OFFICIAL PROCEEDINGS OF THE BOARD OF TRUSTEES CITY OF LANSING EMPLOYEES' RETIREMENT SYSTEM MEETING MINUTES

Regular Meeting **June 9, 2026**
10th Floor Conference Room Tuesday, 9:30 A.M

The meeting was called to order at 9:32 a.m.

Present: Trustee Bahr, Dedic, Ebright, Kalis, O'Leary, Sanchez-Gazella, Wright – 7
Absent/Excused: Garza, Jeffries, Schor

Others present: Karen E. Williams, Thomas Lindemann, Human Resources Department; Attorney Aaron Castle, VanOverbeke, Michaud and Timmony; Nathan Burk, Asset Consulting Group (via phone).

It was moved by Trustee Kalis and supported by Trustee Ebright to approve the Official Minutes of the Joint Employees' Retirement System Board and the Police and Fire Retirement System Board meeting of May 12, 2026.

There were no public comments for items on the agenda.

Secretary's Report:

3 new members, **0** reinstatement(s), **0** refund(s), **0** transfers, **1** retired. Total active membership: **433**. Total deferred: **69**; **4** Death(s) **Linda Droste (Teamsters 243 CTP)** died 5/10/2026, age 78, Beneficiary to receive 100%; **Melvin Johnson (UAW)** died 5/7/2026, Age 78, No Beneficiary; **William Christopher (UAW)** died 5/16/2026, Age 74, Beneficiary to receive 100%: **Raymond Guernsey (Non-Bargaining)** died 5/24/2026, Age 94, Beneficiary to get 100%; **Refunds** made since last regular meeting amounted to $**22,915.41; Retirement allowances** for the month of **May 2026** amounted to **$2,059,696.39**. Total retirement checks printed for ERS System: **907**. Total retirement checks printed for both systems: **1731.** Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0

There were no requests for regular age and service retirements.

There were no requests for duty disability retirements.

There were no requests for non-duty disability retirements.

It was moved by Trustee Ebright and supported by Trustee Kalis to approve the following requests for refunds of accumulated contribution:

Michael Schwartz	Not Vested	$6,084.67
Jared Worden	Not Vested	$4,436.70

Adopted by the following vote: 7 - 0.

Karen Williams reported on the status of the Karen Krish refund matter. Ms. Krish separated from employment in 2020 and passed away in October 2025, prior to the expiration of the five-year period to request a refund of accumulated contributions. Her death was not reported to the retirement office until March 2026. Attorney Castle advised that because the death occurred before the five-year time period had run, the refund is payable and should be split evenly between Ms. Krish's two children as designated beneficiaries. Staff have requested refund paperwork from both beneficiaries and will bring the item back to the Board for approval once both requests are received.

Discussion was held regarding whether the refund of accumulated contributions form should identify the bargaining unit from which a separating member is terminating. It was the consensus of the Board that including the bargaining unit designation on the form is acceptable.

Trustee Kalis reported on the MAPERS Spring Conference held in Bay City, Michigan in May. Sessions included an actuarial presentation by Larry Langer on maintaining the actuarial health of retirement systems; a trustee development seminar presented by Michael Van Overbeke (VanOverbeke, Michaud & Timmony) on plan administration and governance policies and procedures; a global economic and geopolitical outlook presented by Frank Kelly; a legal and legislative update presented by Attorney Aaron Castle covering legal cases and regulatory changes affecting public retirement systems; a session on the trend of plans reopening to new members; a session on commercial real estate trends post-pandemic; and a Michigan business and economic update.

Trustee Dedic reported on the NCPERS Annual Conference. Topics included vendor and industry updates, public-sector investment strategy discussion (including private capital, private equity, and venture capital opportunities), and the growing role of artificial intelligence in investment analysis and plan administration.

Karen Williams provided information on the upcoming IFEBP Conference, to be held October 25 – 28, 2026. Members interested in attending were asked to submit their top four hotel preferences as early as possible, as hotel availability fills quickly; early registration closes in September.

Karen Williams reported that Trustee Garza and Trustee Jeffries requested to be excused; Trustee Schor, as an ex-officio member, does not require excusal.

It was moved by Trustee O'Leary and supported by Trustee Wright to excuse Trustee Garza and Trustee Jeffries from the June Employees Retirement System.

Adopted by the following vote 7 -0.

Ms. Williams presented an invoice from Northern Trust in the amount of $14,035.36 for the first quarter period through March 31, 2026.

It was moved by Trustee Bahr and supported by Trustee Dedic to approve the invoice for payment.

Adopted by the following vote: 7 -0

Attorney Aaron Castle provided a legal counsel report.

Attorney Castle presented a revised Refund of Accumulated Contributions form, updated to apply specifically to the Employees' Retirement System (the Police and Fire Retirement System will have a corresponding, separately updated form). The revised form limits the Social Security number requested to the last four digits for privacy purposes; adds a field for the member's date of separation; adds language by which the member acknowledges the five-year statutory time limit to request a refund following separation, after which the funds are forfeited to the plan under the City ordinance; adds language by which the member acknowledges receipt of the IRS Safe Harbor rollover notice; and adds a disclaimer that the Board and its staff are not liable for tax consequences resulting from a distribution or rollover made in accordance with the member's instructions, and that the Board does not provide tax or financial advice.

It was moved by Trustee Dedic and supported by Trustee Sanchez-Gazella to approve the revised Refund of Accumulated Contributions form.

Adopted by the following vote: 7 -0 .

Attorney Castle presented an updated IRS Safe Harbor Rollover Notice, revised to reflect changes made under the SECURE 2.0 Act, including: new exceptions to the 10% early withdrawal tax; an increase in the mandatory (forced) distribution threshold from $5,000 to $7,000; and changes to the applicable age for required minimum distributions, which increased from age 70½ to age 72, then to age 73 under SECURE 2.0, and is scheduled to increase to age 75 in 2030. Attorney Castle noted that a separate provision addressing a tax exemption for public safety officers applies to the Police and Fire Retirement System but not to this plan. Attorney Castle provided a sample resolution for the Board's use in adopting the updated notice.

It was moved by Trustee Kalis and supported by Trustee Ebright to adopt the resolution approving the updated IRS Safe Harbor Rollover Notice.

Adopted by the following vote: 7 - 0.

Attorney Castle reported on the Segal fiduciary liability insurance policy, review of which the Board had made a condition of paying the Segal invoice at the prior meeting. Attorney Castle advised that fiduciary liability limits typically fall within a range of 1% to 3% of total plan assets, that the System's current $1 million policy is reasonable given the System's asset size of approximately $200 million, and that the Board may wish to reconsider increasing the policy limit as plan assets continue to grow. Attorney Castle stated that the risk of a claim tied to investment decisions is mitigated by the Board's diversified portfolio, reliance on its investment consultant, and ongoing trustee education, and recommended payment of the invoice.

It was moved by Trustee Wright and supported by Trustee Dedic to approve payment of the Segal invoice for fiduciary liability insurance.

Adopted by the following vote: 7 -0 .

Karen Williams reported on reference checks conducted with current clients of the finalist vendors. For Foster & Foster, Ms. Williams spoke with a representative from Cape Coral, Florida, who reported approximately 20 years of a positive working relationship, no significant issues with the proposed timeline, budget, data conversion, reporting, or cybersecurity, and confirmed that Foster & Foster maintains a separate pension administration system in addition to hosting the client's member portal. For Milliman, Ms. Williams spoke with a representative from a Colorado client (Joel Thompson), who reported a positive experience since 2022, an easy data conversion from a manual prior process, and gave the vendor his highest recommendation, noting that the member self-service portal is customizable but was implemented in a limited capacity for his plan

Attorney Castle reported that, at the Board's request, he had followed up with Foster & Foster regarding its fee proposal, which had originally quoted separate systems/platforms for the Employees' Retirement System and Police and Fire Retirement System. Foster & Foster indicated it would offer a 25% discount if both plans were combined onto a single platform, resulting in an approximate 13% cost advantage relative to Milliman's proposal.

The Board discussed the status of the System's current pension administration software vendor, Tegrit, including delays in Tegrit's delivery of active member data (salary and contribution information) needed for actuarial and benefit calculation purposes, and the resulting need for staff to manually extract data from BS&A to perform calculations. It was noted that Tegrit is contractually obligated to provide a full data extract to a successor vendor in the event of termination, though transition-related work outside Tegrit's normal scope could result in additional fees.

It was moved by Trustee Dedic and supported by Trustee Sanchez-Gazella to terminate the existing contract with Tegrit.

Adopted by the following vote:7 - 0.

The Board further discussed the Milliman and Foster & Foster proposals, including implementation hours. The Board agreed to schedule a special joint meeting to review the final proposals before a vendor decision is made of the two remaining finalists, Foster & Foster and Milliman.

Karen Williams reported that a quarterly cash flow of $6.5 million is needed to fund pension checks for the System through July, August, and September 2026, as the Comerica pension checking account balance is projected to fall below the System's target minimum after June. Asset Consulting Group (ACG) recommended sourcing the $6.5 million from the System's Small Cap composite ($4 million from Integrity) and William Blair ($2.5 million), consistent with the current overweight to equities relative to target allocation.

It was moved by Trustee Wright and supported by Trustee Dedic to approve ACG's recommendation to source the $6.5 million quarterly cash flow as follows: $4,000,000 from Integrity (Small Cap) and $2,500,000 from William Blair.

Adopted by the following vote: 7 - 0.

Nathan Burk, Asset Consulting Group, provided the Monthly Investment Report for the month ending May 31, 2026.

It was moved by Trustee Kalis and supported by Trustee Ebright to adjourn the Employees Retirement System June Meeting.

Adopted by the following vote: 7 -0.

The Meeting adjourned at 10:40 a.m.

Minutes approved on 7/21/2026

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Crystal Thomas, Secretary
Police and Fire Retirement System

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Matthew Bahr, Chairperson
Police and Fire Retirement System