

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

Joint Meeting Minutes
10th Floor Conference Room

May 16, 2023
Tuesday, 8:30 a.m.

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

Trustees present: (ERS) Bahr, Dedic, Ebright, Garza, Jeffries, O'Leary, Parker – 7

(Police & Fire) Kreft, Moore, Wilcox, Wohlfert, Wood – 5

Excused: (ERS), Kraus, Kirkland, Schor

Excused: (Police & Fire): Taylor, Kirkland, Schor

Others present: Karen Williams, Human Resources Department, Attorney Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C., George Tarlas, Asset Consulting Group.

Karen Williams reported that Trustee Kirkland and Trustee Schor informed the Retirement Office that they would not be able to attend the Joint Meeting. Both trustees are ex-officio.

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

Adopted by the following vote: 5 – 0.

It was moved by Trustee Dedic and supported by Trustee Bahr to excuse Trustee Kraus from the Joint Employees' Retirement System Board and Police and Fire Retirement System May Board meeting.

Adopted by the following vote: 7 – 0.

It was moved by Trustee Wilcox and supported by Trustee Moore to approve the Official Minutes of the Police and Fire Retirement System Board meeting of April 18, 2023.

Adopted by the following vote: 5 – 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 April 18, 2023.

Adopted by the following vote: 7 – 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, 3 retired. Total active membership: 368. 0 death(s) Refunds made since the last regular meeting amounted to \$7,791.52. Reimbursements to the System year-to-date amount to \$0 Retirement allowances paid for the month of April 2023 amounted to \$3,175,343.29. Total retirement checks printed for the P&F System: 796. Total retirement checks printed for both systems: 1,718. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 1.

Secretary's Report (Employees' Retirement System):

10 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 494. Total deferred: 72. 2 death(s) Larry Graham (UAW -Public Service, retired 9/19/2003), died 4/27/2023, age 75, spouse to receive 100%; Arveal Scott, died 4/20/2023, age 91, spouse of UAW retiree. Refunds made since the last regular meeting mounted to \$0. Retirement allowances paid for the month of April 2023, amounted to \$2,010,568.94. Total retirement checks printed for the ERS System: 922. Total Retirement checks printed for both systems: 1,718. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no applications for regular age and service retirements for the Police and Fire Retirement System.

There were no applications for regular age and service retirements for the Employees' Retirement System.

Ms. Williams reported that applicant #2022-F0720 submitted a document for the medical director to review for reconsideration by the Police and Fire Retirement System.

Ms. Williams reported that applicant #2023-F0518 who had applied for reconsideration as #2022-F0720 also submitted a new request for duty disability evaluation. The applicant has also provided new and additional information for the medical director to review.

Attorney Castle clarified that the applicant sent the requested document for reconsideration. Attorney Castle recommended that the reconsideration request #2022-F0720 be reviewed by the medical director before proceeding with the new request, #2023-F0518.

Trustee Wohlfert inquired how many times could an applicant re-apply for disability evaluation.

Attorney Castle indicated that the Board could place an objective time frame on requests, such as once per year.

Trustee Wohlfert inquired if an employee who was not getting paid by the City could apply for disability evaluation.

Attorney Castle indicated that the employee must be employed by the City to be a member of Police and Fire Retirement System. A former employee who terminated would not be eligible to apply.

It was moved by Trustee Wood and supported by Trustee Wilcox to place the request for duty disability for applicant #2023-F0518 on pending with no date certain for the Police and Fire Retirement System.

Adopted by the following vote: 5 – 0.

Ms. Williams updated the Employees Retirement System regarding applicant #2023-E0321. The Retirement Office has requested medical reports to be sent to Dr. Roth.

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

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

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

Ms. Williams reported that Mr. Nick Stankevich, Teamster 243 Supervisory was not vested has requested a refund of his accumulated contributions of \$18,713.49 from the Employees' Retirement System.

It was moved by Trustee Dedic and supported by Trustee Ebright to approve the requested refund of Mr. Nick Stankevich's accumulated contributions of \$18,713.49 for the Employees' Retirement System.

Adopted by the following vote: 7 - 0.

Ms. Williams reported the upcoming Training and Education:

MAPERS Spring Conference – Kalamazoo, Michigan (5/20 – 5/23, 2023)
NCPERS Annual Conference – New Orleans, LA (5/21- 5/24, 2023).
IFEBP Annual Conference – Boston, MA (October 1-4, 2023)

Karen Williams reported that the Retirement Office received MAPERS Plan Administrator questions from Kent County regarding the Boards' Fiduciary Liability Insurance policy.

Attorney Castle indicated that these questions generally come from other MAPERS retirement system when they have questions regarding issues and is not specific to the City of Lansing.

Trustee O'Leary stated that within the Human Resources area, these requests are common.

It was moved by Trustee Wood and supported by Trustee Moore to respond the MAPERS Plan administrator questions for the Police and Fire Retirement System.

Adopted by the following vote: 5 -0

It was moved by Trustee Bahr and supported by Trustee Ebright to respond the MAPERS Plan administrator questions for the Employees' Retirement System.

Adopted by the following vote: 7 -0

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

Ms. Williams reported the Police and Fire Retirement System invoices for May: Northern Trust, \$13,004.15; VanOverbeke, Michaud & Timmony, P.C., \$2,457.00 with itemized services for the 4th quarter.

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

Adopted by the following vote: 5 – 0

Ms. Williams reported the Operating Expenses for the 1st Quarter from January thru March 31, 2023, for the Police & Fire Retirement System. The gross payroll was \$9,438,788.43 for the quarter. Investment fees for the quarter was \$160,295.10, contractual fees was \$24,294.20. Total operating and administrative expenses for the 1st quarter was \$9,635,311.28.

Ms. Williams updated the Police and Fire Retirement System on the Income Verifications for duty disability retirees. There were six retirees who had not responded to the request for income verification. The retirees will receive another letter requesting the documentation. If the documentation is not received, the retirees would be subject to pension suspension.

The Police and Fire Retirement System Board disability committee selected retirees for annual duty disability re-examination.

Ms. Williams reported the Employees' Retirement System invoices for May: MES Solutions, \$550.00; Northern Trust, \$13,425.44; VanOverbeke, Michaud & Timmony, P.C., 1,891.50 with itemized services for the 1st quarter.

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

Adopted by the following vote: 7 - 0.

Ms. Williams reported the Operating Expenses for the 1st Quarter from October thru December 31, 2022, for the Employees' Retirement System. The gross payroll was \$6,037,038.54 for the quarter. Investment fees for the quarter was \$65,294.35, contractual fees was \$34,519.25. Total operating and administrative expenses for the quarter was \$6,146,617.14.

Karen Williams reported that Trustee Ebright's term would expire June 30, 2023. Ms. Williams reviewed the election procedures and requested permission for a posting to be distributed for the new term. Ms. Williams proposed that nominating petitions would be posted May 22 and due June 22. The General election would be July 7, 2023, if needed.

It was moved by Trustee Ebright and supported by Trustee Dedic to approve the recommended posting for the Trustee Election.

Adopted by the following vote: 7 – 0.

Mr. George Tarlas reviewed the 1st Quarterly Investment report though March 31, 2023. Mr. Tarlas discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending April 30, 2023. Mr. Tarlas reviewed current market environment and discussed the inflation, risk, and interest rates. He noted that the portfolio is well positioned for the long-term.

Trustee Wood noted that the City of Lansing Employees' Retirement System was applying for state grant monies available to underfunded pension system. Trustee Wood inquired how those monies could be invested in the portfolio.

Attorney Castle explained the grant process for the state grant monies and indicated that the applications were due in June.

Mr. George Tarlas presented updated Investment policy statements for the Employees Retirement System Board and the Police and Fire Retirement System Board.

It was moved by Trustee Wood and supported by Trustee Wilcox to approve the Police and Fire Retirement System Investment Policy Statements as recommended by Asset Consulting Group.

Adopted by the following vote: 5 -0

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the Employees' Retirement System Investment Policy Statement as recommended by Asset Consulting Group

Adopted by the following vote: 7 - 0

Mr. George Tarlas provided recommendations for the Police and Fire Retirement System Quarterly Cash Flow needs: \$6.1million from Northern Trust S&P 500 fund and \$3.5million from Integrity, to rebalance the portfolio.

Mr. George Tarlas provided recommendations for the Employees' Retirement System Quarterly Cash Flow needs: \$ 2.1M from T. Rowe Price, \$2M from William Blair and \$2M from IR&M to rebalance the portfolio.

Karen Williams received a request from Asset Consulting Group regarding the use of the Securities Lending reserve funds. The Reserve funds have grown over the years and ACG requested to use those funds for future cash needs. Ms. Williams explained that the monies was initially set up to provide extra benefits for retirees, but there were not enough funds for a thirteenth check or additional increases of benefits at that time.

Trustee Parker believe that a portion of the monies had been set aside for the benefit of members.

Trustee Dedic indicated the reserve monies should be used for the direct benefit of members, not to reduce the liability of the City. Trustee Dedic inquired if the money could be invested in the portfolio, but accounted for separately, such as health care reserve.

Trustee Wohlfert inquired if the monies could be redistributed to the portfolio for a higher return.

Trustee Wood stated that the monies were originally from a settlement with the City and the intent was to increase benefits for retirees.

Attorney Castle stated that he could research if there are any legal ramifications for using the reserve account to fund quarterly cash needs. Attorney Castle did not believe that moving the money to the portfolio would have a material impact on the actuarial valuation.

It was moved by Trustee Wood and supported by Trustee Wilcox to approve the quarterly cash flow needs request and rebalance the portfolio as recommended by Asset Consulting group, withdrawing \$6.1million from Northern Trust S&P 500 fund and \$3.5million from Integrity.

Adopted by the following vote: 5 -0.

It was moved by Trustee Wood and supported by Trustee Wilcox to have legal counsel review the securities lending account to determine if there are any restrictions to the use of the funds.

Adopted by the following vote: 5- 0.

It was moved by Trustee Dedic and supported by Trustee Bahr to approve the quarterly cash flow needs request and rebalance the portfolio as recommended by Asset Consulting group, withdrawing \$ 2.1M from T. Rowe Price, \$2M from William Blair and \$2M from IR&M.

Adopted by the following vote: 7 -0.

It was moved by Trustee Wood and supported by Trustee Wilcox to have legal counsel review the securities lending account to determine if there are any restrictions to the use of the funds.

Adopted by the following vote: 5- 0.

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

Adopted by the following vote: unanimous

The Meeting adjourned at 9:52 a.m.

Minutes approved on 6/20/2023

Desiree Kirkland, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System