

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

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.

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

A quorum of both Retirement Boards were present.

Trustees present (via remote): (ERS), Bahr (Lansing), Dedic (Dimondale), Ebright (Lansing), Kirkland (Lansing), Kraus (Delta Township), Parker (Lansing), Sanchez-Gazella (Lansing), Schor (Lansing)(8:47) – 8.

(Police & Fire), Kirkland (Lansing), Rose (Lansing), Schor (Lansing)(8:47), C. Wilcox (Lansing), R. Wilcox (Lansing), Wohlfert (Westphalia), Wood (Lansing) –7.

Excused: Spadafore (ERS); Lewandowsky (Police and Fire)

Others present: Karen Williams, Human Resources Department; Robert Widigan, Finance Department; Bart Carrigan, citizen representative; Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C.; Michelle Porter-Ward, Ira Carnahan, T. Rowe Price Investment; Gregory Stump, Boomershine Consulting Group; Nathan Burk, Tom Janish, Asset Consulting Group

It was moved by Trustee Kraus and supported by Trustee Kirkland to excuse Trustee Spadafore from the November Joint Employees' Retirement System and Police and Fire Retirement System Board meeting.

Adopted by the following roll call vote: Yes: Bahr, Dedic, Ebright Kirkland, Kraus, Parker, Sanchez-Gazella, Schor. – 8.
No: 0

It was moved by Trustee C. Wilcox and supported by Trustee Rose to excuse Trustee Lewandowsky from the November Joint Employees' Retirement System and Police and Fire Retirement System Board meeting.

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood. – 7.
No: 0

There were no public comments.

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.

Page Two

Secretary's Report (Police and Fire):

0 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total: Active membership: 375. 1 death(s): Carroll Lee, Police, died 8/4/2020, age 91, surviving beneficiary to receive 50%. Refunds made since the last regular meeting amounted to \$11,878.28. Reimbursements to the System year-to-date amount to \$19,644.35. Retirement allowances paid for the month of October 2020, amounted to \$2,879,629.58. Total retirement checks printed for the P&F System: 754. Total retirement checks printed for both systems: 1,700. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified:1.

Secretary's Report (Employees' Retirement System):

3 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 481. Total deferred: 76. 3 death(s): Larry Ingalls, Public Service, died 11/1/2020, age 81, surviving beneficiary to receive 100%; Lydia McMillan, Police – Civilian, died 10/10/2020, age 93, no surviving beneficiary; Melvin Ott, Planning, died 10/6/2020, age 75, surviving beneficiary to receive 100%. Refunds made since the last regular meeting mounted to \$4,543.20. Retirement allowances paid for the month of October 2020, amounted to \$2,025,218.03. Total retirement checks printed for the ERS System: 946. Total Retirement checks printed for both systems: 1,700. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Wood and supported by Trustee Rose to approve the following application for Regular Age & Service retirement from the Police and Fire Retirement System:

Paul Beasinger (Police – CCLP SUP), 25 years of service credits, age 47 effective

12/15/20

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood. – 7.

No: 0

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.
Page Three

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

Karen Heslip (Finance – T243), 20 years, 1 month of service credits, age 58, effective 1/1/2021 (from Deferred

Adopted by the following roll call vote: Yes: Bahr, Dedic, Ebright Kirkland, Kraus, Parker, Sanchez-Gazella, Schor. – 8.
No: 0

Karen Williams reported that the medical report form Dr. Roth had been received for the request for duty disability retirement of applicant #2020- P0818.

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

There were no requests for non duty disability retirements.

Karen Williams reported that each year the boards pay membership dues for the following organization: IFEBP, (\$532.50, MAPERS (\$200), NCPERS (\$260).

It was moved by Trustee Kirkland and supported by Trustee Wood to approve the payment of the membership dues for IFEBP, MAPERS and NCPERS for the Police and Fire Retirement System Board.

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood. – 7.
No: 0

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the payment of the membership dues for IFEBP, MAPERS, and NCPERS for the Employees' Retirement System Board.

Adopted by the following roll call vote: Yes: Bahr, Dedic, Ebright Kirkland, Kraus, Parker, Sanchez-Gazella, Schor. – 8.
No: 0

It was moved by Trustee C. Wilcox and supported by Trustee Kirkland the following request for refund of accumulated contributions from the Police and Fire Retirement System:

Jonathan Hulst, IAFF, not vested \$16,066.10

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood. – 7.

No: 0

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.
Page Four

It was moved by Trustee Dedic and supported by Trustee Kirkland to approve the following requests for the refund of accumulated contributions from the Employees' Retirement System:

Kristen Simmons, T214 Nonsupervisory, not vested \$6,402.32

Shannon Williams, District Court T243, not vested \$14,717.47

Adopted by the following roll call vote: Yes: Bahr, Dedic, Ebright Kirkland, Kraus, Parker, Sanchez-Gazella, Schor. – 8.

No: 0

Mr. Greg Stump provided a summary of the actuarial valuations for the Police and Fire Retirement System and the Employees Retirement System. He discussed potential changes and a funding outlook for the retirement systems. Attorney Stump reviewed the current funding progress, employee and city contributions. Attorney Stump discussed potential changes to the investment return assumption, mortality tables and the amortization. He reviewed the impact of the potential changes to funding and the annual contribution for the retirement systems. Mr. Stump also provided an overview of the demographic assumptions from the Experience study that would be applied as of 12/31/2020.

Attorney Castle provided a legal counsel report for the Police and Fire Retirement System Board.

Attorney Castle presented the City of Lansing Police and Fire Retirement System Authorized Signers Resolution for Board approval. He explained that the standing resolution is a best practice for fiduciaries of retirement systems. Attorney Castle added language that the chairperson would be provided advance written notice in all instances requiring signatures on behalf of the Board, even if the Board Chairperson was not available to sign.

It was moved by Trustee Wood and supported by Trustee Chris Wilcox to approve the Authorized Signers resolution.

Adopted by the following vote: Yes; Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood. – 6.

No. 0

Attorney Castle reviewed the City of Lansing Police and Fire Retirement System Intervening Military Service Credit Policy that was adopted at the last joint meeting. Attorney Castle clarified the definition of the military service that would fall under USERRA. He outlined the form and procedures to be used with the policy. The form had options regarding contribution repayment: via payroll deductions or lump sum. Attorney Castle that he raised a question whether it was administratively feasible to have contribution repayment through the City's payroll system. Attorney Castle received a response from Finance that questioned the legality of the policy.

Attorney Castle indicated that he was confident that the policy was legal. He further explained that employee contribution are made on a pre-tax basis.

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.
Page Five

Members who pay their contribution on by lump sum would be after tax and Finance/payroll would need to track the contributions until retirement.

Trustee Wood inquired if Attorney Castle had contacted Human Resources regarding payroll deduction for contribution repayment.

Attorney Castle reported that he had only received an email from Finance that questioned the legality of the policy and deferring the question regarding payroll deduction to the City Attorney and Human Resources.

Trustee Schor inquired if the question of legality had been raised by the City Attorney. Trustee Schor requested that Attorney Castle contract the City Attorney in addition to Human Resources.

Attorney Castle reported that he contact Northern Trust regarding the Notice of Confidentiality required to be accepted in order to access the Northern Trust's annual Systems and Organizations Controls (SOC1) report. Northern Trustee indicated that the Notice was intended to prevent disclosure of proprietary info to competitors. Attorney Castle received an email from Northern Trust that the Board, its legal counsel, and/or other third party advisors could review the report. Attorney Castle indicated that he would review the document and provide a report to the Board.

Trustee Wood requested that the document be sent to the Information Technology department for review.

Attorney Castle also discussed arranging virtual training sessions in accordance with the Board's Trustee Training policy.

Trustee Wood requested that legal training be included for annual training for trustees.

Karen Williams, Retirement Office, updated the Police and Fire Retirement System Board regarding the service credit audit for laid-off officers. Ms. Williams had received request from Police members in response to Trustee Ryan Wilcox's email. Ms. Williams reviewed a time frame in which to complete the Police members, then she would move to the fire members who had been laid-off before expanding the audit to all members.

Karen Williams provided an update of the Police and Fire Retirement System Board of Trustee election. The election will fill a Police Trustee position on the Board that would expire December 31, 2025. Nominating petitions would be due November 25, 2020. If required, a primary election would be held Thursday, December 10, 2020 and the general election would be held December 17, 2020.

Attorney Castle provided a legal counsel report for the Employees' Retirement System Board.

Attorney Castle presented the City of Lansing Employees Retirement System Authorized Signers Resolution for Board approval. He explained that the standing resolution is a best practice for fiduciaries of retirement systems.

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.

Page Six

Attorney Castle added language that the chairperson would be provided advance written notice in all instances requiring signatures on behalf of the Board, even if the Board Chairperson was not available to sign.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Authorized Signers resolution.

Adopted by the following roll call vote: Yes: Bahr, Dedic, Ebright, Kraus, Parker, Sanchez-Gazella, Schor. – 7.
No: 0

Attorney Castle also reported that he contact Northern Trust regarding the Notice of Confidentiality required to be accepted in order to access the Northern Trust's annual

Systems and Organizations Controls (SOC1) report. Attorney Castle indicated that he would review the document and provide a report to the Board.

Attorney Castle also discussed arranging virtual training sessions in accordance with the Board's Trustee Training policy for new Employees' Retirement System trustees.

Karen Williams updated the Employees' Retirement System Board that Mr. Bart Carrigan had been approved by City Council as the new Lansing resident trustee to the Board.

Mr. Carrigan introduced himself and reviewed his experience and qualification as a trustee for various organization. He looked forward to working with the Employees' Retirement System Board.

Karen Williams presented the 2021 meeting schedule for the Employees' Retirement System Board and the Police and Fire Retirement System Boards.

Trustee Parker requested that members review the schedule and be prepared to amend where needed and approve at the next meeting.

Karen Williams reviewed the Quarterly Expenses Reports for the Employees Retirement System and the Police and Fire Retirement System Boards.

Ms. Michelle Porter-Ward provided an overview of the T. Rowe Price investment team.

Trustee Wood inquired about the security system of T. Rowe Price investment team that are working remotely.

MS. Porter-Ward explained their token system used for security and that members did not have the ability to print or download to personal computers.

Joint Meeting
Via Zoom meeting

November 10, 2020
Tuesday, 8:30 a.m.

Page Seven

Mr. Ira Carnahan provided an update of the organizational structure and discussed the investment philosophy and structure of the T. Rowe Price team. Mr. Carnahan discussed positioning in the portfolio, value investing in the market place. He provided a review of the market environment, and the portfolio performance for the Employees' Retirement System and the Police and Fire Retirement System Board.

Mr. Nathan Burk of Asset Consulting Group reviewed the Quarterly Performance reports for the 3rd quarter of 2020. Ms. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending September 30, 2020. Mr. Burk reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial portfolio. Mr. Burk provided a review of the structure of both plans and discussed fees and asset allocation.

Mr. Burk recommended redeeming quarterly cash flows through the remainder of the year. He indicated that ABS offshore was overvalued and monies could be redeemed at the end of the year. ABS would need a 45 day notice.

Mr. Burk reviewed the Employees' Retirement System quarterly cash flow request for \$6.1 million. Asset Consulting Group recommendation was to redeem \$4 million from William Blair portfolio, \$2.1 million from Western Asset portfolio.

It was moved by Trustee Kraus and supported by Trustee Bahr to redeem from the Employees' Retirement System portfolio: \$4,000,000, from ABS Global Long/Short Equity Fund and \$2,100,000 from Western Asset for quarterly cash flow needs as recommended by Asset Consulting Group.

Adopted by the following roll call vote: Yes: Bahr, Dedic, Ebright, Kraus, Parker, Sanchez-Gazella, Schor. – 7.
No: 0

Mr. Burk reviewed the Police and Fire Retirement System quarterly cash flow request for \$8.7 million. Asset Consulting Group recommendation was to redeem \$3.7 million from the ABS Global Long/Short Equity portfolio and \$5 million from Western Asset.

It was moved by Trustee Chris Wilcox and supported by Trustee Wood to redeem from the Police and Fire Retirement System portfolio: \$8,700,000 from ABS Global Long/Short Equity Fund, and \$5,000,000 from Western Asset for quarterly cash flow

needs as recommended by Asset Consulting Group.

Adopted by the following vote: Lewandowsky, Rose, Schor, C. Wilcox, Wohlfert, Wood -7.

Trustee Wood requested that the commendations be provided to the Retirement Boards in written form for the record.

Mr. Burk discussed with the Board having interviews for Fixed Core –Bond Managers in December.

Mr. Burk discussed Equity Long/Short options for the Employees Retirement System Board and the Police and Fire Retirement System Board. Mr. Tom Janish discussed the K2 Mauna Kea Access Platform and how it compared to the ABS portfolio. Mr. Janish explained that ABS was a fund of funds that was pre-packaged fund that allocated to several managers. Mr. Janish further explained the K2 Mauna Kea Access Platform was a custom portfolio of individual managers through a single provider.

Mr. Burk reviewed the Employees' Retirement System and the Police and Fire Retirement System Board real estate portfolio.

It was moved by Trustee Kraus and supported by Trustee Dedic to adjourn the Employees' Retirement System meeting.

Adopted by the following vote: unanimous

It was moved by Trustee Rose and supported by Trustee Wilcox to adjourn the Police and Fire Retirement System meeting.

Adopted by the following vote; unanimous

The Meeting adjourned at 11:44 a.m.

Minutes approved on 12/15/2020

Robert Widigan, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System