

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

Joint Meeting
Via Zoom meeting

May 18, 2021
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 (attending remotely): (ERS), Bahr (Lansing), Carrigan (Lansing), Dedic (Laingsburg), Ebright (Lansing), Kirkland (Lansing), Kraus (Delta Township), Parker (Lansing), Sanchez-Gazella (Lansing, 8:48), Schor (Lansing), Wood (Lansing) – 10.
(Police & Fire), Kirkland (Lansing), Moore (Lansing), Schor (Lansing), C. Wilcox (Haslett), R. Wilcox (Lansing), Wohlfert (Westphalia), Wood (Lansing) –7.
Excused: 0.

Others present: Karen Williams, Human Resources Department; Robert Widigan, Finance Department; Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C.; James Dominguez, Tara Patock, William Blair Investments; Nathan Burk, Tom Janisch, Asset Consulting Group

It was moved by Trustee C. Wilcox and supported by Trustee Wood to approve the April Police and Fire Retirement System Board meeting.

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

It was moved by Trustee Dedic and supported by Trustee Kirkland to approve the April Employees' Retirement System Board meeting.

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Schor, Wood. – 9.
No: 0

There were no public comments.

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, 1 retired. Total: Active membership: 369. 0 death(s). Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of April 2021, amounted to \$2,929,812.21. Total retirement checks printed for the P&F System: 758. Total retirement checks printed for both systems: 1,696. Domestic relations order received: 0. Domestic relations orders pending: 1. Eligible Domestic Relations Order Certified:0.

Secretary's Report (Employees' Retirement System):

1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 477. Total deferred: 74. 1 death(s): Kenneth Pulver,(Public Service –Teamster, retired1/5/1993), died 4/18/2021, age 83, no beneficiary. Refunds made since the last regular meeting mounted to \$0.00. Retirement allowances paid for the month of April 2021, amounted to \$2,020,362.08. Total retirement checks printed for the ERS System: 938. Total Retirement checks printed for both systems: 1,696. Eligible domestic relations orders received: 1. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee R. Wilcox and supported by Trustee C. Wilcox for the Police and Fire Retirement System Board to approve the application for the following regular age and service retirement:

Donald Porter (Police – CCLP Supervisory), 23 years of service credits, age 51, effective 5/15/2021 (eligible to retire with additional 4 years, 6 months of reciprocal retirement credits from MERS)

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

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

Rick Hill (Public Service – UAW), 15 years, 5 months of service of service credits, Age 58, effective 7/1/2021

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

Amy Mugnolo (Police/Civilian – T243), 9 years, 4 month of service credits, age 59, effective 5/1/2021 (From Deferred)

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Schor, Wood. – 9.
No: 0

Karen Williams reported that the Police and Fire Retirement System had received a request for duty disability for Applicant # 2021-F0519D from the Fire Chief. Karen Williams reported that the Police and Fire Retirement System had received a request for non-duty disability for Applicant #2021-F0518 ND.

It was moved by Trustee C. Wilcox and supported by Trustee Kirkland to send Applicant #2021-F0519D to the medical director for duty disability evaluation.

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

It was moved by Trustee C. Wilcox and supported by Trustee Kirkland to send Applicant #2021-F0518 ND to the medical director for non-duty disability evaluation.

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Schor, Wood. – 9.
No: 0

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

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

Karen Williams reported that the ABS Conference that is held in Boston is being planned for July. The Retirement Office is waiting for additional information regarding registration.

It was moved by Trustee R. Wilcox and supported by Trustee Moore to approve any member who wishes to attend the ABS Conference 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

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It was moved by Trustee Kraus and supported by Trustee Carrigan to approve any member who wished to attend the ABS Conference for the Employees' Retirement System Board.

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood. – 10.
No: 0

There were no requests for refunds of accumulated contributions.

Ms. Williams updated the Police and Fire Retirement System regarding the duty disability income verification. The Police and Fire Retirement System extended the deadline for reporting until June 1, 2021.

Karen Williams reviewed the Police and Fire Retirement System invoices for the month of May.

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

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

Karen Williams reported that the Police and Fire Retirement System received a memo from Jeffrey Scharnowske regarding new employee contributions. Ms. Williams reported that on April 30, 2021, \$1,079,272.20 was transferred by the City to the Police and Fire Retirement for the Net Employee Contributions for the period 7/1/2020 through 12/31/2020. On April 30, 2021, \$638,161.64 was transferred by the City to the Police and Fire Retirement System for the Net Employee Contributions for the period 1/1/2021 through 3/31/2021.

Trustee Wood inquired and requested information regarding the verification of the data and the amounts provided for employee contributions. She inquired if a spreadsheet could be provided to show that the contributions are accurate for each employee.

Mr. Robert Widigan stated that the Finance Department works with the payroll office to verify the data and ensure that the appropriate contributions match each employee. He will work with the Finance Department to provide a spreadsheet for the Boards.

Ms. Williams updated the Employees' Retirement System regarding the duty disability income verification. The Employees' Retirement System extended the deadline for reporting until May 30, 2021.

Karen Williams reported that an election would be held to fill a Trustee position on the Employees' Retirement System for the position that expires June 30 2021. Petitions would be available May 21, 2021.

Karen Williams reviewed the Employees' Retirement System invoices for the month of May.

It was moved by Trustee Carrigan and supported by Trustee Kirkland to approve the Employees' Retirement System May invoices.

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood. – 10.
No: 0

Karen Williams reported that the Employees' Retirement System received a memo from Jeffrey Scharnowske regarding new employee contributions. Ms. Williams reported that on April 30, 2021, \$186,103.57 was transferred by the City to the Employees' Retirement System for the Net Employee Contributions for the period 7/1/2020 through 12/31/2020. On April 30, 2021, \$131,953.97 was transferred by the City to the Employees' Retirement System for the Net Employee Contributions for the period 1/1/2021 through 3/31/2021.

Trustee Wood requested that a spreadsheet be provided to show that the contributions are accurate for each employee, when these contributions are made.

Attorney Castle provided his legal counsel report for the Police and Fire Retirement System. Attorney Castle will draft an amended Prior Military Time Policy. Attorney Castle reported that he met with the Board's Special Projects Sub-Committee to discuss prioritization of the Policy review project authorized by the Board.

Attorney Castle provided his legal counsel report for the Employees' Retirement System. Attorney Castle provided a legal opinion addressing the gender neutrality of the recommended mortality table. Attorney Castle opined that the new Pub-2010 mortality tables recommended by the Board's Actuary are gender neutral by virtue of the fact that they are equally applicable to male and female members of the Retirement System. It was further opined that the new mortality tables are compliant with the gender neutrality requirements of the collective bargaining agreements and may be approved by the Board for use in calculating joint and survivor forms of benefit for all Retirement System members.

Trustee Parker inquired that given the recent disbarment of the Board's former legal counsel for fraud, should the Board review any of the opinions given or decisions based upon those opinions.

Attorney Castle opined that he has not been made aware of any fraud or issues that would affect the retirement boards related to the former counsel's disbarment. The disbarment was related to a different client and did not involve the boards.

Trustee Wood expressed concern that the complaint filed could relate to a pattern of conduct that would affect the retirement boards.

Attorney Castle opined that he did not see any indication or evidence of any malpractice or fraud in regards to the Retirement Boards.

Trustee Schor requested a copy of letter regarding the disbarment.

Trustee Parker indicated that he discovered the letter while reviewing case law.

It was moved by Trustee Wood and supported by Trustee Bahr to approve the Pub-201-mortality tables as recommended by the actuary.

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood. – 10.
No: 0

Trustee Dedic requested that Attorney Castle review the legal opinions of the former legal counsel.

Attorney Abood indicated that the former counsel was working on behalf of the City Attorney's office. His opinions were reviewed and approved by the City Attorney's office before issue.

Karen Williams provided an update of the report of the dates for the service providers.

Ms. Williams reviewed the quarterly expenses reports for the Employees Retirement System and the Police and Fire Retirement System.

Mr. Nathan Burk of Asset Consulting Group reviewed the Quarterly Performance reports for the 1st quarter of 2021. Ms. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending April 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. Burke discussed updated asset allocation mix recommendation for the Employees' Retirement System Board and the Police and Fire Retirement System Board. The asset allocation would be Fixed income, 27%; Equity, 63%, and Real Assets, 10%.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the asset allocation mix recommendation for the Employees' Retirement System as presented by Asset Consulting Group.

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 Wood and supported by Trustee C. Wilcox to approve the asset allocation mix recommendation for the Police and Fire Retirement System as presented by Asset Consulting Group.

Adopted by the following roll call vote: Yes: Bahr, Carrigan, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood. – 10.
No: 0

Mr. Nathan Burk reviewed the Investment Policy Statement revisions for the Employees' Retirement System and the Police and Fire Retirement System. Mr. Burk requested permission to update the Investment Policy Statement with the approved asset mix recommendations.

It was moved by Trustee Dedic and supported by Trustee Kraus to approve the policy and give ACG authority to amend policy statement.

Trustee Parker inquired if the members would like to see the amended Investment Policy Statement prior to voting on the changes.

The motion was withdrawn.

Mr. James Dominguez provided an overview of the William Blair investment team. Ms. Dominguez provided an update of the organizational structure and discussed the investment philosophy and structure of the William Blair team.

Ms. Patock discussed updates to the William Blair small/mid cap team analysts. Ms. Patock discussed positioning in the portfolio, value investing in the market place. She 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. Burk provided an overview of the 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.

The Retirement Board requested that Attorney Castle receive the K2 documents to review. The Boards inquired about portfolio contributions and implementation. The Boards requested to talk with a current customer.

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

Adopted by the following vote: unanimous

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

Adopted by the following vote; unanimous

The Meeting adjourned at 11:12 a.m.

Minutes approved on _____

Robert Widigan, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System