

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

Joint Meeting Minutes
10th Floor Conference Room

November 21, 2023
Tuesday, 8:30 a.m.

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

Trustees present: (ERS) Bahr, Dedic, Ebright, Garza, Jeffries, Kirkland, Kraus, O'Leary, Parker, Schor – 10
(Police & Fire) Kirkland, Kreft, Moore, Schor, Wohlfert, Wood – 6
Excused: (ERS), 0
Excused: (Police & Fire): Taylor, Wilcox

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

It was moved by Trustee Wood and supported by Trustee Moore to excuse Trustees Taylor and Wilcox from the Joint Employees' Retirement System Board and Police and Fire Retirement System November Board meeting.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Wood and supported by Trustee Moore to approve the Official Minutes of the Police and Fire Retirement System Board meeting of October 17, 2023, with corrections.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Official Minutes of the Employees' Retirement System Board meeting of October 17, 2023.

Adopted by the following vote: 10 – 0.

There were no public comments for items on the agenda.

Secretary's Report (**Police & Fire**):

1 new sworn fire member(s), 2 new sworn police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 5 retired. Total active membership: 362. 1 death(s) Brenda J. Brassington, IAFF, died 10/27/2023, age 61, spouse to receive 75%. Refunds made since the last regular meeting amounted to \$9,156.26. Reimbursements to the System year-to-date amount to \$4,992.00. Retirement allowances paid for the month of October 2023 amounted to \$3,303,251.96. Total retirement checks printed for the P&F System: 814. Total retirement checks printed for both systems: 1,738. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 1.

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. 3 death(s) Gene E. Guile (Finance – Teamster, retired 11/21/1992), died 10/5/2023, age 86, spouse to receive 100%; Ivan W. Latoski, Sr. (Public Service, -UAW, retired 1/8/2001), died 10/6/2023, age 91, beneficiary to receive 100%; Richard E. McClymount, (Public Service – NonBargaining, retired 11/21/1992), died 10/16/2023, age 80, beneficiary to receive 50%; Refunds made since the last regular meeting mounted to \$33,553.76. Retirement allowances paid for the month of October 2023, amounted to \$2,022,839.84. Total retirement checks printed for the ERS System: 924. Total Retirement checks printed for both systems: 1,738. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no applicants for Regular Age and Service Retirement for the Police and Fire Retirement System.

There were no applicants for Regular Age and Service Retirement for the Employees' Retirement System.

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

The Joint meeting recessed at 8:42 a.m.

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

Karen Williams reported that the Police and Fire Retirement System reviewed the medical report for Applicant #2023 -P0718 that was tabled.

It was moved by Trustee Moore and Trustee Kirkland to remove Applicant #2023-P0718 from the table for action.

Adopted by the following vote: 6 -0

It was moved by Trustee Moore and supported by Trustee Schor to deny Applicant #2023-P0718 request for duty disability form the Police and Fire Retirement system.

Adopted by the following vote: 6 -0.

Ms. Williams reported that Applicant #2023 -E0620 had seen the medical director, and the Employees Retirement System disability committee received the medical report for review.

It was moved by Trustee Bahr and supported by Trustee O'Leary to approve the duty disability request for Applicant # 2023-E0620 for the Employees' Retirement System.

Adopted by the following vote: 10-0.

Ms. Williams reported that Applicant #2023-E0621 had been scheduled to see the medical doctor.

There were no requests for non-duty disability retirements for the Police and Fire Retirement system.

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

Ms. Williams reported that Mr. James Videto, IAFF was not vested and has requested a refund of his accumulated contributions of \$40,844.58 from the Police and Fire Retirement System.

It was moved by Trustee Moore and supported by Trustee Kirkland to approve the request for refund of accumulated contributions of Mr. James Videto for \$40,844.58,

Adopted by the following vote: 6 -0.

Ms. Williams reported that the following requests for refund of accumulated contribution had been received for the Employees' Retirement System:

Bailey A. Braneff, Teamster District Court, not vested, \$1,937.44.
Derek Nolan, UAW, not vested, \$9,746.81.
Jacob Odom, Teamster 243, not vested, \$17,133.71.

It was moved by Trustee Bahr and supported by Trustee Kirkland to approve the requests for refunds of the following from the Employees' Retirement System:

Bailey A. Braneff, Teamster District Court, not vested, \$1,937.44.
Derek Nolan, UAW, not vested, \$9,746.81.
Jacob Odom, Teamster 243, not vested, \$17,133.71.

Adopted by the following vote: 10- 0.

There were no reports for Training and Education.

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

Greg Stump presented the Actuarial Valuation for the period ending December 31, 2022, 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 the ratio for Police and Fire was 62% and the funding ratio for Employees' Retirement Fund was 53% and the percent of payroll for Employees' Retirement System was 46%. Mr. Stump reviewed the effect of asset smoothing for both systems.

Mr. Stump discussed the State of Michigan awarded the Employees Retirement System \$11,55 million and the impact would be seen in the 12/31/2023 valuation and going forward. The projection changes due to the grant money would include a reduction in unfunded liability (amount of grant), 4% increase in the system's funding ratio, a decrease in FY2025 city contribution and would affect future years. Mr. Stump added that the City of Lansing can elect to contribute more to accelerate funding progress and the long-term funding outlook was not materially affected by the grant,

Mr. Stump provided an update on retiree healthcare valuations and provided projections for the funding and contribution outlook for both systems.

Ms. Williams reported the Police and Fire Retirement System invoices for November: T. Rowe Price Associates, Inc., \$29,940.44; Income Research + Management, \$19,034.43; VanOverbeke, Michaud and Timmony, P.C., \$1,716 with itemized services for the 3rd^d quarter.

It was moved by Trustee Moore and supported by Trustee Kirkland to approve the Police and Fire Retirement System invoices for November 2023.

Adopted by the following vote: 6 – 0.

Trustee Wohlfert asked if the Police and Fire Retirement Board wished to review their credit card policy to allow additional members to have credit cards besides the chair and vice chair.

The Police and Fire Retirement System trustees agreed to keep the current policy.

Karen Williams updated the Police and Fire Retirement System Board that only one nominating petition has been received for the Fire Trustee member and that there would be no upcoming election.

Ms. Williams reported the Operating Expenses for the 3rd Quarter from July thru September 30, 2023, for the Police & Fire Retirement System. The gross payroll was \$9,660,003.00, with year-to-date retirement payroll at \$28,617,970. This amount was 77% of the budget. Investment fees for the quarter was \$145,942.07, contractual fees was \$35,914.50. Total operating and administrative expenses for the quarter was \$9,851,844.57.

Ms. Williams reported the Employees' Retirement System invoices for November: TRowe Price Associates, Inc, \$14846.03; Income Research + Management, \$10,895,81, VanOverbeke, Michaud & Timmony, P.C., \$2,262.00 with itemized services for the 3rd quarter.

It was moved by Trustee Dedic and supported by Trustee Bahr to approve payments for the Employees' Retirement System invoices for November 2023.

Adopted by the following vote: 10 - 0.

Attorney Castle provided a legal memo regarding Mr. Dale Abronowitz's request for reconsideration of his non-duty disability retirement. The Employees' Retirement System Board requested that Attorney Castle review the request and provide a legal opinion. Attorney Castle opined that the Board must deny Mr. Abronowitz's request for reconsideration on account of the fact that it does not have the legal authority to retroactively convert his non-duty disability retirement to a duty disability retirement.

It was moved by Trustee Kraus and supported by Trustee Dedic to deny Mr. Abronowitz's request for reconsideration based upon legal counsel's opinion.

Adopted by the following vote: 10 - 0.

Ms. Williams reported the Operating Expenses for the 3rd Quarter from July thru September 30, 2023, for the Employees' Retirement System. The gross payroll was \$6,058,904.35, with year-to-date retirement payroll at \$18,146,289. Investment fees for the quarter was \$77,889.63, contractual fees was \$26,899.00. Total operating and administrative expenses for the quarter was \$6,173,667.98.

Ms. Williams distributed the 2024 meeting dates of the Employees' Retirement System Board and the Police and Fire Retirement System Board.

It was moved by Trustee Moore and supported by Trustee Wood to approve the 2024 meeting dates for the Police and Fire Retirement System Board.

Adopted by the following vote: 6 -0.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the 2024 meeting dates for the Employees' Retirement System Board.

Adopted by the following vote: 10 -0.

Trustee Dedic suggested that the Joint Retirement System Board have a Retirement Conference in 2024. He noted that the Board had not a conference since 2017. The Joint Retirement Boards requested that Ms. Williams check possible dates with the Lansing Center from late August through mid-October.

Mr. Nathan Burk referred to the Market Snapshot of the 3rd Quarter Investment report. Mr. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending September 30, 2023. Mr. Burk reviewed current market environment and discussed the inflation, risk, and interest rates.

Mr. Burk provided recommendations for quarterly cash flow withdrawals for the Employees' Retirement System: \$3 million from Northern Trust Index Fund, \$1 million from Earnest Partners, \$1 million from Lazard and \$2.5 million from the Northern Trust reserve account.

It was moved by Trustee Dedic and supported by Trustee Kraus to approve Asset Consulting Group recommendations for quarterly cash flow withdrawals of \$7.5 million for the Employees' Retirement System.

Adopted by the following vote: 10 -0

Mr. Burk provided recommendations for quarterly cash flow withdrawals for the Police and Fire Retirement System: \$2 million from Northern Trust Index Fund, \$5 million from T. Rowe Price, \$2 million from BlackRock and \$1 million from the Northern Trust reserve account.

It was moved by Trustee Moore and supported by Trustee Wood to approve Asset Consulting Group recommendations for quarterly cash flow withdrawals of 10 million for the Police and Fire Retirement System.

Adopted by the following vote: 6 -0

Mr. Burk reviewed the Employees' Retirement System and The Police and Fire Retirement System Asset Allocation. He reviewed the portfolio's goals and objectives. He revisited and confirmed strategic asset allocation targets and expectation of continued uncertainty and focus on the longer term. Mr. Burk explained changes in Asset Consulting Group assumptions regarding valuations and yields. Mr. Burk updated the Boards that redemption from Trumbull Property had been requested. The proceeds would fund the Principal Investment.

Mr. Burk introduced a discussion on Infrastructure as a suggested addition to the retirement systems portfolios. He reviewed the definition of infrastructure and its categories. Mr. Burk discussed risk and return factors for the strategy and provided a comparison against other asset classes. Mr. Burk noted that he would discuss Capital Market assumptions at the February 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 Kraus 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 10:48 a.m.

Minutes approved on 12/18/2023.

Desiree Kirkland, Secretary

Dennis R. Parker, Chairperson

Eric P. Wohlfert, Chairperson

Employees' Retirement System

Police and Fire Retirement System