

CITY OF BIRMINGHAM
RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
MONDAY, MARCH 18, 2019
8:00 A.M.
CONFERENCE ROOM 203

- 1) Call to Order
- 2) Roll Call
- 3) Announcements
- 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 December 14, 2018.
- B) Approval of Retiree Health Care Fund Expenses of \$66,289.04 for the period of December 7, 2018 through February 6, 2019.
- C) Resolution to receive the Summary of Assets for the period ending January 31, 2019 with a total market value of \$34,950,590.

| | <u>1/31/2019</u> | | <u>12/31/2018</u> | | <u>1/31/2018</u> | |
|----------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| Abbey Capital - Managed Futures | 1,592,506 | 4.6% | 1,685,140 | 5.1% | 1,905,270 | 5.3% |
| Apex Capital - SMID-Cap Growth | 3,409,129 | 9.8% | 3,041,625 | 9.2% | 2,853,321 | 7.9% |
| Bahl & Gaynor - Large-Cap Growth | 2,469,866 | 7.1% | 2,336,017 | 7.1% | 2,491,003 | 6.9% |
| Bradford & Marzec - Fixed Income | 4,340,695 | 12.4% | 4,258,784 | 12.9% | 4,110,576 | 11.4% |
| C. S. McKee - Fixed Income | 1,905,994 | 5.5% | 1,853,814 | 5.6% | 1,729,583 | 4.8% |
| Cavendish Managed Futures | 1,772,001 | 5.1% | 1,815,164 | 5.5% | 1,906,845 | 5.3% |
| Gabelli - SmCap Value | 3,028,765 | 8.7% | 2,724,029 | 8.3% | 3,457,004 | 9.6% |
| Goldman Sachs - Alternative | 1,245,447 | 3.6% | 1,219,351 | 3.7% | 1,256,805 | 3.5% |
| Lazard - International Equity | 3,468,474 | 9.9% | 3,289,824 | 10.0% | 3,889,594 | 10.8% |
| Lazard - Emerging Market | 2,010,002 | 5.8% | 1,801,376 | 5.5% | 2,379,351 | 6.6% |
| Seizert Capital - Mid Cap Value | 2,493,560 | 7.1% | 2,312,700 | 7.0% | 2,704,096 | 7.5% |
| Vanguard S&P500 ETF | 4,808,654 | 13.8% | 4,430,867 | 13.4% | 4,923,711 | 13.6% |
| Westwood - Large-Cap Value | 2,405,496 | 6.9% | 2,245,512 | 6.8% | 2,473,854 | 6.9% |
| Total | 34,950,590 | 100.0% | 33,014,203 | 100.0% | 36,081,014 | 100.0% |

- 5) Investments
 - A) To concur in the recommendation of Investment Consultant Steve Gasper and the Retirement Investment Committee to recommended portfolio allocation changes for the Retiree Health Care Fund by two separate actions.
 - 1) To direct Comerica Bank to liquidate the Goldman Sachs Strategic Income Fund GSZIX; to direct Comerica Bank to transfer the proceeds into the new Bramshill Investments Income Performance Fund.
 - 2) To direct Comerica Bank to liquidate the Abbey Capital Multi-Manager Fund, Share class B; to direct Comerica to reduce the Cavendish Futures Fund by \$650,500; to direct Comerica to open a new hedge fund account in the Retiree Health Care Fund for the Graham Absolute Return Class B Fund; to direct Comerica to create a new hedge fund in the Retiree Health Care Fund for the Whitebox Multi-Strategy Fund, LP; to direct Comerica to transfer \$1,121,503 into the new Graham Absolute Return Class B Fund; to direct Comerica to transfer \$1,121,503 into the new Whitebox Multi-Strategy Fund, LP.
- 6) Unfinished Business
 - A) Review of the June 30, 2018 Actuarial Valuation for the Retiree Health Care Plan that has been submitted under separate cover.
 - B) Resolution to rescind 12-2018; to schedule the 2019 regular meetings for the Retiree Health Care Investment Committee to be held immediately following the Retirement Board meetings on March 8, June 14, September 13, and December 13 in the municipal building.
- 7) New Business
- 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 DECEMBER 14, 2018**

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

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

ABSENT: Patty Bordman

ALSO PRESENT: Steve and David Gasper, UBS

04-2018

Chris Conti announced that Patricia Bordman is the new mayor representative and Ruth Rowland is the new employee member of the committee.

05-2018

Motion by Valentine:

Second by Conti:

To approve the Consent Agenda:

To approve the Retiree Health Care Fund Investment Committee meeting minutes of March 9, 2018;

To approve the Retiree Health Care Fund Expenses of \$41,801.04 for the period from March 1, 2018 through May 9, 2018;

To approve Retiree Health Care Fund Expenses of \$43,777.56 for the period of June 13, 2018 through August 22, 2018;

To approve Retiree Health Care Fund Expenses for \$56,520.84 for the period of September 28, 2018 through November 22, 2018;

To receive the Summary of Assets for the period ending October 31, 2018 with a total market value of \$34,422,801.

Bordman: Absent:

Conti: Aye

Gerber: Aye

Rowland: Aye

Valentine: Aye

06-2018

Steve Gasper reviewed the investment consultant's report at the Retirement Board meeting. He stated that the Retiree Health Care Fund asset allocation is structured to

mirror that of the Retirement Fund. The Retiree Health Care Fund Investment Committee will make investment decisions similar to that of the Retirement Board.

07-2018

Motion by Conti:

Second by Valentine:

To approve the recommendation of the Retirement Investment Committee to authorize Investment Consultant Steve Gasper to conduct a formal search for a fixed income manager with some hedging capabilities; and, to authorize Investment Consultant Steve Gasper to conduct a broad search for investment managers in the alternative manager space.

Ayes: 4

Nays: 0

Absent: 1 (Bordman)

08-2018

Motion by Valentine:

Second by Conti:

To approve the fiduciary liability insurance policy from Cincinnati Insurance Companies for the period from January 2, 2019 through January 2, 2020 with a \$3,000,000 limit of liability and a \$10,000 deductible with a premium of \$3,962 for the Retiree Health Care Fund.

Ayes: 4

Nays: 0

Absent: 1 (Bordman)

09-2018

Mark Gerber stated that, according to the actuarial valuation, the Retiree Health Care Fund is doing quite well. Claims experience was less than anticipated. At June 30, 2018 the system was 67.9% funded. He added that representations from Gabriel Roeder will be present at the March 2019 meeting to review the valuation.

10-2018

Motion by Conti:

Second by Valentine:

To receive the Retiree Health Care Fund Actuarial Valuation for the fiscal year ended June 30, 2018.

Ayes: 4
Nays: 0
Absent: 1 (Bordman)

11-2018

Motion by Valentine:

Second by Rowland:

To approve the Retiree Health Care Fund Administration Budget for fiscal year 2019-2020 as submitted.

Ayes: 4
Nays: 0
Absent: 1 (Bordman)

12-2018

Motion by Conti:

Second by Rowland:

To set the 2019 meeting dates for the regular meetings of the Retiree Health Care Fund Investment Committee on February 27, June 5, Friday, September 4, and December 4 immediately following the Retirement Board meeting that meets at 8:15 A.M. in the municipal building.

Ayes: 4
Nays: 0
Absent: 1 (Bordman)

The meeting was adjourned at 9:01 A.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant

Retiree Health Care Fund Expenses
12/7/2018 - 02/06/2019

| <u>Date</u> | <u>Name</u> | <u>Purpose</u> | <u>Amount</u> |
|-------------|--|--|---------------|
| 12/31/2018 | Bahl & Gaynor | Investment Management Period of 10/1/2018 - 12/31/2018 | \$ 1,905.15 |
| 1/8/2019 | Seizert Capital Partners | Investment Management Period of 10/1/2018 - 12/31/2018 | \$ 3,469.00 |
| 1/14/2019 | C.S. McKee | Investment Management Period ending 3/31/2019 | \$ 1,299.10 |
| 2/6/2019 | Fiera Capital | Investment Management First Quarter 2019 | \$ 4,183.15 |
| 1/22/2019 | Gamco | Investment Management Period of 1/1/19/2019 - 3/31/2019 | \$ 6,802.00 |
| 1/11/2019 | Westwood Trust | Investment Management Period Ending 12/31/2018 | \$ 3,876.49 |
| 1/10/2019 | Lazard | Investment Management Period of 1/01/2019 - 3/31/2019 | \$ 5,338.16 |
| 1/15/2019 | Tortoise | Investment Management Period of 10/01/2018 - 12/31/2018 | \$ 2,636.80 |
| 1/23/2019 | UBS | Investment Consultant Period of 10/01/2018 - 12/31/2018 | \$ 5,693.22 |
| 12/19/2018 | Johnston Lewis Associates, Inc | Fiduciary Insurance Renewal 01/02/2019-01/02/2020 | \$ 3,962.00 |
| 12/7/2018 | Gabriel, Roeder, Smith & Co. | 5 yr. Projection | \$ 2,250.00 |
| 12/7/2018 | Gabriel, Roeder, Smith & Co. | June 30, 2018 Valuation of Retiree Health Plan | \$ 20,500.00 |
| 12/6/2018 | Comerica Custodial/Investment Management Services | Custodial Services/market value fees Period of 7/1/2018 - 9/30/2018 | \$ 808.86 |
| 1/25/2019 | Comerica Custodial/Investment Management Services | Custodial Services/market value fees Period of 10/1/2018 - 12/31/2018 | \$ 2,203.58 |
| 1/31/2019 | Comerica Custodial/Investment Management Services | Custodial Services/market value fees Period of 10/1/2018 - 12/31/2018 | \$ 1,361.53 |
| TOTAL | | | \$ 66,289.04 |

Bahl & Gaynor

Investment Counsel

December 31, 2018

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

MANAGEMENT FEE:

The City of Birmingham Retirees Health Care Fund

| | | |
|---|-------------|--------------------|
| 11/30/2018 Market Value: | | \$ 2,540,198.79 |
| Quarterly Fee Based On: | | |
| \$ 2,540,199 @ 0.30% per annum | \$ 1,905.15 | |
| Quarterly Fee: | | <u>\$ 1,905.15</u> |
| For the Period 10/1/2018 through 12/31/2018 | | |

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



January 8, 2019

Mr. Mark Gerber
151 Martin St.
Birmingham, MI 48012
United States

Cust: Comerica
Acct: XXXXXX1327
Code: 1514

MANAGEMENT FEE: City of Birmingham Retiree HealthCare
Mid Cap
1514

| | | |
|---|-----------|--------------|
| 12/31/2018 Portfolio Value: | | \$ 2,312,431 |
| Annual Fee Based On: | | \$ 13,875 |
| \$ 2,312,431 @ 0.60% per annum | \$ 13,875 | |
| Quarterly Fee: | | \$ 3,469 |
| For the Period 10/1/2018 through 12/31/2018 | | <hr/> |

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.

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@csmckee.com)

Client Assets

| | | |
|-------|---|-----------------------|
| 90705 | Birmingham Employees' Retirement System | \$2,623,078.65 |
| 90706 | City of Birmingham Retiree Health Care Fund | \$1,855,857.59 |
| | | \$4,478,936.24 |

Fee Calculation

(fee schedule - Fixed Income New)

| | | | | |
|---------------|----|-----------------|--------|-------------|
| \$0 | to | \$25,000,000 | 0.350% | \$15,676.28 |
| \$25,000,000 | to | \$50,000,000 | 0.300% | \$0.00 |
| \$50,000,000 | to | \$100,000,000 | 0.250% | \$0.00 |
| \$100,000,000 | to | \$1,000,000,000 | 0.200% | \$0.00 |

Annualized Fee **\$15,676.28**

Quarterly Fee **\$3,919.07**

Calculated Adjustment **(\$783.81)**

Quarterly Fee with Adjustment **\$3,135.26**

Discount Calculation

| Client | Assets | % of total assets | Gross Fee | Discount | Net Fee |
|---|--------------------|-------------------|-------------------|----------|-------------------|
| 90705 Birmingham Employees' Retirement System | \$2,623,079 | 58.6% | \$2,295.19 | 20.0% | \$1,836.16 |
| 90706 City of Birmingham Retiree Health Care Fund | \$1,855,858 | 41.4% | \$1,623.88 | 20.0% | \$1,299.10 |
| Quarterly Advisory Fee | \$4,478,936 | | \$3,919.07 | | \$3,135.26 |

February 6, 2018

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

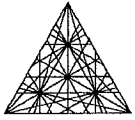
**Fiera Capital Inc.
 First Quarter 2019
 Statement of Management Fees**

| | Market Value | Quarterly Fee |
|--|----------------------------|--------------------|
| Account Values at December 31, 2018 | | |
| Account 3997 | \$9,277,427.03 | |
| Account 4004 | \$3,042,293.20 | |
| | | |
| Quarterly Fee @ .55% per annum | Account 3397 | \$12,756.46 |
| | | |
| Quarterly Fee @ .55% per annum | Account 4004 | <u>\$4,183.15</u> |
| | Total | \$16,939.63 |
| | | |
| | Fee Due and Payable | \$16,939.63 |

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

January 22, 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: January 1 - March 31, 2019

Portfolio Values

| | | |
|--|------------|-------------|
| S9507 City of Birmingham Retiree Health Care | 12/31/2018 | \$2,720,865 |
|--|------------|-------------|

Fee Basis

| | |
|------------------------------|---------|
| 1.000% Of First \$40,000,000 | \$6,802 |
|------------------------------|---------|

Current Amount Due

\$6,802

S9507 City of Birmingham Retiree Health Care Fund-Small Cap

January 22, 2019
20181231-154-5620-A

Current Amount Due \$6,802

Please make checks payable to Gamco Investors, Inc.

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

**CITY OF BIRMINGHAM RETIREE HEALTH
CARE FUND**

Account: 41-2031-01-5
Invoice: 5000832
Invoice Date: January 11, 2019
Page 1 of 2

Invoiced Fee Summary

| | |
|-------------------------------|-------------------|
| Balance From Previous Invoice | \$4,008.00 |
| Payments Received | -4,008.00 |
| Current Quarterly Fees | 3,876.49 |
| Total Amount Due | \$3,876.49 |

736-860.000-802.0200

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: 5000832
Invoice Date: January 11, 2019

Amount Due: \$3,876.49

Amount Paid:

PAYMENT DUE 15 DAYS FROM INVOICE DATE

Please remit payment to:

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

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

**CITY OF BIRMINGHAM RETIREE HEALTH
CARE FUND**

Account: 41-2031-01-5
Invoice: 5000832
Invoice Date: January 11, 2019
Page 2 of 2

Current Quarterly Fees To 12/31/2018

Total Relationship Market Value: \$2,244,895.84

65 BP - ETFs AND MFS EXCLUDED

Based on \$2,385,530.24 in value:

First \$2,385,530.24 @ 0.650 % 15,505.95

Annual Total \$15,505.95

X 1/4

\$3,876.49

Total Current Period Fees

\$3,876.49

Amount Due for Current Period

\$3,876.49

Total Amount Due

\$3,876.49

LAZARD

ASSET MANAGEMENT

Billing Period: 01/01/2019 - 03/31/2019
Invoice Number: 1760621
Account Number: 30600250

Date Issued: 01/10/2019
Value Date: 12/31/2018

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

3,285,019.85 @ 0.0065 annually x 1/4

5,338.16

Total Management Fees

\$5,338.16

Current Period Due: \$5,338.16
Over 30 Days: \$0.00
Over 60 Days: \$0.00
Over 90 Days: \$0.00
Total Amount Due: \$5,338.16

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: 1760621
Account Number: 30600250
Current Period Due: \$5,338.16
Total Due: \$5,338.16

736-860.000-802.0200



January 15, 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 | October 1, 2018 | |
| Ending | December 31, 2018 | \$4,243,660.88 |

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% | \$4,243,660.88 | 360 | 90 | \$2,652.29 |
| Prorated Contributions/Withdrawals | | | | | | |
| October 24, 2018 | | 0.250% | 369,998.51 | 360 | 23 | (\$59.10) |
| October 24, 2018 | | 0.250% | 2,030.14 | 360 | 23 | (\$0.32) |
| October 24, 2018 | | 0.250% | (275,009.77) | 360 | 23 | \$43.93 |
| Total Management Fee | | | | | | \$2,636.80 |

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

Invoice

Date: 01/23/2019
Contract ID: 1255
Invoice No.: 20181231410A
Billing Period: 10/01/2018 to 12/31/2018
Institutional Consultant: The Gasper Group

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

Institutional Consulting

| | |
|------------------------------|-------------------|
| Charges for the period: | \$5,693.22 |
| Fee for AUA: \$34,749,590.00 | \$5,693.22 |
| Other Consulting Fees: | \$0.00 |
| Credits for the period: | \$0.00 |
| Prior Balance: | \$0.00 |
| Ending Balance: | \$5,693.22 |

(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 48084
 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: YYV146500070
 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 | \$34,749,590.00 | 0.065% | \$5,693.22 |
| Total | \$34,749,590.00 | | \$5,693.22 |

Johnston Lewis Associates, Inc
 575 E. Maple Road
 Troy, MI 48083
 Phone: 248-528-2400

| | | |
|------------------------------|------------|----------------|
| INVOICE NO. 76818 | | Page 1 |
| ACCOUNT NO. | OP | DATE |
| BIRMI-7 | JG | 12/19/2018 |
| Fiduciary Liability | | |
| POLICY # | | |
| EMN0416993 | | |
| COMPANY | | |
| Cincinnati Insurance Company | | |
| PRODUCER | | |
| Jay D. Sawmiller | | |
| EFFECTIVE | EXPIRATION | BALANCE DUE ON |
| 01/02/2019 | 01/02/2020 | 01/16/2019 |

+ City of Birmingham +
 PO Box 3001
 Birmingham, MI 48012-3001
 +

| itm # | Due Date | Trn | Type | Policy # | Loan # | Description | Amount |
|------------------|----------|-----|------|------------|--------|---------------------------|-------------|
| 574208 | 01/16/19 | REN | FID | EMN0416993 | | 19/20 Fiduciary Liability | \$15,288.00 |
| Invoice Balance: | | | | | | | \$15,288.00 |

Retiree Health Care - \$3,962.00

PLEASE MAKE CHECK PAYABLE TO JOHNSTON LEWIS ASSOCIATES, INC

*** PLEASE RETURN ONE COPY WITH YOUR REMITTANCE ***

MEMORANDUM

DATE: November 29, 2018

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, 2019 through January 2, 2020 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 \$15,288.

It is recommended that the Committee accept the proposal from Cincinnati Insurance Companies with an annual premium of \$15,288 for both the Retirement Fund and the Retiree Health Care Fund. The Retiree Health Care Fund's portion will be \$3,962.

SUGGESTED ACTION:

To approve the fiduciary liability insurance policy from Cincinnati Insurance Companies for the period from January 2, 2019 through January 2, 2020 with a \$3,000,000 limit of liability and a \$10,000 deductible with a premium of \$3,962 for the Retiree Health Care Fund.



Gabriel, Roeder, Smith & Company

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

Invoice

| Date | Invoice |
|-----------|---------|
| 12/7/2018 | 443174 |

Bill To:

Please Remit To:

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

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

| Federal Tax ID |
|----------------|
| 38-1691268 |

Client 3167, OPEB Val 2018 0630, Project 3167-005

Amount

| | |
|---|-----------|
| June 30, 2018 valuation of Retiree Health Plan | 18,000.00 |
| Allocation of Unfunded Actuarial Liability and Amortization payment to 25 component units | 2,500.00 |

736-860-000 - 802.0400

\$20,500

Mark Gerber
12/17/18



City of Birmingham

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

Dept.#: 1011 Date: 12/6/2018

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>\$ 808.86</u> | <u>Custodial Services/market value fees</u> |
| Account #: | <u>736-860.000-802.0300</u> | | | | <u>7/1/2018-9/30/2018</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: \$ 808.86

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.: _____



City of Birmingham

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

Dept.#: 1011 Date: 1/25/2019

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>\$ 2,203.58</u> | <u>Custodial Services/market value fees</u> |
| Account #: | <u>736-860.000-802.0300</u> | | | _____ | <u>10/1/2018-12/31/2018</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: \$ 2,203.58

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: 1/31/2019

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>\$ 1,361.53</u> | <u>Custodial Services/market value fees</u> |
| Account #: | <u>736-860.000-802.0300</u> | | | _____ | <u>10/1/2018-12/31/2018</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: \$ 1,361.53

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.: _____

MEMORANDUM

DATE: February 27, 2019

TO: Retiree Health Care Fund Investment Committee

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

SUBJECT: Retirement Investment Committee Recommendation

The Retirement Investment Committee held a regular meeting on February 27, 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 the following actions.

The first recommendation is to replace the Goldman Sachs Strategic Income Fund with the Bramshill Investments Income Performance Fund. Both are fixed income funds.

The second recommendation is to liquidate the Abbey Capital Managed Futures Fund, reduce the Cavendish Managed Futures Fund, add two hedge funds: Graham Absolute Return Class B Fund and Whitebox Multi-Strategy Fund, LP. The total allocation would be divided equally among the three alternative investment funds.

SUGGESTED ACTIONS:

To concur in the recommendation of Investment Consultant Steve Gasper and the Retirement Investment Committee to recommended portfolio allocation changes for the Retiree Health Care Fund by two separate actions.

1. To direct Comerica Bank to liquidate the Goldman Sachs Strategic Income Fund GSZIX; to direct Comerica Bank to transfer the proceeds into the new Bramshill Investments Income Performance Fund.
2. To direct Comerica Bank to liquidate the Abbey Capital Multi-Manager Fund, Share class B; to direct Comerica to reduce the Cavendish Futures Fund by \$650,500; to direct Comerica to open a new hedge fund account in the Retiree Health Care Fund for the Graham Absolute Return Class B Fund; to direct Comerica to create a new hedge fund in the Retiree Health Care Fund for the Whitebox Multi-Strategy Fund, LP; to direct Comerica to transfer \$1,121,503 into

the new Graham Absolute Return Class B Fund; to direct Comerica to transfer \$1,121,503 into the new Whitebox Multi-Strategy Fund, LP.

MEMORANDUM

DATE: February 19, 2019
TO: Birmingham Retiree Health Care Fund Investment Committee
FROM: Mark Gerber, Assistant Finance Director
SUBJECT: June 30, 2018 Actuarial Valuation for Retiree Health Care Plan

The June 30, 2018 Actuarial Valuation for the Retiree Health Care Plan has been submitted under separate cover. Mark Buis of Gabriel Roeder will be present at the meeting to review the report and answer questions. No action is necessary.

MEMORANDUM

DATE: January 8, 2019

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Secretary-Treasurer

SUBJECT: Retiree Health Care Fund Investment Committee
2019 Meeting Dates - CORRECTION

At the Committee's December 14, 2018 meeting action was taken to schedule its regular meeting dates for 2019. The report in the agenda for that meeting contained a recommendation to schedule its meetings on the wrong dates.

We are, therefore, requesting that the Committee rescind the action taken on December 14, 2018, and schedule its regular 2019 meeting dates to immediately follow the Retirement Board meetings on March 8, June 14, September 13, and December 13.

SUGGESTED ACTION:

To rescind resolution 12-2018; to schedule the 2019 regular meetings for the Retiree Health Care Fund Investment Committee to be held immediately following the Retirement Board meetings on March 8, June 14, September 13, and December 13 in the municipal building.

**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 -\$85,504 | 6/12/2015 9/8/2017 | -1,380,000 -1,648,000 | .30% ON THE FIRST \$50 MILLION |
| 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 | APEX CAPITAL MANAGEMENT | 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% |
| MANAGED FUTURES FUND | ABBEY CAPITAL LIMITED | 12/21/2010 12/14/2012 12/12/2014 | \$760,830 \$130,000 \$339,000 | 9/8/2017 | \$457,100 | MANAGEMENT FEE: 1.9% INCENTIVE FEE: 22.0% PLUS COSTS |
| MANAGED FUTURES FUND | CAVENDISH MANAGED FUTURES (WINTON CAPITAL MANAGEMENT) | 4/14/2016 9/8/2017 | \$1,400,000 \$302,700 | | | MANAGEMENT FEE - 1% PERFORMANCE FEE - 20% OF NEW PROFITS |
| ALTERNATIVES | GOLDMAN SACHS STRATEGIC INCOME FUND GSZIX | 3/4/2014 12/12/2014 9/8/2017 | \$854,190 -78,200 470,000 | | | FEE - .65% |
| 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: The mid-cap growth fund managed by Forstman-Leff was liquidated 10/25/04 (\$286,583)
NYL MainStay Marketfield liquidated 12/11/15 (\$1,067,024)
Systematic Financial terminated 8/11/2017 (\$2,101,810)

Revised: 1/9/2019