

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

Police and Fire
Meeting Minutes

October 18, 2022
Tuesday, 8:30 a.m.

The meeting was called to order at 8:31 a.m.

Present: Trustee Schor (8;34a), Taylor, C. Wilcox, R. Wilcox, Wohlfert – 5
Absent: Excused: Kirkland, Moore, Wood

Others present: Karen Williams, Evangelina Hernandez, Human Resources Department, Attorney Joseph Abood, City Attorney's Office; Attorney Aaron Castle, VanOverbeke, Michaud & Timmony, P.C.; Gregory Stump, Boomershine Consulting Group; Shelbi Frayer, Mayor's Office.

The meeting began in the committee of the whole and quorum was attained at 8:34 a.m.

Secretary's Report:

9 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 2 refund(s). 0 transfers, 3 retired. Total active membership: 357. 2 death(s) Robert G. Leadbitter, (Fire – IAFF), died 6/11/2022, age 89, spouse to receive 100%; Helen I. Silvey, age 97, died, 8/25/2022, spouse of Fire retiree. Refunds made since the last meeting amounted to \$37,500.97. Reimbursements to the System year-to-date amount to \$0. Retirement allowances paid for the month of September 2022, amounted to \$3,140,361.53. Total retirement checks printed for the P&F System 788. Total retirement checks printed for both systems:1720. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.

Ms. Williams reported that the following conversion to Age and Service:

Terry D. Harvey (Police – CCLP Non-Supervisory), 25 years of service credit, age 49, effective 10/1/2022 (No Sworn Date)

Ms. Williams reported that Applicant #2022 – P0719 and Applicant #2022- F0720 were scheduled to see the medical director, October 17, 2022.

It was moved by Trustee C. Wilcox and supported by R. Wilcox to approve the Official Minutes of the Police and Fire Retirement System Boards meeting of September 13, 2022.

Adopted by the following vote: 5 - 0

It was moved by Trustee C. Wilcox and supported by R. Wilcox to approve the Official Minutes of the Special Joint Employees' Retirement System and Police and Fire Retirement System Meeting Minutes of September 13, 2022.

Adopted by the following vote 5 – 0

It was moved by Trustee C. Wilcox and supported by Trustee R. Wilcox to approve the following Applications for Regular Age & Service Retirement:

Ward E. Morris-Spidle (Fire – IAFF), 24 years and 1 month of service credits, age 59, effective 11/5/2022, (Hire Date: 10/5/1998)

Adopted by the following vote: 5 - 0

Ms. Williams reported that Retirement Board received an application request for non-duty disability for Applicant # 2022 -F1018.

The Police and Fire Retirement System suspended the meeting to allow the disability subcommittee to meet at 8:36 a.m.

The Police and Fire Meeting resumed at 8:38 a.m.

It was moved by Trustee C. Wilcox and supported by Trustee R. Wilcox to send Applicant #2022-F1018 to the medical director for evaluation.

Adopted by the following vote: 5 - 0

Ms. Williams reported the following requests for accumulated contributions:

Jeffrey Lenneman, Police, not vested, \$46,146.22

Marcel Miller, Fire, not vested \$39,970.17

It was moved by Trustee R. Wilcox and supported by Trustee C. Wilcox to approve the following requests for accumulated contributions.

Adopted by the following vote: 5 - 0

Trustee Eric Wohlfert provided an oral report for the ABS Conference. Trustee Wohlfert indicated that it was his first ABS Conference and overall, it was good experience. He discussed that the business conference was more technical and targeted to consultants and experienced investors.

Trustee Terri Taylor provided an overall report for the MAPERS Fall Conference. Trustee Taylor discussed the Defined Benefit/Defined Contribution and found it interesting that the Defined contribution plans are more costly. She reviewed the need for education for employees regarding retirement.

Ms. Williams indicated that members attending the NCPERS and IFEBP Conferences should have their registration materials for the upcoming events.

Ms. Williams reported that Trustee Kirkland has increased the mileage on the expense report from the memo she sent out August 22, 2022, and Ms. Hernandez email the memo, the updated expense report, and the link for Federal per diem rates as each states varies.

Ms. Williams reported that the Retirement Office received MAPERS attendance certificates for Trustees Christopher Wilcox, Ryan Wilcox, Eric Wohlfert, and Terri Taylor.

Ms. Williams reported that Trustee Kirkland, Moore, and Wood contacted the Retirement Office and requested to be excused from the October meeting. Trustee Kirkland is ex-officio, and no vote was needed to excuse her.

It was moved by Trustee R. Wilcox and Trustee Taylor to excuse Trustees Kirkland, Moore and Wood from the Police and Fire Retirement System October meeting.

Adopted by the following vote: 5 - 0

Ms. Williams provided the following invoices: from ACG for services from July through September 2022 in the amount of \$19,744.25; Boomershine Consulting Group, \$7,462.50; T. Rowe Price for Management Fee and Q1 2022 in the amount of \$26,433.32.

It was moved by Trustee R. Wilcox and supported by Trustee C. Wilcox to approve the Police and Fire Retirement System Board invoices for payment for the month of October.

Adopted by the following vote: 5 - 0

Attorney Aaron Castle provided an update on the Principal Real Estate Fund which was approved by the board in last month's meeting. He reported that he has provided a draft Side Letter Agreement for the board to review in their packet between the Retirement Board and Principal Enhance Property for better contractual terms for the board. The Principal's legal counsel has the draft Side Letter for review.

Attorney Castle provided an update regarding Mr. Tucker who requested a review of his age and service calculation. Attorney Castle sent out a letter regarding the review of the calculation in September. At the present time, Mr. Tucket sent an email to the Retirement Office to withdraw the request.

Attorney Castle provided a memo regarding Mr. Martin's Anderson military service purchase request. The memo addressed the issue if an individual had the ability to purchase prior military time after his separation from employment with the City of Lansing. Attorney Castle reviewed the Ordinance and researched that Mr. Anderson failed to submit the purchase form required. Attorney Castle opined that Mr. Anderson ceased to a member of the Retirement System and was no longer eligible to purchase military credit.

Mr. Gregory Stump presented the Police and Fire Retirement System Actuarial Report for the period ending December 31, 2022. Mr. Stump discussed the valuation summary, changes from the prior year, retiree healthcare and the funding outlook.

Mr. Stump provided funding progress for the current year which improved to 66%. The health care fund was funded at 25%. Mr. Stump also provide the percent of payroll for contributions to the retirement system decreased to 56%.

Mr. Stump provided an overview of changes since the last valuation. He discussed investment returns, asset smoothing, and the funding and contribution outlooks for pension. Mr. Stump indicated the retiree health care valuation was under way for 2022.

Ms. Shelbi Frayer, City of Lansing chief strategic officer inquired what effect an estimated -20% return would have on the City Contribution and inquired if the asset smoothing would lessen the effect.

Mr. Stump provided projections on the employer contribution at -20% for the year and informed the Board that updated projection can be provided once additional returns have been received.

Ms. Frayer inquired if monies could be moved from health care to the pension fund for the contribution.

Trustee Wohlfert indicated although the monies are managed together, the health care is a separate reserve.

Mr. Stump reviewed the Actuarial Standard of Practice (ASOP) #4 that requires a new requirement of disclosure at Low Default Risk Obligation Measure. It will be a requirement in all valuation reports starting in 2023. Mr. Stump also reviewed the Michigan Act 202 Uniform Assumption that is a current disclosure in the actuarial report.

It was moved by Trustee R. Wilcox and supported by C. Wilcox to accept and approve the actuarial valuation for the period ending December 31, 2022.

Adopted by the following vote: 5 - 0

Ms. Williams reported that she sent Mr. Robinson the information she was working with Mr. Claudiu Besoaga, and he has not responded. Ms. Williams reported that Mr. Robinson would like to come in November at Joint meeting to discuss the Web Cashflow process for the board's approval and set-up.

Ms. Williams reviewed the Monthly Investment Report for the month ending September 30, 2022.

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

Adopted by the following vote: 5 - 0

The meeting ended at 9:25 a.m.

Minutes approved on 11/8/2022

Desiree Kirkland, Secretary
Police and Fire Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System