

# OFFICIAL PROCEEDINGS OF THE BOARD OF TRUSTEES CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM

Regular Meeting  
Council Conference Room  
10th Floor, City Hall  
Lansing, MI

December 17, 2019  
Tuesday, 8:30 a.m.

The Board was called to order at 8:30 a.m.

Present: Trustees Fabus, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert– 6 - 0.  
Absent: Kehler, Wood -excused.

Others: Karen E. Williams, Human Resources Department; Shelbi Frayer, Finance Department; Brian Lefler, Municipal Advisor; Attorney Kenneth Lane, (representing the Law Department).

It was moved by Trustee Ryan Wilcox and supported by Trustee Rose to approve the Official Minutes of the Police and Fire Retirement System Board meeting of November 12, 2019.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Fabus and supported by Trustee Chris Wilcox to approve the Official Minutes of the Joint Employees' Retirement System Board and the Police and Fire Retirement System Board meeting of November 21, 2019.

Adopted by the following vote; 6 -0

Secretary's Report.

0 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total: Active membership: 376. 2 death(s): Barbara Baylis, died 11/25/19, age 78, spouse of Police retiree; James Cook, Police, died 10/25/2019, age 73, surviving spouse to receive 50%. Refunds made since the last regular meeting amounted to \$12,165.94. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of November 2019, amounted to \$2,827,850.47. Total retirement checks printed for the P&F System: 757. Total retirement checks printed for both systems: 1,698. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.

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It was moved by Trustee Wood and supported by Trustee Fabus to approve the following application for Regular Age and Service Retirement:

Ellen Vogt, Fire Department, 23 years, 3 months of service credits, age 55, effective December 21, 2019 (with the purchase of 2 years of service credits) Sworn Date 10/5/1998

Marshaun J. Blake, Fire Department, 25 years of service credits, age 49, effective January 18, 2020 (with the purchase of 5 months of service credits) Sworn Date: 6/25/1995

Adopted by the following vote: 6 – 0.

There were no requests for duty disability retirement.

There were no requests for non-duty disability retirement.

There were no requests for refunds of accumulated contributions.

Karen Williams reported that Trustee Wood asked to be excused from the December meeting due to a work obligation.

It was moved by the Trustee Chris Wilcox and supported by Trustee Rose to excuse Trustee Wood from the December Police and Fire Retirement System meeting.

Adopted by the following vote: 6 -0.

Mr. Greg Stump, Boomershine Consulting Group, explained the delay in actuarial report due to a mix-up with the plan assets, but the issue was corrected. Mr. Stump provided an overview of the Police and Fire Retirement System actuarial valuation for the plan year ending December 31, 2018. Mr. Stump reviewed the investment performance, funding recommendations and the funding progress. Mr. Stump discussed the amortization policy, investment risk and demographic risks. Mr. Stump discussed the state of Michigan uniform assumption and reviewed figures based on the return assumption of 7%

Mr. Stump reviewed the plan asset information and discussed the smoothing of value assets. He reviewed the healthcare reserve. Mr. Stump discussed the participant summary, reviewed the demographics and actuarial liability. Mr. Stump reviewed the importance of preparing an experience study every five years.

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Mr. Stump discussed the development of the Employer Contributions. He reviewed the normal (benefit) cost based on the current assumptions. The numbers were calculated as a percentage of pay. He reviewed the amortization policy, which is now at 23 years of 30 year closed amortization. Mr. Stump reviewed the long-term projections of funding and contributions

Trustee Rose inquired regarding information to address how a recession would affect the investment and funding in the actuarial numbers.

Mr. Brian Lefler responded to Trustee Rose's question and requested information that would explain for the public the impact of the investment not hitting the 7.25% assumed rate of interest. He also inquired how often the demographics were updated, the average amortization. He stated he was asking questions in his new role as the municipal advisor to the city. Mr. Lefler inquired regarding the difference between the market value and the actuarial value of assets.

Mr. Greg Stump explained the difference and responded to trustee questions regarding recommendation and updating of the mortality tables. Mr. Stump recommended level dollar payment and adopting a new mortality table.

It was moved by Trustee Fabus and supported by Chris Wilcox to accept the Police and Fire Actuarial Valuation for the plan year ending December 2018.

Adopted by the following vote: 6 - 0

Attorney Ken Lane provided an update regarding the review of the Northern Trust SAS 70/Operational report.

Attorney Ken Lane distributed the amended Service Credit purchase policy for review.

It was moved by Trustee Rose and supported by Trustee Schor to approve the Service Credit Purchase policy.

Adopted by the following vote: 6 -0.

Attorney Lane distributed the amended return of accumulated contributions policy. Attorney Lane revised the form for returning members to complete regarding their options to repay monies with installments or lump sum. The Board must approve installment payments.

It was moved by Trustee Fabus and supported by Trustee Chris Wilcox to approve the Return of Accumulated Contributions policy.

Adopted by the following vote: 6 – 0.

Karen Williams reported that the Retirement Office contacted the law firms for interviews scheduled for January 14, 2020 at a Joint meeting of both Boards.

Karen Williams reviewed the Monthly Investment Report and the Securities Lending Report for the period ending November 30, 2019.

It was moved by Trustee Fabus and supported by Trustee Ryan Wilcox to adjourn the Police and Fire Retirement System Board December meeting.

Adopted by the following vote: 6 – 0.

The meeting adjourned at 9:31 am.

Minutes approved on \_\_\_\_\_

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Shelbi Frayer, Secretary  
Police & Fire Retirement System

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Eric P. Wohlfert, Chairperson  
Police & Fire Retirement System