

MINUTES OF A SPECIAL MEETING OF THE  
RETIREMENT INVESTMENT COMMITTEE  
AUGUST 30, 2021

Chris Conti called the meeting to order at 2:30 P.M.

PRESENT: Chris Conti, Retirement Board Trustee  
Mark Gerber, Finance Director  
Richard Aginian, Citizen Member, Birmingham, MI, arrived at the meeting virtually at 3:18 P.M.

ALSO PRESENT  
VIA ZOOM: Thelma Golden, Treasury Consultant; Frank Pisano, Library Board; Dori Drayton, Jeremy Chambers, and Brett Reardon, Curtis Cunningham, Brett Hartman, Captrust Financial Advisors

The purpose of the special meeting is to meet with Captrust Financial Advisors to discuss the asset allocation and investment manager selection of the Retirement Fund and Retiree Health Care Fund portfolios.

Representatives from Captrust reviewed the Asset Allocation Options, Simulated Historical Performance, and Investment Manager Recommendation that were contained in their investment consultant report. Based on their capital market assumptions and the Fund's investment policy, they feel it will be challenging to meet the 6.75% actuarial assumed rate of return. They reported that some plans have an assumed rate of return of 5.75%, with 6.5% being the average. They presented four hypothetical asset allocations versus the expected return of the Fund's investment policy targets. State Law restricts the allocation in equities to 70%. They believe that fixed income must be reduced below 20% or private equity must be increased above 10% in order to increase return. They also recommend switching from Vanguard Funds to Fidelity Funds because they are less expensive.

Chris Conti stated that the Retirement Board has had poor experience with alternative investments and may be uncomfortable with some of the recommended investments in private equity at this time.

Dori Drayton suggested contacting the current alternative investment managers to learn what steps are necessary to liquidate those funds without penalty. She feels that the Fund's current investment policy is in line and suggests just focusing on manager selection for now.

Mark stated that the actuary would begin a 5-Year Experience Study next fall. The actuarial assumptions will be reviewed after this study.

At the September 1, 2021 meeting, the Investment Committee would like to discuss alternative managers to Gabelli, Bramshill, and passive funds in the small-cap area.

Retirement Investment Committee  
Special Meeting  
August 30, 2021  
Page 2

At the September 10, 2021 Retirement Board meeting, Chris Conti suggested that Captrust take 15 or 20 minutes to present an overview of Captrust's June 30, 2021 investment consultant report and explain one or two changes to make at first.

Mark Gerber reported that the June 30, 2021 GASB reports list the funding level for OPEB to be 95% and Pension at 96%.

Meeting adjourned at 4:20 A.M.

Respectfully submitted,

Thelma Golden  
Treasury Consultant