

# **CITY OF LANSING JOINT EMPLOYEES' RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM MEETING MINUTES**

Joint Meeting Minutes  
10<sup>th</sup> Floor Conference Room

August 16, 2022  
Tuesday, 8:30 a.m.

The meeting was called to order at 8:32

A quorum of both Retirement Boards was present.

Trustees present: (ERS) Bahr, Ebright, Kirkland, Kraus, D. Parker, Sanchez-Gazella, Schor (8:36a) – 7

Trustees present: (Police & Fire) Kirkland, Moore, Schor (8:36a), Taylor, C. Wilcox, R. Wilcox, Wohlfert, Wood – 8

Excused: ERS: Dedic, Garza

Excused: Police & Fire:

Others present Karen Williams, Evangelina Hernandez, Human Resources Department, Attorney Joseph Abood, City Attorney's Office; Aaron. Castle, VanOverbeke, Michaud & Timmony, P.C.; Nathan Burk, Asset Consulting Group

It was moved by Trustee Bahr and supported by Trustee Ebright to excuse Trustee Dedic from the Joint Employee's Retirement System Board and Police and Fire Retirement System August Board meeting.

Adopted by the following vote: 7 – 0

It was moved by Trustee R. Wilcox and supported by C. Wilcox to approve the Official Minutes of the Police and Fire Retirement System Board meeting of July 19, 2022.

Adopted by the following vote: 8 – 0

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the Official Minutes of the Employees' Retirement System Board meeting of July 19, 2022.

Adopted by the following vote: 7 - 0

No public comments for Items on the agenda.

**Secretary's Report (Police and Fire):**

0 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 3 retired. Total active membership: 367. 0 death(s) Refunds made since the last regular meeting amounted to \$11,232.51. Reimbursements to the System year-to-date amount to \$0. Retirement allowances paid for the month of July 2022 amounted to \$3,090,007.12. Total retirement checks printed for the P&F System: 779. Total retirement checks printed for both systems: 1,719. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified:0

**Secretary's Report (Employees' Retirement System):**

4 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total active membership: 487. Total deferred: 73. 3 death(s) Deboreh L. Barber, died 5/3/2022, age 70, spouse of (UAW retiree). Jean Verla Miller, died 7/7/2022, age 97, spouse of (UAW retiree). Sherman Nelson, Jr. (UAW – Public Service, retired 8/9/2022), died 7/19/2022, age 81, spouse to receive 50%. Refunds made since the last regular meeting mounted to \$0. Retirement allowances paid for the month of July 2022, amounted to \$2,030,469.96. Total retirement checks printed for the ERS System: 940. Total Retirement checks printed for both systems: 1,719. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee C. Wilcox and supported by Trustee Taylor to approve the following application for Regular Age & Service Retirement for the **Police and Fire System:**

Gregory M. Smith, (Fire – IAFF) 19 years, 6 months of service credit, age effective October 1, 2022 (Sworn 2/24/2003)

Adopted by the following vote: 8 – 0

It was moved by Trustee Bahr and support by Trustee Ebright to approve the following application for Regular Age & Service Retirement for the **Employees Retirement System:**

Pattie Starnes, (Fire/Civilian – T243) 29 years, 4 months of service credits, age 52, effective September 10, 2022.

Adopted by the following vote: 7 – 0

Ms. Williams reported that letters was sent to applicant's #2022-P0719 and #2202-F0720 requesting a medical paperwork and releases for duty disability. Upon receipt of the medical files, the applicants will be scheduled to see medical director.

Ms. Williams reported the **Employees' Retirement System** Disability Subcommittee met and reviewed the applicant's medical report and based on that information, the Subcommittee requested a supplemental report for Applicant #2022 – E1108 for Duty Disability from the medical director. The subcommittee is waiting on that report from the medical director.

There were no requests for non-duty disability for the **Police and Fire Retirement System Board**.

There were no requests for non-duty disability for the **Employees' Retirement System Board**.

There were no requests for refund of accumulated contributions for the **Police and Fire Retirement System Board**.

Ms. Williams reported that Mr. Duncan Adam, Teamster 243, not vested had requested a refund of his accumulated contributions of \$5,486.58.

It was moved by Trustee Bahr and support by Trustee Ebright to approve the following refund of accumulated contributions:

Adam Duncan, Teamster 243, not vested, \$5,486.58

Adopted by the following vote: 7 – 0

There were no comments for items not on the agenda.

Ms. Hernandez updated the Board members regarding registration and hotel arrangements for MAPERS, NCPERS and IFEBP.

Ms. Williams reported that the 3<sup>rd</sup> Annual Michigan Institutional Forum a One Day Seminar, October 6, 2022. Ms. Williams informed them if they were interested, they could register to attend as a speaker or attendee to contact the Retirement Office.

Trustee Kirkland informed Ms. Williams that she would be attending the 3<sup>rd</sup> Annual Michigan Institutional Forum as an attendee.

Public comments for items not on the agenda.

Ms. Williams reported that the Retirement office received a memo from the Controller, Jeff Scharnowske regarding the **Police and Fire Retirement System Employees'** Contribution is for the quarterly contributions.

Ms. Williams reported that memo was sent to the Chair, Eric Wohlfert, from the Controller, Jeff Scharnowske, dated August 10, 2022, for fiscal year 2022 for the 4th Quarter for net contribution in the amount of \$414,704.34 transferred by the City of Lansing **to Police and Fire Retirement System** for the Net Employee Contributions for the period of April 1, 2022, thru June 30, 2022, and the confirmation of the transfer in the memo.

It was moved by Trustee Wood and supported Trustee R. Wilcox to accept the Employees' Net Contributions of \$414,794.34 from the City of Lansing to the **Police and Fire Retirement System**.

Adopted by the following vote: 8 – 0

Ms. Williams reported August invoices for **Police and Fire Retirement System** for the Grand Hotel for the MAPERS, NCPERS registrations, Asset Consulting Group, Integrity Asset Management, and VanOverbeke, Michaud & Timmony, PC

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to approve the **Police and Fire Retirement System** August invoices.

Adopted by the following vote: 8 - 0

Ms. Williams reviewed the **Police and Fire Retirement System** Quarterly Expense report as of June 30, 2022.

Trustee Ryan Wilcox inquired about the status of the Duty Disability Income Verifications.

Ms. Williams reported that she was meeting with one of duty disability retirees who wished to convert but had not submitted the income verification. The retiree was scheduled to submit the income verification at the meeting. Ms. Williams reported that she was meeting with another duty disability who reported that he had not filed a tax return but could provide his notarized document income verification.

Ms. Williams reported that retirees were required to submit their income verification prior to conversion.

Ms. Williams reported that the Retirement office received a memo from the Controller, Jeff Scharnowske regarding the **Employees' Retirement System** Net Contribution.

Ms. Williams reported that memo was sent to the Chair, Dennis R. Parker, from the Controller, Jeff Scharnowske, dated August 10, 2022, for fiscal year 2022 for the 4th Quarter for net contribution in the amount of \$85,108.08 was transferred by the City of Lansing to **Employees' Retirement System** for the Net Employee Contributions for the period of April 1, 2022, thru June 30, 2022, and the confirmation of the transfer in the memo.

It was moved by Trustee Bahr and supported Trustee Kraus to accept the employees' net contributions of \$85,108.08 from the City of Lansing to the **Employees Retirement System**.

Adopted by the following vote: 7 – 0

Attorney Castle reviewed the Disability Retirement/Re-Examination Policy resolution for approval.

It was moved by Trustee Kraus and supported by Trustee Ebright to approve the Disability Retirement/Re-Examination policy resolution.

Adopted by the following vote: 7 - 0

Ms. Williams reported August invoices for **Employees' Retirement System** for the Grand Hotel for the MAPERS, NCPERS registrations, Asset Consulting Group, Integrity Asset Management, and VanOverbeke, Michaud & Timmony, PC

It was moved by Trustee Ebright and supported by Trustee Bahr to approve the **Employees' Retirement System** August invoices.

Adopted by the following vote: 7 - 0

Ms. Williams reported that Mr. Oscar Mazuca, retiree requested reconsideration from the Board to remove his ex-spouse as his pension beneficiary. Mr. Mazuca reported that his ex-spouse would not sign a waiver regarding the survivor benefits

Attorney Castle opined that the Employees' Retirement System was asking the ex-spouse to acknowledge and waive the survivor benefit in writing. The Employees' Retirement System would have a document on record. If Mrs. Mazuca will not sign the waiver, that would be a divorce matter that would need to be resolved by the court. The Employees' Retirement System is not a party to the divorce.

Trustee Kraus requested that another letter would be required from Attorney Castle that would inform Mr. Mazuca to take the waiver to his attorney and take the matter back court.

It was moved by Trustee Ebright and supported by Trustee Bahr for the Attorney Castle on behalf of the Employee Retirement System to send a letter to Mr. Mazuca informing him to take the matter back to court to enforce the waiver.

Adopted by the following vote: 7 - 0

Ms. Williams reviewed the **Employees' Retirement System** Expense report for the quarter ended June 30, 2022.

Ms. Williams updated the Joint Retirement Board regarding the Tegrity pension software. Ms. Williams has discussed with Tammy Paquette about estimates for the additional work required to bring the software up to date. The Board would need to purchase additional hours for to incorporate the new death check services, the updated reduction factors from the mortality tables and upcoming contracts. Ms. Williams will get an estimate from Tegrity for the Board to for additional hours to purchase.

Mr. Nathan Burk provided an overview the 2<sup>nd</sup> quarter investment review, the July Investment report and issues with UBS Trumbull real estate performance and evaluation of a new manager.

M. Nathan Burk reviewed the Quarterly Performance reports for the 2<sup>nd</sup> quarter of 2022. Mr. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending June 30, 2022. Mr. Burk reviewed current market environment and discussed the inflation and interest rates. Mr. Burk provided a review of the structure of both plans and discussed fees and asset allocation.

Mr. Burk discussed the UBS Trumbull real estate performance. UBS performance has lagged behind its peer group. Mr. Burk stated that because it is private real estate it may take a couple of years to fully divest. Mr. Burk provided an overview of the differences between core real estate market, core plus and opportunistic.

Mr. Burk recommended evaluating core and core plus for replacement of the UBS Trumbull investment.

Trustee Schor inquired about putting some of the investment locally.

Mr. Burk stated that the Board could review companies that invest in Lansing but would not recommend direct investment in Lansing properties by the Board.

Mr. Burk reviewed recommendations for real estate portion of the retirement boards' portfolio: AEW Capital Management, Prudential, and Principal Financial Group. Mr. Burk recommended setting up a meeting to interview the companies.

It was moved by Trustee Bahr and supported by Trustee Kirkland for the Employees Retirement System Board to set up a Joint Meeting with the Police and Fire Retirement Board September 13 to interview real estate management company candidates.

Adopted by the following vote: 7 - 0

It was moved by Trustee R. Wilcox and supported by Trustee Moore for the Police and Fire Retirement System Board to set up a Joint Meeting with the Employees' Retirement System Board September 13 to interview and real estate management company candidates.

Adopted by the following vote: 8 - 0

Mr. Jonathan Karlson provided an overview of Black Rock Investment Management. Ms. Hannah Kim, product specialist, discussed the Black Rock Asset strategy and the investment approach. Ms. Kim reviewed the portfolio performance for the Employees' Retirement System and the Police and Fire Retirement System. She discussed positioning of the portfolio and the effect of inflation, supply change issues and interest rates.

It was moved by Trustee Ryan Wilcox and supported by Trustee Kirkland to adjourn the August Joint Retirement System Board for the Police and Fire Retirement System.

Adopted by following vote: 8 - 0

It was moved by Trustee Bahr and supported by Trustee Ebright to adjourn the August Joint Retirement System Board for the Employees Retirement System.

Adopted by following vote: 7 - 0

The Meeting adjourned at 10:16 a.m.

Minutes approved on 9/13/2022

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Desiree Kirkland, Secretary

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Dennis R. Parker, Chairperson  
Employees' Retirement System

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Eric P. Wohlfert, Chairperson  
Police and Fire Retirement System