

**MINUTES OF THE REGULAR VIRTUAL RETIREMENT BOARD MEETING
HELD JUNE 11, 2021**

The meeting was called to order at 8:19 A.M.

PRESENT: Matthew Bartalino, Birmingham, MI
Christopher Conti, Birmingham, MI
Bruce Johnson, Birmingham, MI
Therese Longe, Birmingham, MI
Thomas Markus, Birmingham, MI
John VanGorder, Kalkaska, MI
Jeffrey Whipple, Troy, MI

ABSENT: Pierre Boutros, Birmingham, MI
(Entered the meeting at 8:50 A.M.)

ALSO PRESENT: Mark Gerber, Finance Director/Treasurer; Thelma Golden, Treasury Consultant; Richard Aginian, Retirement Investment Committee; Matt Lasko, Megan Smith, Meredith Farber, and Maureen Mendoza, Austin Klinger, UBS; Frank Pisano, Library Board; John Hoffley

07-2021

Motion by Longe:
Second by Johnson:

To approve the Consent Agenda:

To approve the Retirement Board minutes of March 12, 2021;
To approve the Birmingham Employees Retirement System Bills/Retirement Roll of \$2,007,057.52 for the period from March 1, 2021 through May 31, 2021;
To approve Pension Administration Expenses of \$118,387.19 for the period from April 1, 2021 to June 1, 2021;
To grant final approval of the retirement of Ruth Rowland from the Finance Department
To receive the Summary of Assets for the period ending April 30, 2021, with a total market value of \$114,742,244.

ROLL CALL VOTE:

Bartalino: Aye
Boutros: Absent
Conti: Aye
Johnson: Aye
Longe: Aye
Markus: Aye
Whipple: No audio available

08-2021

Matt Lasko reviewed the Quarterly Market Review that was presented and reviewed at the Retirement Investment Committee at their meeting held June 2, 2021.

Pierre Boutros entered the meeting at 8:50 A.M.

09-2021

Motion by Conti:

Second by Barrtalino:

To concur in the recommendation of the investment consultants and the Retirement Investment Committee to direct Comerica Bank to reduce the allocation in the Vanguard S&P 500 Index Fund by \$1,434,280; to direct Comerica to reduce the allocation in the Westwood large-cap value equity fund by \$1,434,280; to direct Comerica to reduce the allocation in the Vanguard mid-Cap Index Fund by \$1,721,130; to direct Comerica to reduce the allocation in the Gabelli small-cap value fund by \$1,147,420; to direct Comerica to transfer \$3,442,270 into the fixed income account managed by C.S. McKee; to direct Comerica to transfer \$2,294,840 into the fixed income fund managed by Bramshill.

ROLL CALL VOTE:

Bartalino: Aye

Boutros: Aye

Conti: Aye

Johnson: Aye

Longe: Aye

Markus: Aye

Whipple: No audio available

10-2021

Chris Conti reviewed the power point recap of the RFP process for the investment consultant and the Retirement Investment Committee's recommendation that was distributed under separate cover and displayed on the screen. The Committee believes that Captrust would be the best fit for Birmingham. The feedback from their references were positive.

There was discussion regarding the pros and cons of choosing a large firm versus choosing a small boutique firm. A small firm may give more undivided attention to Birmingham but might take more risk to get higher returns. Captrust would provide more assistance with the administrative process. It has a very large bench and

tremendous resources that would benefit the city. They have not had turnover in personnel in 20 years. Their objective would be to get high returns with low risk.

There was discussion regarding the recommended consultant and their proposed fees. Mark Gerber reported that the city's legal advisor stated that we could not negotiate a lower fee with one manager. Tom Markus believes that once the Board has made a determination that Captrust is the preferred choice, we can negotiate a lower fee. He believes that it is the Board's fiduciary responsibility to get the best fee possible.

Richard Aginian stated that Captrust would prepare signature ready documents that will save the city time and money. They will also prepare performance reports that we are now paying Comerica to do.

Chris Conti commented that Captrust thought we were paying higher fees for investment management than they would recommend. They would focus on investments with lower fees.

John VanGorder and Frank Pisano complemented the Retirement Investment Committee on the entire RFP process.

11-2021

Motion by Markus

Second by Conti:

To designate Captrust as the preferred investment consultant for the Retirement Board; to direct Mark Gerber to contact the representatives from Captrust to negotiate lower fees and return to the Retirement Board with a recommendation.

ROLL CALL VOTE:

Bartalino: Aye

Boutros: Aye

Conti: Aye

Johnson: Aye

Longe: Aye

Markus: Aye

Whipple: No audio available

12-2021

Chris Conti reported that Pete Kauffman passed away after 31 years of service with the city and several years of service as the retiree member of the Retirement Board.

13-2021

Motion by Boutros:

Second by Conti:

To declare a vacancy in the office of fire member of the Retirement Board effective July 1, 2021; to schedule a primary election on August 20, 2021 and a regular election on September 3, 2021, if necessary; to appoint Chris Conti, Bruce Johnson and Mark Gerber to an election committee to canvass the votes and report election results at the next regular board meeting.

ROLL CALL VOTE:

Bartalino: Aye

Boutros: Aye

Conti: Aye

Johnson: Aye

Longe: Aye

Markus: Aye

Whipple: No audio available

14-2021

Motion by Conti:

Second by Boutros:

To set the 2021 interest rate that will be applied to members' accumulated contributions at 3.00% based on the Retirement Board's policy.

ROLL CALL VOTE:

Bartalino: Aye

Boutros: Aye

Conti: Aye

Johnson: Aye

Longe: Aye

Markus: Aye

Whipple: No audio available

Meeting adjourned at 10:05 A.M.

Respectfully submitted,

Thelma Golden

Treasury Consultant