

**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

February 21, 2023  
Tuesday, 8:30 a.m.

The meeting was called to order at 8:33 a.m.

Trustees present: (ERS) Dedic, Ebright, Garza, Jeffries, Kirkland, Kraus, O'Leary (8:35a), Parker, Schor – 9

(Police & Fire) Kirkland, Schor, Taylor, C. Wilcox, R. Wilcox, Wohlfert, Wood – 6

Excused: (ERS), Bahr

Excused: (Police & Fire): Kreft, Moore

Others present: Karen Williams, Human Resources Department, Attorney Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C., Greg Stump, Boomershine Consulting Group; Clayton Robinson, Mike Nieves, Austin Guy, Northern Trust; and Mr. Nathan Burk, Asset Consulting Group.

It was moved by Trustee Wilcox and supported by Trustee Wood to excuse Trustees Kreft and Trustee Moore from the Joint Employees' Retirement System Board and Police and Fire Retirement System February Board meeting.

Adopted by the following vote: 6 – 0

It was moved by Trustee Wilcox and supported by Trustee Wood to excuse Trustee Bahr from the Joint Employees' Retirement System Board and Police and Fire Retirement System February Board meeting.

Adopted by the following vote: 8 – 0

It was moved by Trustee R. Wilcox and supported by Trustee Taylor to approve the Official Minutes of the Police and Fire Retirement System Board meeting of January 17, 2023.

Adopted by the following vote: 6 – 0

It was moved by Trustee Ebright and supported by Trustee Dedic to approve the Official Minutes of the Employees' Retirement System Board meeting of January 17, 2023.

Adopted by the following vote: 6 – 0

There were no public comments for items on the agenda.

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

0 new sworn fire member(s), 2 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 366. 0 death(s) Refunds made since the last regular meeting amounted to \$0. Reimbursements to the System year-to-date amount to \$0 Retirement allowances paid for the month of January 2023 amounted to \$3,135,034.17. Total retirement checks printed for the P&F System: 789. Total retirement checks printed for both systems: 1,711. Domestic relations order received: 0. Domestic relations orders pending: 1. Eligible Domestic Relations Order Certified: 0.

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

7 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 487. Total deferred: 73. 6 death(s) Sandra Acker (Teamster 243 CTP -Public Service, retired 11/6/1992), died 12/31/2022, age 73, no beneficiary; Ann Adair, died 1/23/2023, age 97, spouse of (UAW retiree); Antonio Coito, (UAW – Parks, retired 4/15/2006), died 1/21/2022, age 69, spouse to receive 100%; Randall L. Davis (Teamster 243 CTP – Police/Civilian, retired 1/20/2017), died 1/13/2022, age 60, no beneficiary; Melodie J. Grables (Teamster 243 CTP – Police/Civilian, retired 4/1/2019), died 12/14/2022, age 65, no beneficiary; Christopher Johnston, (Teamster 243 CTP – Public Service, retired 1/15/2019), died 12/2/2022, age 85, beneficiary to receive 100%. Refunds made since the last regular meeting mounted to \$0. Retirement allowances paid for the month of January 2023, amounted to \$2,009,352.95. Total retirement checks printed for the ERS System: 922. Total Retirement checks printed for both systems: 1,711. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Wilcox and supported by Trustee Wood to approve the following applicant for Regular Age and Service Retirement for **Police and Fire Retirement System**:

John Cosme, (Police – CCLP NonSupervisory) 25 years of service credit, age 55, effective 2/17//2023, (Sworn 2/24/2003)

Adopted by the following vote: 6 – 0

Ms. Williams reported that the Retirement Office received a letter from Mr. Mark Boyer requesting to change his retirement date.

It was moved by Trustee Dedic and supported by Trustee Ebright to reconsider and deny Mr. Mark Boyer's application for regular age and service retirement from the Employees' Retirement System.

Adopted by the following vote: 9- 0

It was moved by Trustee Ebright and supported by Trustee Dedic to approve the following application for Regular Age and Service Retirement from the Employees' Retirement System:

Mark Boyer (UAW – Public Service), 25 years. 7 months of service credit, age 50, effective February 18, 2023.

Adopted by the following vote: 9-0

It was moved by Trustee Ebright and supported by Trustee Dedic to approve the following application for Regular Age and Service Retirement from the Employees' Retirement System:

Jeff Bassett, (UAW -Public Service), 25 years of service credit, 10 months of service credit, age 55, effective 2/24/2023.

Adopted by the following vote: 9-0

It was moved by Trustee Dedic and supported by Trustee Ebright to approve the following application for Regular Age and Service Retirement from the Employees' Retirement System:

Maynard Brown, (UAW – Public Service) 25 years, 1 months of service credit, age 57, effective 3/16/2023

Adopted by the following vote: 9-0

It was moved by Trustee Kraus and supported by Trustee Ebright to approve the following application for Regular Age and Service Retirement from the Employees' Retirement System:

Joe McClure, (NonBargaining – Finance) 3 years, 6 months of service credit, age 65, effective 3/1/2023 (vested and eligible with 24 years, 3 months of reciprocal retirement from the State of Michigan Employees' Retirement System -SERS)

Adopted by the following vote: 9-0

Ms. Williams reported that Applicant #2022-P0719 was gathering documents to be submitted to the medical director for re-evaluation.

Ms. Williams reported that Applicant # 2022-E1108 had returned the medical release and would be scheduled to see the medical director once their medical reports had been received for the Employees' Retirement System Board

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

Ms. Williams reported that an application for non-duty disability has been submitted from the Department Head for Applicant #2023 -E0221 for the Employees' Retirement System Board.

The Joint Retirement System Board recessed at 8:44 a.m. to allow the Employees' Retirement System Board disability subcommittee to meet.

The Joint Retirement System Board resumed at 8:50 a.m.

It was moved by Trustee O'Leary and supported by Trustee Ebright to send Applicant #2023=E0221 to the medical director for nonduty evaluation from the Employees' Retirement System Board.

Adopted by the following vote: 9– 0

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

Ms. Williams reported that Mr. Ryan Polaski, Teamster 243 District Court was not vested has requested a refund of his accumulated contributions of \$4490.42 from the Employees' Retirement System.

Adopted by the following vote: 9- 0.

Ms. Williams reported the upcoming Training and Education:

MAPERS One Day Seminar – Troy, Michigan  
MAPERS Spring Conference – Kalamazoo, Michigan (5/20 – 5/23, 2023)  
NCPERS Annual Conference – New Orleans, LA (5/21- 5/24, 2023).

It was moved by Trustee Wilcox and supported by Trustee Wood to allow trustees to attend the NCPERS Annual Conference for the Police and Fire Retirement System.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Dedic and supported by Trustee Ebright to allow trustees to attend the NCPERS Annual Conference for the Employees' Retirement System.

Adopted by the following vote: 9 – 0.

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

Ms. Williams reported the Police and Fire Retirement System invoices for February: Mondrian, \$32,883.52; Income Research + Management, \$16,926.48; William Blair, \$37057.72; Integrity, \$44,310.50; VanOverbeke, Michaud & Timmony, P.C., \$3,477.00 with itemized services for the 4th quarter.

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

Adopted by the following vote: 6 – 0

Ms. Williams submitted an amended City of Lansing Police and Fire Retirement System resolution to update the authorized signers on behalf of the Board for investment manager agreements, professional service contracts, vouchers, and other legally binding documents. The amended document replaces Ryan Wilcox with Justin Moore.

It was moved by Trustee Wilcox and supported by Trustee Kirkland to approve the amended City of Lansing Police and Fire Retirement System Resolution that names authorized signers on behalf of the Board.

Adopted by the following vote: 6 – 0

Ms. Williams reported the Operating Expenses for the 4th Quarter from October thru December 31, 2022, for the Police & Fire Retirement System. The gross payroll was \$9,411,147.14, with year-to-date retirement payroll at \$36,900,800. This amount was over budget. Investment fees for the quarter was \$239,167.96, contractual fees was \$53,584.75. Total operating and administrative expenses for the year was \$38,450,198.

Ms. Williams reviewed the proposed Police and Fire Retirement System Budget for 2023. Ms. Williams inquired if the Board wanted any amendments to the budget. Ms. Williams noted that both the Police Department and Fire Department would have a high number of retirements this year.

It was moved by Trustee Wood and supported by Trustee Wilcox to approve the amended Police and Fire Retirement System Budget for 2023.

Trustee Wood asked what number would be appropriate for the gross payroll. Ms. Williams recommended \$38 million to accommodate the expected retirements.

Adopted by the following vote: 6 – 0

Trustee Schor expressed concern regarding the increase in the payroll budget. He would want additional data about how many employees were retiring. He asked if the increase would affect the City budget.

Greg Stump, Boomershine Consulting Group, indicated that all the payments are from the Retirement trusts. The actuarial calculations for benefits are projected and a part of the valuation. The Retirement System would be required to pay the pension regardless of what was budgeted. There would be no line item in the City budget for retirement payroll.

It was moved by Trustee Wood and supported by Trustee Wilcox to approve the Police and Fire Retirement System subcommittee membership:

Disability committee: Wohlfert Taylor, Wilcox, t  
Investment committee: Kirkland, Wilcox, Wohlfert, Wood  
Education committee: Kirkland, Kreft, Moore, Taylor  
Special Projects: Wood Wohlfert, Moore Ex-Officio Legal Counsel

Adopted by the following vote: 6 -0.

Ms. Williams reported the Employees' Retirement System invoices for February: Income Research + Management, \$10,999.328; William Blair, \$21,769.54; Integrity, \$19, 343.24; VanOverbeke, Michaud & Timmony, P.C., \$2,793.00 with itemized services for the 4th quarter.

It was moved by Trustee Dedic and supported by Trustee Ebright to approve payments for the Employees' Retirement System invoices.

Adopted by the following vote: 6 - 0

Ms. Williams reported the Operating Expenses for the 4th Quarter from October thru December 31, 2022, for the Employees' Retirement System. The gross payroll was \$6,036,609.20, with year-to-date retirement payroll at \$24,256,514. Investment fees for the quarter was \$91,592.80, contractual fees was \$34,769.25. Total operating and administrative expenses for the year was \$24,861,097.

Ms. Williams reviewed the proposed Employees' Retirement System Budget for 2023. Ms. Williams decreased the gross payroll to \$26 million and updated the training and education budget for ten memberships instead of nine.

It was moved by Trustee Dedic and supported by Trustee Ebright to approve the 2023 Employee's Retirement System proposed budget.

Adopted by the following vote: 9 – 0.

It was moved by Trustee Dedic and supported by Trustee Ebright to approve the Employees' Retirement System subcommittee membership:

Disability committee:	Parker, Bahr, O'Leary
Investment committee:	Dedic, Parker Kraus, Kirkland
Education committee:	Garza, Dedic, Ebright Jeffries
Special Projects committee:	Kraus, Dedic, Bahr, Ebright
Health Care/OPEB committee:	Kraus Parker, O'Leary, Kirkland

Adopted by the following vote: 9-0.

Ms. Williams updated that Board regarding Mr. Mazuca's request to have his former spouse removed as his beneficiary. The Employees' Retirement System drafted a waiver for the former spouse to sign that the Board would recognize. The former spouse has signed and submitted the waiver to the Employees' Retirement System, and it has been placed on file.

Attorney Castle provided a legislative update on the SECURE 2.0 Act of 2022 that was signed into law by the federal government. The SECURE 2.0 contains 92 provisions intended to promote additional retirement savings and ease administrative requirements through modernization of federal retirement laws. Attorney Castle added a column to his chart to indicate if the applicable section was mandatory or optional to government plans, with their effective dates.

Ms. Williams provided information regarding the medical director review. Ms. Williams included a survey that the retirement office conducted with MAPERS members in 2018. During the last evaluation, the Boards received responses from Dr. Roth, the current director and from MMRO.

Ms. Williams indicated that Asset Consulting Group has requested the Retirement Board sign their Transparency letter regarding gifts, meals, entertainment and or other hospitality, limiting costs to \$100 per person per event.

Mr. Clayton Robinson, Northern Trust Relationship Manager, provided an overview of the cash management system that could allow the Retirement Boards to pay expenses through Northern Trust. Mr. Robinson explains there would be an annual \$1000 fee for each cash account. The cash accounts would receive contributions and pay expenses. There would also be cost of \$10 for wire transfers. He would check if there was a cost to send checks.

Trustee Jeffries inquired whether the shift to Northern Trust's cash management system would indirectly impact the City's budget for departmental pension costs.

Trustee Kirkland inquired how the process would work. She asked if the Retirement Office would send invoices to Northern Trust to be paid or would the city need to send a file to be uploaded. Mr. Greg Stump stated that the numbers he has have been estimated.

Mr. Robinson stated that Northern Trust does not process the invoices. Expenses would be paid by setting up the payments in the Web Cash Management System. Mr. Robinson stated that Retirement Office would set up the payment and an authorized signer would then approve the amount. Mr. Robinson stated that he would check with Northern Trust how the set up would work with the bank receiving the invoices. Mr. Robinson explained with the Web Cash Management System, the retirement boards would set up profiles for the vendor and investment managers to be paid. Most of Mr. Robinson's clients have transitioned to the Web Cash Management System.

Mr. Robinson addressed security concerns regarding the Web Cash Management System, and he confirmed that there have been no security breaches.

The Board discussed separating the employee pension payments and keeping that process within the City of Lansing Finance Department.

Mr. Mike Nieves, Director of Public Funds for Northern Trust provided an overview of the Retirement Board's portfolio. He discussed asset management team and investment management expertise. He reviewed sustainability and company diversity, equity, and inclusion.

Mr. Austin Guy, Senior investments strategist, provided an overview of Northern Trust investment philosophy and process. He discussed portfolio construction and implementation. Mr. Guy reviewed portfolio performance for both retirement boards.

Mr. Gregory Stump, Boomershine Consulting Group, provided a recap of the actuarial valuation as of December 31, 2021. Mr. Stump discussed the impact of the 2022 investment experience, retiree health care funding and the funding outlook.

Mr. Stump discussed the funding ratios for the retirement systems, and the member contributions as a percent of payroll. Mr. Stump reviewed the 2022 investment experience, asset smoothing and unfunded liability for the Employees' Retirement System and the Police and Fire Retirement System.

Mr. Stump provided an overview of retiree healthcare. He discussed that the January 1, 2023 valuations would be completed this year. The plan assets are equal to the health care reserve for both retirement system and VEBA for the ERS. Retiree health care will have full pre-funding with contributions and disbursement to and from the fund to begin this year. Mr. Greg Stump stated that the numbers he has have been estimated.

Trustee Kraus inquired if the employees and retirees who belong to the VEBA had been identified.

Trustee Kirkland did not know where the data was housed.

Trustee Kraus expressed concern that these people had not been identified and the information was unknown. Trustee Kraus indicated that there must be records of defined contributions reports.

Mr. Stump discussed the funding and contribution outlook for the Employees Retirement System and the Police and Fire Retirement System.

Mr. Nathan Burk referred to the Executive Summary of the 4th Quarterly Investment report though December 31, 2022. Mr. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending January 31, 2023. Mr. Burk reviewed current market environment and discussed the inflation, risk, and interest rates.

Attorney Castle provided an overview of the securities monitoring from Northern Trust and companies such as Robbins Gellar.

Mr. Burk discussed recommendation for the Employees' Retirement System and The Police and Fire Retirement System Asset Allocation. He reviewed the portfolio's goals and objectives. He revisited and confirmed strategic asset allocation targets and expectation of continued uncertainty and focus on the longer term. Mr. Burk explained changes in Asset Consulting Group assumptions regarding valuations and yields. Mr. Burk recommended transferring 5% from Long/Short Equity to US Small Cap Equity. The change would increase US Small Cap to 15% and reduce Long Short Equity to 5%. Mr. Burk would recommend keeping the same investment managers.

It was moved by Trustee Wilcox and supported by Trustee Kirkland to adjust the asset allocation for the Police and Fire Retirement System as recommended by Asset Consulting Group that would increase US Small Cap Equity to 15% and reduce Long/Short to 5%.

Adopted by the following vote: 5 -0

It was moved by Trustee Ebright and supported by Trustee Kraus to adjust the asset allocation for the Employees' Retirement System as recommended by Asset Consulting Group that would increase US Small Cap Equity to 15% and reduce Long/Short to 5%.

Adopted by the following vote: 8 -0

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

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

Adopted by the following vote: unanimous

The Meeting adjourned at 10:40 a.m.



Minutes approved on 3/21/2022

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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