

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

Joint Meeting Minutes
10th Floor Conference Room

November 8, 2022
Tuesday, 8:30 a.m.

The meeting was called to order at 8:38 a.m.

Trustees present: (ERS) Bahr, Dedic Ebright, Kirkland, Kraus, Parker – 6
(Police & Fire) Kirkland, Moore, Taylor, C. Wilcox, R. Wilcox, Wohlfert, Wood – 7
Excused: (ERS), Garza, Sanchez-Gazella & Schor

Others present: Karen Williams, Evangelina Hernandez, Human Resources Department, Lisa Hagen-Lawrence, City Attorney's Office, Attorney Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C., Mr. Jon Feinberg, Mr. Michael Halper, ABS Investment Management and Mr. Nathan Burk, Asset Consulting Group.

It was moved by Trustee Kraus and supported by Trustee Bahr to excuse Trustees Garza, Sanchez-Gazella and Schor from the Joint Employees' Retirement System Board and Police and Fire Retirement System November Board meeting.

Adopted by the following vote: 6 – 0

It was moved by Trustee R. Wilcox and supported by Trustee Moore to approve the Official Minutes of the Police and Fire Retirement System Board meeting of October 18, 2022.

Adopted by the following vote: 7 – 0

It was moved by Trustee Kraus and supported by Trustee Bahr to approve the Official Minutes of the Employees' Retirement System Board meeting of October 18, 2022.

Adopted by the following vote: 6 - 0

There were no public comments for items on the agenda.

Secretary's Report (Police & Fire):

3 new sworn 0 fire member(s), 0 new sworn police member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total Active Membership: 359. 1 death(s), Clement A. Hufnagel, (Police) – Supervisory) retired 4/2/2005, died 9/19/2022, age 86, beneficiary to receive 50%. Refunds made since the last regular meeting amounted to \$86,116.39. Reimbursement to the System year-to-date amount \$0. Retirement allowances paid for the month of October 2022, amounted to \$3,149,105.43, Total retirement checks printed for the P&F System: 788. Total retirement checks printed for both systems: 1715. Domestic relations order received: 1. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.

Secretary's Report (Employees' Retirement System):

3 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total Active Membership: 469. Total deferred:69, 3 death(s), Frank E. Eirosius, (Teamster – T214 Supervisory) retired 5/1/2013, died 10/16/2022, age 67, spouse to received 100%; Verna D. Bell (Teamster – District Court) retired 3/31/2005, died 8/1//2022, no beneficiary; Fross Kanazeh, died 9/24/2022, age 73, beneficiary of non-bargaining retiree. Refunds made since the last regular meeting amounted to \$10,494.27. Retirement allowances paid for the month of October 2022, amounted to \$2,015,524.62, Total retirement checks printed for the ERS System: 927. Total retirement checks printed for both systems: 1715. Domestic relations order received: 0. Domestic relations orders pending: 0 Eligible Domestic Relations Order Certified: 0.

There were no requests for Regular Age & Service for **Police and Fire Retirement System.**

There were no requests for Regular Age & Service for **Employees' Retirement System.**

Ms. Williams reported that there are two Duty Disability for Police and Fire Retirement System. Ms. Williams reported that Applicant #2022-P0719 was currently pending. Ms. Williams reported that this applicant was seen by the medical director and a report was sent and forwarded to the Disability Sub-committee for review.

It was moved by Trustee R. Wilcox and supported by Trustee C. Wilcox to approve the Duty Disability for Applicant #2022-P0719.

Adopted by the following vote: 7 – 0

Ms. Williams reported that Applicant #2022-F0720 is currently pending. Ms. Williams reported that she had not received the medical report, but they have seen the doctor.

Ms. Williams reported the Applicant #2021-E1108 was currently pending for the Employees' Retirement System. Ms. Williams reported that the medical and supplement report has been received by Dr. Roth. The reports were provided to the Disability Sub-committee, with a supplemental report from the Workers' Compensation division of the City of Lansing. Ms. Williams reported that the Disability Sub-committee, met, reviewed the documents and they have a report.

It was moved by Trustee Dedic and supported by Trustee Bahr to conditionally approve Applicant #2021-E1108 Duty Disability retirement, pending confirmation from the City of Lansing Workers' Compensation division that no other accommodations are available.

Adopted by the following vote: 6 – 0

Ms. Williams reported that non-duty request Applicant #2022-F1018 of the Police and Fire Retirement System has received a request for documents. The Retirement Office was waiting for one additional document from the applicant. An appointment will be made with the medical director.

There were no Non-Duty requested for **Employees' Retirement System.**

Ms. Williams reported that Mr. Tyler Mattison, IAFF was not vested has requested a refund of his accumulated contributions of \$34,788.33 from the Police & Fire Retirement System.

It was moved by Trustee C. Wilcox and supported by Trustee Wohlfert to approve the following Request for Refund of Accumulated contributions.

Adopted by the following vote: 7 – 0

There were no requests for Refund of Accumulated Contribution for the **Employees' Retirement System**.

Ms. Williams reported that Trustees who attended the IFEBP and NCPERS conference would provide oral reports regarding the event.

Trustee Moore provided a report for the NCPERS conference. He reported that it was a good conference with a great selection of speakers. He reported that one of the sessions discussed Legislative changes to the medical and healthcare system. Trustee Moore reported that another of the session of interest was the hiring and retention and how it affected the retirement pension system.

Trustee Dedic attended the IFEBP conference and reported that the outgoing Chairman emphasized mental health needs to be “normalized” and the big issue was that a generation of people have been isolated due to covid.

Trustee Dedic reported that he attended a session for Cyber Security and reviewed the importance for the board to stay up to date. He reported that there was a discussion about long term covid, the impacts of the “haze and memory loss” and that the ADA has a classification for this disability.

Trustee Taylor also attended the IFEBP conference and inquired if the retirement boards had an alternative Trustee, should the need arise. Trustee Taylor explained an alternative trustee would be used, should one of the members on the board have to be excused due to medical issues.

Ms. Williams informed the trustees of the updated memo that was sent from Trustee Kirkland for Travel Policy. She also conveyed that they have the option to use the Federal GSA for Out of State reimbursements as they have different rates per each state as an option.

Ms. Williams informed the board members the cost for MAPERS, and NCPERS renewal annual membership fees as follows. The cost for MAPERS is \$200.00 per each board and NCPERS cost is \$290.00. Ms. Williams reported that these are paid through Securities Lending from Administration cost for the year.

It was moved by Trustee C. Wilcox and supported by Trustee Wood to approve payment of the 2023 annual memberships for MAPERS and NCPERS for Police and Fire Retirement System.

Adopted by the following vote: 7 – 0

It was moved by Trustee Dedic and supported by Trustee Kraus to approve payment of the 2023 annual memberships for MAPERS and NCPERS for Employees' Retirement System.

Adopted by the following vote: 6 – 0

There were no public comments for items not on the agenda.

Ms. Williams reported the Police and Fire Retirement System invoices for October: William Blair, \$34,107.52; VanOverbeke, Michaud & Timmony, P.C., \$3,154.00 with itemized services for the 3rd quarter; Mondrian, \$28,138.37 for the 3rd quarter.

Ms. Williams reported that the invoice from Tegrity reflects the cost for the additional 400 hours that were approved in last month's meeting and the total is \$112,000.00 to be paid half by each Retirement System. The cost for Police and Fire Retirement System Board was \$56,000.00.

It was moved by Trustee Moore and supported by Trustee C. Wilcox to approve the Police and Fire Retirement System invoices.

Adopted by the following vote: 7 – 0

Ms. Williams reported the Q1 FY2023 Net Employee Contribution to the Police and Fire Retirement System. Mr. Jeff Scharnowske provided a memo indicating a transfer from the City of Lansing on November 2, 2022, in the amount of \$742,490.24.

It was moved by Trustee Moore and supported by Trustee C. Wilcox to accept the funds for Police and Fire Retirement System for employee contributions for the period of 7/1/2022 thru 9/30/2022.

Adopted by the following vote: 7 – 0

Ms. Williams reported the Operating Expenses for the 3rd Quarterly from July thru September 30, 2022, for the Police & Fire Retirement System are gross payroll was \$9,311,966.78, investment fees was \$159,985.40, contractual fees for ACG is \$19,744.25 Boombershine Consulting Group was \$4,000.00 fiduciary liability insurance was \$21,328.00, medical director is \$1,000.00 and the total expenses year to date is \$9,498,565.43.

Trustee Wood asked Attorney Lisa Hagen-Lawrence, from the City Attorney's office if there was a written legal opinion from the City Attorney's office outlining the reason the Police and Fire Retirement System needed to purchase its own fiduciary liability insurance coverage. Trustee Wood has inquired several times for a written legal opinion outlining the board's fiduciary liability.

Attorney Lisa Hagen-Lawrence, from the City Attorney's office responded that there was no written opinion yet.

Ms. Wood noted for the Joint Retirement System has not received a written legal opinion from the City Attorney's office regarding fiduciary liability.

Ms. Williams reported that we have two nominees for the term of Police Trustee for the Police and Fire Retirement System. The voting would start on Thursday, December 8, 2022. The General Election would be Electronic Online Voting and members would also have the option to pick up a paper ballot at the Retirement office.

Ms. Williams reported the Employees' Retirement System invoices for October: William Blair, \$20,036.00; VanOverbeke, Michaud & Timmony, P.C., \$2,470.00 with itemized services for the 3rd quarter; and MES, \$2,507.00.

Ms. Williams reported that the invoice from Tegrit reflects the cost for the additional 400 hours that were approved by both boards in the September Joint meeting and the total was \$112,000.00 to be split in half for each Retirement System. The cost for Employees' Retirement System in the amount of \$56,000.00.

It was moved by Trustee Kraus and supported by Trustee Bahr to approved for Employees' Retirement System invoices.

Adopted by the following vote: 6 – 0

Ms. Williams reported the Q1 FY2023 Net Employee Contribution for Employees' Retirement System was provided from Mr. Scharnowske, Finance, a transfer from the City of Lansing on November 2, 2022, was an amount of \$321,954.21.

It was moved by Trustee Bahr and supported by Trustee Kirkland to accept the employee contribution for the Employees' Retirement System for Q1 FY2023.

Adopted by the following vote: 6 – 0

Ms. Williams reported the Operating Expenses for the 3rd Quarterly from July thru September 30, 2022, for the Employees' Retirement System are gross payroll was \$6,073,037.42, investment fees was \$94,520.63, contractual fees for ACG is \$19,744.25; Boombershine Consulting Group is \$842.50, fiduciary liability insurance was \$10,963.00, medical director was \$21,136.75.00 and the total operating year to date is \$6,202,681.33.

Ms. Williams reported that she has been working with Tegrit with a platform for a "user" testing and to bring everything up to date but does not include the new contracts. This testing is currently taking place this month and the most relevant is providing an accurate informant from the hire date for the "average final comp" based on the change of different "bargaining and non-bargaining" unions.

Ms. Williams reported that Tegrit has also incorporated PBI reporting and reduction as part of the update.

Mr. Nathan Burk from Asset Consulting Group reported on an education piece of the Market volatility, give what we have seen this past year and staying the course. He directed the board members to the 3rd Quarterly report and the preliminary performance through October 2022.

Mr. Burk referred to the Executive Summary of the 3rd Quarterly Investment report though September 30th. He reported that equity and bonds have been down sharply, year-to-date, and we enter the year with high valuations, and low yields. Mr. Burk, reported on the Markets Strategic Portfolio for both Retirement Systems Boards which were, that we were not immune to the 3rd quarter market sell off and the portfolio was able to limit losses and protect capital in this challenging market environment.

Mr. Burk explained that the ABS manager who would be presenting, would discuss the long and short equity positions that help protect the downside volatility.

Mr. Burk updated the Boards that redemption from Trumbull Property had been requested. The proceeds would fund the Principal Investment.

Mr. Halper, from ABS Global Investments reported on that Global Markets have reacted to inflation and the central bank market environment in 2022. The central banks in the US are very aggressively raising interest rates, inflation has increased and is going to be here for a while.

Mr. Halper reported on the risk and return profile through September 2022. He provided a portfolio breakdown by Strategy and consisting of the US/Global Generalist of 30%, Regional Specialist of 17% and Sector Specialist of 53% for a balanced portfolio for a value-oriented markets with positives alpha and active exposure management contributions from commodity-related, small cap, real estate, and financial strategies.

Trustee Wood inquired about the portfolio stock selections and, how they are evaluated.

Mr. Feinberg from ABS Global Investments responded that ABS are in touch with the managers regularly and walk through each individual stock that has helped or hurt the portfolio.

Mr. Halper reported on the Emerging Markets Strategic Portfolio (EMS) with current exposure by geography, sector, and market cap. The goal was to have a balanced portfolio with relative exposure, that allows our local managers to choose local stocks in local geography and closer to the Benchmark for the ABS EMS portfolio holdings.

It was moved by Trustee C. Wilcox and supported by Trustee Moore to adjourn the Joint Retirement System Board meeting for the Police and Fire Retirement System.

Adopted by the following vote: unanimous

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

Adopted by the following vote: unanimous

The Meeting adjourned at 10:04 a.m.

Minutes approved on 12/20/2022

Desiree Kirkland, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System