

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

Joint Meeting Minutes
10th Floor Conference Room

February 20, 2024
Tuesday, 8:30 a.m.

The meeting was called to order at 8:34 a.m.

Trustees present: (ERS) Bahr, Dedic, Ebright, Garza, Jeffries, Kraus, O'Leary, Parker, Schor (10:30a m), Thomas – 10

(Police & Fire) Garza, Kreft, Moore, Schor (10:30am), Taylor, Thomas, Wilcox, Wohlfert – 8

Excused: (ERS),

Excused: (Police & Fire)

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

Karen Williams reported that Trustee Schor's office contacted the Retirement Office and requested that he be excused from the February Joint Meeting. Trustee Schor is ex-officio.

It was moved by Trustee Wilcox and supported by Trustee Taylor to approve the Official Minutes of the Police and Fire Retirement System Board meeting of January 16, 2024.

Adopted by the following vote: 7 – 0.

It was moved by Trustee Jeffries and supported by Trustee Ebright to approve the Official Minutes of the Employees' Retirement System Board meeting of January 16, 2024, with corrections.

Adopted by the following vote: 9 – 0.

There were no public comments for items on the agenda.

Secretary's Report (Police & 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: 359. 5 death(s) Brenda J. Brassington, IAFF, died 01/27/2024, age 61, spouse to receive 75%; David W. Joppie, CCLP Nonsupervisory, died 1/31/2024, age 76, spouse to receive 50%; Betty Leadbitter, died 12/5/2023, age 87, beneficiary of Fire retiree; Doris P. Long, died 1/24/2024, age 96, spouse of Police retiree; Adella Lyon, died 2/2/2024, age 79, spouse of Police retiree. 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 January 2024 amounted to \$3,327,293.94. Total retirement checks printed for the P&F System: 823. Total retirement checks printed for both systems: 1,747. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.

Secretary's Report (Employees' Retirement System):

7 new member(s), 0 reinstatement(s), 2 refund(s), 0 transfers, 2 retired. Total active membership: 423. Total deferred: 69. 4 death(s) Brenda Ballard, (Planning -Teamster, retired 1/5/1993) , died 12/8/2023, age 85, no beneficiary: James Kinnaird (Human Resources – Teamster, retired 5/18/2001, age 72, spouse to receive 100%; Janice Miller,, died 1/31/2024, age 72, beneficiary of UAW retiree; John J. Vaydik, (Public Service – Teamster, retired 10/3/2000), died 1/14/2024, age 73, no beneficiary. Refunds made since the last regular meeting amounted to \$33,553.76. Retirement allowances paid for the month of January 2024, amounted to \$2,021,598.80. Total retirement checks printed for the ERS System: 924. Total Retirement checks printed for both systems: 1,747. Eligible domestic relations orders received: 1. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

It was moved by Trustee Moore and supported by Trustee Kreft to approve the following applicant for Regular Age and Service Retirement of the Police and Fire Retirement System:

Antonio Sandoval (Police – CCLP Supervisory), 25 years of service credit, age 47, effective March 15, 2024 (with the purchase of 2 years of military service credits) – Sworn Date: 3/25/2001.

Adopted by the following vote: 7 – 0.

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the following applicants for Regular Age and Service Retirement of the Employees' Retirement System:

Brian Carter (Public Service – T214 Supervisory), 20 years, 5 month of service credit, age 62, effective February 9, 2024.m

Clifford Hartley (Public Service – T248 CTP), 28 years 11 months of service credits, age 66, effective March 3, 2024.

Robert David Koyl (Public Service -UAW), 34 years, 1month of service credits, age 70, effective February 16, 2024.

Adopted by the following vote: 9 – 0.

There were no requests for Duty Disability Retirement for the Police and Fire Retirement System.

Karen Williams reported that Applicant #2023-E0621 that was denied requested reconsideration for their application.

The Joint Employees' Retirement System and the Police and Fire Retirement System recessed to allow the Employees' Retirement System disability committee to meet.

The Joint meeting recessed at 8:41 a.m.

The Joint meeting resumed at 8:49 a.m.

Karen Williams reported that the Employees' Retirement System reviewed the request of applicant #2023 -E0621.

It was moved by Trustee Bahr and supported by Trustee O'Leary to table the request of applicant #2023-E0621.

Adopted by the following vote: 9 -0

There were no requests for Non-Duty Disability Retirement for the Police and Fire Retirement System.

There were no requests for Non-Duty Disability Retirement for the Employees' Retirement System.

Ms. Williams reported that Mr. Martin Anderson, IAFF was not vested and has requested a refund of his accumulated contributions of \$36,755.65 from the Police and Fire Retirement System. Ms. Williams reported that Joshua C. Byers, CCLP Nonsupervisory was not vested and has requested a refund of his accumulated contributions of \$11,932.28 from the Police and Fire Retirement System.

It was moved by Trustee Wilcox and supported by Trustee Taylor to approve the following requests for refund of accumulated contributions from the Police and Fire Retirement System:

Martin Anderson, IAFF, not vested, \$36,775.65.
Joshua C. Byers, CCLP Nonsupervisory, not vested, \$11,932.28.

Adopted by the following vote: 7-0.

Karen Williams reported that the MAPERS 2024 Spring Conference was scheduled for May and requested that trustees who wished to attend to contact the retirement office. Karen Williams also reported that the NCPERS 2024 Annual Conference would be held in Seattle, Washington, May 19 – 22. Ms. Williams indicated if more than two members or if the chairperson wished to attend, the Boards would need to approve the travel.

It was moved by Trustee Dedic and supported by Trustee Bahr to approve the attendance of any member who wished to attend the NCPERS 2024 Annual Conference for the Employees' Retirement System.

Adopted by the following vote: 9 - 0.

It was moved by Trustee Wilcox and supported by Trustee Moore to approve the attendance of any member who wished to attend the NCPERS 2024 Annual Conference for the Police and Fire Retirement System.

Adopted by the following vote: 7 - 0.

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

Greg Stump presented a review of the Actuarial Valuation for the period ending December 31, 2023, for the Employees' Retirement System and the Police and Fire Retirement System.

Mr. Stump reviewed the valuation results, retiree healthcare and the fund outlook for both systems. Mr. Stump discussed the impact of the state grant money for the Employees Retirement System. The funding ratio for Police and Fire was 62% and the funding ratio for Employees' Retirement Fund was 53% and the impact of the 2023 investment experience.

Mr. Stump discussed retiree health care funding for the Employees Retirement System and the Police and Fire Retirement System. He provided an overview of the OPEB report and discussed the funding outlook for each plan. The funding ratio for the Employees Retirement System was 53% and the ratio for Police and Fire was 27%, with the VEBA at approximately 80% because it is a closed group. Mr. Stump noted that an assumption was made regarding members of the VEBA group using the date of hire.

Trustee Kraus expressed concern that the Defined Contribution/VEBA vendor could not provide the names of these members.

Ms. Kirkland indicated that Finance was working to get a VEBA list from the provider.

Ms. Williams reported the Police and Fire Retirement System invoices for November: Integrity Asset Management, \$50,563.33; Income Research + Management, \$20,772.50; VanOverbeke, Michaud and Timmony, P.C., \$1,423.50 with itemized services for the 4th quarter; and PBI, \$2,000.

It was moved by Trustee Wilcox and supported by Trustee Moore to approve the Police and Fire Retirement System invoices for February 2024.

Adopted by the following vote: 7 – 0.

Karen Williams updated the Police and Fire Retirement System Board that elections for chairperson and vice chairperson was delayed because the vice chairperson was not at the meeting.

It was moved by Trustee Wilcox and supported by Trustee Taylor to maintain the current chairperson, Eric Wohlfert and vice chairperson, Justin Moore for the calendar year 2024.

Adopted by the following vote: 7 – 0.

Ms. Williams reported the Operating Expenses for the 4th Quarter from October thru December 21, 2023, for the Police & Fire Retirement System. The gross payroll was \$9,962,667.51, with year-to-date retirement payroll at \$38,598,365. This amount was 104% of the budget. Investment fees for the quarter was \$51,684.076 contractual fees was \$53,221.00. Total operating and administrative expenses for the year was \$39,429,705.

Ms. Williams reported the Employees' Retirement System invoices for February: Integrity Asset Management, \$31,319.01; Income Research + Management, \$11,573.54, VanOverbeke, Michaud & Timmony, P.C., \$1,579.50 with itemized services for the 4th quarter; and PBI, \$2,000.

It was moved by Trustee Ebright and supported by Trustee Bahr to approve payments for the Employees' Retirement System invoices for February 2024.

Adopted by the following vote: 9 - 0.

Ms. Williams reported the Operating Expenses for the 4th Quarter from October thru December 31, 2023, for the Employees' Retirement System. The gross payroll was \$6,064,631.33, with year-to-date retirement payroll at \$24,947,204. Investment fees for the quarter was \$35,748.17, contractual fees was \$59,353.00. Total operating and administrative expenses for the year was \$26,023,006.

Attorney Castle provided the service provider review schedule. The Joint Boards are scheduled to review its Investment Consultant. Attorney Castle stated that the Board would decide what type of review was needed.

Karen Williams reported that Tegrit was working on providing an itemized list of updates for the Retirement Boards.

Karen Williams reported and review forms from Northern Trust set up accounts for the retirement boards to pay bills and forms for online banking.

Trustee Kraus inquired if any notification had been sent to retirees regarding the change in the Michigan Withholding Tax. Trustee Kraus expressed concern that retirees did not know who to contact regarding the Withholding forms.

The Joint Board requested that the Retirement Analyst inquire if a message could be placed on the online Employee portal for retirees that would provide a notification and where forms could be sent.

Karen Williams provided an itinerary from the previous retirement conference held in 2017 for Trustees to review. The Retirement Board reserved the Lansing Center for Thursday, September 12, 2025, and provided a budget of \$30,000.

Mr. George Tarlas referred to the Market Snapshot of the 4th Quarter Investment report. Mr. Tarlas discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending December 31, 2023. Mr. Tarlas reviewed current market environment and discussed the inflation, risk, and interest rates.

Mr. Tarlas reviewed the Employees' Retirement System and The Police and Fire Retirement System Asset Allocation. He reviewed the portfolio's goals and objectives and discussed the impact of the presidential election. He revisited and confirmed strategic asset allocation targets and expectation of continued uncertainty and focus on the longer term. Mr. Tarlas explained changes in Asset Consulting Group assumptions regarding valuations and yields.

Mr. Tarlas discussed Infrastructure as a suggested addition to the retirement systems portfolios. He reviewed the definition of infrastructure and its categories. Mr. Tarlas discussed risk and return factors for the strategy and provided a comparison against other asset classes. Mr. Tarlas recommended a 3 % allocation and that the board take a "free look" at some of the managers in the asset class at the May meeting.

It was moved by Trustee Moore and supported by Trustee Kreft 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 10:38 a.m.

Minutes approved on 3/19/2024.

Desiree Kirkland, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System