

MINUTES
Tuscaloosa Police Officers and Firefighters Retirement Plan
Monday, December 9, 2019
Daugherty Conference Room

Members present: Clay Gibbs, Brad Fanning, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, David Richardson (entered at 9:03), Mitt Tubbs, Randy Smith

Absent: Joe Reed, Mike O'Bryant

Others present: Alyce Spruell (entered at 9:11), Greg Burchell, Paul Winn, Travis Winn, Jessica Jenkins, Melissa Adcox, Susan Snowden, Eric Davis, Eddie Pugh, Glenda Webb, Todd Smith, Councilman Lee Busby (entered at 9:06)

Approve minutes from November 20, 2019 and December 9, 2019 meetings

Motion passed to approve and amend the minutes from November 4, 2019 meeting. (Smith/Fanning; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, Mitt Tubbs) (NOTE: The minutes were amended to correct the approved transactions regarding taking \$1 million from Vulcan and adding half a million to Aristotle large value and half a million to Aristotle Internationals.)

Motion passed to approve the minutes from November 20, 2019 IMC presentation and interview meeting. (Kelly/McCafferty; Clay Gibbs, Brad Fanning, Clay Kornegay, John Olvey, David Richardson Mitt Tubbs, Randy Smith)

Morgan Stanley Report (report handout provided at meeting)

Presentation of November 2019 Executive Summary and the Investment Manager Blended Fee: Paul Winn with Morgan Stanley gave out the November 2019 executive summary to board member and discussed current fund. Paul Winn and Greg Burchell then lead a discussion regarding moving remaining cash from Southeast Long Leaf. Motion passed to move remaining funds from Southeast Long Leaf to cash. (Fanning/Richardson; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, Mitt Tubbs, Randy Smith)

Treasurer's Report (emailed prior to meeting)

Eric Davis presented the treasurer's report.

Approve payment of bills

Eric Davis presented the bills. Motion passed to approve the bills with the exception of the cost of lunch in the Rosen Harwood bill. (Richardson/Smith; Clay Gibbs, Brad Fanning, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, Mitt Tubbs)

Military Buy Back Report

The Board acknowledged the military buy back report.

Trial Balance

The Board acknowledged the Trial Balance report.

Board Elections Process in January 2020 and discussion of Police active and retired Voting Location

After discussion regarding the pending move for the Police Department administrative offices, the Board agreed to keep the Police active and retired voting location at the current Trevor Phillips Avenue location unless the move to the new location has been completed and demolition makes the Trevor Phillips Avenue offices unworkable as an election location; if that occurs, both police active and retired members will be notified that voting will take place at the new office location address.

Approve refund of pension contributions in the amount of \$65,662.34 to Jeremiah Tidwell (Fire-DOH 2/25/2008) due to resignation.

Motion passed to approve the refund of contributions to Jeremiah Tidwell (Smith/Kelly; Clay Gibbs, Brad Fanning, Will McCafferty, Clay Kornegay, John Olvey, David Richardson, Mitt Tubbs)

Approve David L. Martin to enter DROP effective November 19, 2019

Motion passed to approve David L. Martin to enter DROP on November 19, 2019 (Gibbs/Tubbs; Brad Fanning, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, David Richardson, Randy Smith)

Remove Jerry French from pension payroll due to death (11/7/2019) and add survivor Donna French to pension payroll.

Motion passed to remove Jerry French from pension payroll and add survivor Donna French to pension payroll. (Fanning/Tubbs; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, David Richardson, Randy Smith)

Legal Counsel Report

Alyce Spruell gave an update on the website, stating that a test premium payment process is still pending.

Spruell also informed the board that the engagement letters were ready for approval for both accounting and legal services: Yeager Christian remain at the same price.

Rosen Harwood rate will change to hourly rate in March or April 2020. Motion passed to accept Yeager Christian and Rosen Harwood. (McCafferty/Smith; Clay Gibbs, Brad Fanning, Alan Kelly, Clay Kornegay, John Olvey, David Richardson, Mitt Tubbs,)

Councilman Lee Busby provided comments that he was attending the meeting to learn more about the pension plan and that he looked forward to working with the Board.

Old Business

PROPOSED LEGISLATIVE CHANGES TO PENSION PLAN

Susan Snowden, City CFO and Glenda Webb, City attorney, provided information regarding proposed legislation to amend the Pension Act. The City is proposing amendments due to Standard and Poor's possibly downgrading of the City's credit rating due to the Pension's unfunded liability. Glenda Webb reported to the Board that the Mayor requested a sense of the Board's response to the following legislative changes:

1. A one-time contribution of half a million dollars to the Pension fund;
2. 5-year plan for the City to increase their contribution by 1% a year for the next 5 years with the members contribution increasing by .5% a year for the next 5 years.
3. Providing the City with more representation on pension board by the removal chiefs and adding the City CFO and City Attorney as voting members;
4. Adding additional language regarding the City's involvement in financial management and processes, including the annual fire insurance premium collection process.

Discussion then ensued regarding whether to move forward with presentation of these suggestions to the members to increase contribution rate and accepting a gift of 500K in hopes that it does not affect the pay plan, changing the board membership by removing the chiefs with elected active members, and the management and financial staff assistance as well. Discussion lead to a possible addition of two city designated positions on the Board (CFO and another person) to be determined by the City. The Board members also discussed adding legislative amendments that would change the 70% and 30% investment ratios to allowing up to 10% of the 70% stock to alternative investments.

The Board then discussed what it could report to the Mayor it could support and suggest to the Pension plan membership.

Motion passed to propose: 1). Remove Chiefs, add two City designated board member (CFO and one person to be determined by the Council), plus two more active members, and change to four-year terms; 2). Change to 70% and 30% investment parameters with up to 10% of the 70% stock maximum to be placed with alternative investment; 3). Appreciate 500K with the hope not to affect pay plan; 4). Agree to proposed increased contribution rates as outlined by the Mayor but only if membership approves. (Fanning/Olvey; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, David Richardson, Mitt Tubbs, Randy Smith).

Motion passed to agree to provide information to the membership regarding these proposals as supported by the Board and, if in a final format in time, submit the contribution, investment and board membership proposed changes to the membership to be voted on by members at the same time as the election. (Fanning/Richardson; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, Mitt Tubbs, Randy Smith)

Enter Executive Session (Fanning/Kelly; Clay Gibbs, Will McCafferty, Clay Kornegay, John Olvey, David Richardson, Mitt Tubbs, Randy Smith)

Exit Executive Session (Fanning/Richardson; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, Mitt Tubbs, Randy Smith)

Discussion and review of disability retirement application for William Schuhart.

Motion passed denying disability application for William Schuhart. (Richardson/Kornegay; Clay Gibbs, Brad Fanning, Alan Kelly, Will McCafferty, John Olvey, Mitt Tubbs, Randy Smith)

Discussion of IMC RFP submissions and interviews

Enter Executive Session (Fanning/McCafferty; Clay Gibbs, Alan Kelly, Clay Kornegay, John Olvey, David Richardson, Mitt Tubbs, Randy Smith)

Exit Executive Session (Fanning/Smith; Clay Gibbs, Alan Kelly, Will McCafferty, Clay Kornegay, John Olvey, David Richardson, Mitt Tubbs)

Adjourn

Fanning/Smith

Chair, Alan Kelly