

MINUTES OF A MEETING OF THE
RETIREMENT INVESTMENT COMMITTEE
NOVEMBER 25, 2019

The meeting was called to order at 7:32 A.M.

Present: Richard Aginian, Citizen Member; Mark Gerber, Finance Director/Treasurer; Christopher Conti, Retirement Board Trustee

Also Present: Steve and David Gasper, UBS; Frank Pisano, Library Board Member

Motion by Aginian:
Second by Conti:

To approve the minutes of the regular meeting held September 4, 2019.

Ayes: 3
Nays: 0

Steve and David Gasper reviewed the investment consultant's report and Comerica's September 30, 2019 Composite Review. The asset transfers that were made in September 2019 paid off. Large-cap stocks outperformed the market.

The Gaspers have asked Comerica to include the fund's target allocation in the Composite Performance Review reports.

They are recommending an increase in fixed income and a shift to less volatility to larger cap equities. They are cautiously optimistic for 2020, anticipating slower growth but with volatility. Bahl & Gaynor is a large-cap growth manager with low volatility. Westwood is a large-cap value manager with excellent performance, more downside protection. They are strong stock pickers. Apex is a mid-cap manager that is now outperforming their benchmark. They are up 27% YTD as of today's date. They do well in good markets. Seizert has reported an ownership change. Gerald Seizert and his son are leaving the firm.

Motion by Aginian:
Second by Conti:

To forward a recommendation to the Retirement Board to terminate the agreement with Seizert Capital Partners and to request authorization to schedule a special meeting of the Retirement Investment Committee to review mid-cap index fund options for the Retirement Fund.

Ayes: 3
Nays: 0

Motion by Conti:

Second by Aginian:

To concur in the recommendation of the investment consultant to forward the following recommendations to the Retirement Board: add \$1,000,000 to Bradford & Marzec; add \$4,000,000 to C. S. McKee; reduce Apex by \$5,000,000; reduce Seizert by \$1,000,000; reduce Gabelli by \$2,000,000; reduce Lazard International by \$3,000,000; reduce Lazard Emerging Market by \$2,000,000; add \$5,000,000 to Westwood; add \$3,000,000 to Bahl & Gaynor.

Ayes: 3

Nays: 0

Motion by Aginian:

Second by Conti:

To forward a recommendation to the Retiree Health Care Fund Investment Committee to terminate the agreement with Seizert Capital Partners and to request authorization to schedule a special meeting of the Retirement Investment Committee to review mid-cap index fund options for the Retiree Health Care Fund.

Ayes: 3

Nays: 0

Motion by Conti:

Second by Aginian:

To concur in the recommendation of the investment consultant to forward a recommendation to the Retiree Health Care Fund Investment Committee to reduce Apex by \$1,300,000; reduce Seizert by \$400,000; reduce Gabelli by \$400,000; reduce Lazard International by \$400,000; reduce Lazard Emerging Markets by \$400,000; add \$1,600,000 to Westwood, and add \$1,300,000 to Bahl & Gaynor.

Ayes: 3

Nays: 0

Motion by Aginian:

Second by Conti:

To forward a recommendation to the Retirement Board and Retiree Health Care Fund 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 Employees Retirement Fund and the Retiree Health Care Fund; and, to authorize Mark Gerber to sign the consent to Assignment.

Ayes: 3

Nays: 0

Motion by Conti:

Second by Aginian:

To set the 2020 meeting dates for the regular meetings of the Retirement Investment Committee on March 4, June 3, September 2, and November 24 at 7:30 a.m. in the municipal building.

Ayes: 3

Nays: 0

Mark Gerber reported that the June 30, 2019 funding level for the Retirement Fund was 84%. The draw down for the fund is about \$7,500,000 per year; the contribution is about \$2,300,000 per year.

The meeting was adjourned at 8:20 a.m.

Respectfully submitted:

Thelma Golden
Treasury Consultant