-Year Experience Study next fall. The actuarial assumptions will be reviewed at that time.

The meeting was adjourned at 8:54 A.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant