

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

Joint Meeting
10th Floor Conference Room

August 17, 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: (ERS) Bahr, Carrigan, Dedic (8:46), Ebright, Kirkland (8:40), Kraus, Parker, Sanchez-Gazella (8:40), Schor, Wood – 10.
(Police & Fire), Kirkland (8:40), Schor, Taylor, C. Wilcox, R. Wilcox, Wood –6.
Excused: 0.

Others present: Karen Williams, Human Resources Department; Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C.; Nathan Burk, Tom Janisch, Asset Consulting Group.

Trustee Ryan Wilcox presided for the Police and Fire Retirement System Board.

It was moved by Trustee Wood and supported by Trustee C. Wilcox to excuse Trustee Moore and Trustee Wohlfert from the August Joint Retirement System Board meeting.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Wood and supported by Trustee C. Wilcox to approve the Official minutes of the Police and Fire Retirement System Board meeting of July 20, 2021.

Adopted by the following vote: 5 -0

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the Official minutes of the Employees Retirement System Board meeting of July 20, 2021.

Adopted by the following vote: 7 – 0.

There were no public comments.

Joint Meeting
10th Floor Conference Room

August 17, 2021
Tuesday, 8:30 a.m.

Secretary's Report (Police and Fire):

19 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total: Active membership: 387. 1 death(s). Robert Miller, CCLP NonSupervisory, died 6/22/2021, age 74, beneficiary to receive 50% Refunds made since the last regular meeting amounted to \$26,593.78. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of July 2021, amounted to \$2,982,117.96. Total retirement checks printed for the P&F System: 762. Total retirement checks printed for both systems: 1,704. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 1.

Secretary's Report (Employees' Retirement System):

1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 476. Total deferred: 74. 1 death(s): Carl A. Ozanich, (Finance –Teamster, retired 1/5/1993), died 7/9/2021, age 88, no surviving beneficiary. Refunds made since the last regular meeting mounted to \$18,843.37. Retirement allowances paid for the month of July 2021, amounted to \$2,035,939.42. Total retirement checks printed for the ERS System: 938. Total Retirement checks printed for both systems: 1,704. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

It was moved by Trustee C. Wilcox and supported by Trustee Wood to approve the following applications for regular age and service retirements for the Police and Fire Retirement System:

Jacob Atwood (Fire – IAFF), 25 years of service credits, age 48, effective 9/11/2021. (Sworn Date: 10/7/1996)

James F. Cherry, Jr. (Fire – IAFF), 25 years of service credits, age 45, effective 9/11/2021. (Sworn Date: 9/30/1996)

James L. Harrington (Fire -IAFF) 24 years, 3 months of service credits, age 50, effective 9/2/2021 (Eligible to Retire with additional 1 year, 6 months of reciprocal time with City of Muskegon, Sworn Date; 6/9/1997)

Jeffrey L. Hundt (Fire – IAFF) 25 years of service credits, age 58, effective 9/12/2021. (Sworn Date: 9/30/1996)

Joint Meeting
10th Floor Conference Room

August 17, 2021
Tuesday, 8:30 a.m.
Page Three

It was moved by Trustee C. Wilcox and supported by Trustee Wood to approve the following applications for regular age and service retirement for the Police and Fire Retirement System (continued):

Terry Isra'el (Fire – IAFF), 25 years of service credits, age 47, effective 9/12/2021. (Sworn Date: 9/30/1996)

Adopted by the following vote: 5 – 0.

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

Chad Gamble (Transportation – NonBargaining), 25 years, 4 months of service credits, Age 52, effective 9/25/2021

Alexander Smith (Public Service – UAW), 20 years, 4 month of service credits, age 58, effective 8/21/2021

Adopted by the following vote: 7-0.

Karen Williams reported that Applicant #2021-P0817 D has requested to be evaluated for duty disability.

It was moved by Trustee Wood and supported Trustee C. Wilcox to recess the Joint Meeting to allow for the disability subcommittee to review the duty disability request.

Adopted by the following vote: 8 -0.

The meeting recessed at 10:41.

The meeting resumed at 10:42.

Karen Williams reported that the disability subcommittee had met to review the request of applicant #2021-P0817.

It was moved by Trustee Wilcox and supported by Trustee Wood to have Applicant #2021-P0817 D go through the Police and Fire disability process and be sent to the medical director for evaluation.

Adopted by the following vote: 8 – 0.

Joint Meeting
10th Floor Conference Room

August 17, 2021
Tuesday, 8:30 a.m.
Page Four

Karen Williams updated the Police and Fire Retirement System Board that Applicant #2021 –F0519 D had seen the medical director. The disability subcommittee is waiting for the report.

Karen Williams updated the Police and Fire Retirement System Board that Applicant #2021-F0518 ND had been scheduled to see the medical director.

Karen Williams updated the Employees' Retirement System Board that Applicant #2021-E0615 had been scheduled to see the medical director.

Karen Williams reported the upcoming MAPERS, NCPERS AND IFEBP Conferences. Ms. Williams reminded members who wished to attend to contact the Retirement Office for registrations and hotels.

Karen Williams reported the Police and Fire Retirement System August Invoices from Asset Consulting Group, Boomershine Consulting Group, Integrity Investments, PBI Death check services, T Rowe Price investments, Zoom.

It was moved by Trustee Wood and supported by Trustee C. Wilcox to approve the August Invoices of the Employees' Retirement System Board.

Adopted by the following vote: 10 – 0.

Karen Williams reported from the Finance Department, the quarterly employee contributions to the Police and Fire Retirement System. Ms. Williams reported that on July 23, 2021, \$495,296.93 was transferred by the City to the Police and Fire Retirement System for the net employee period 4/1/2021 through 6/30/2021.

It was moved by Trustee Wood and supported by Trustee Kirkland to accept the quarterly employee contributions of \$495,296.93 from the City to the Police and Fire Retirement System.

Adopted by the following vote: 6 – 0.

Karen Williams reported the Employees' Retirement System August Invoices from Asset Consulting Group, Boomershine Consulting Group, Integrity Investments, PBI Death check services, T Rowe Price investments, Zoom.

It was moved by Trustee Bahr and supported by Trustee Carrigan to approve the August Invoices of the Employees' Retirement System Board.

Adopted by the following vote: 10 – 0.

Joint Meeting

10th Floor Conference Room

August 17, 2021

Tuesday, 8:30 a.m.

Page Five

Karen Williams reported from the Finance Department the quarterly employee contributions to the Employees Retirement System. Finance reported that the calculated net employee contributions for the period 4/1/2021 through 6/30/2021 was a net amount of \$38,598.47 due from the Employee Retirement System to the City's general fund. Finance will forward this to the next quarter to and offset it against the net Employee Contribution due from the General Fund to the Employees' Retirement System for Q1 FY2022.

It was moved by Trustee Dedic and supported by Trustee Wood to accept the quarterly employee contributions memo from Finance to the Employees' Retirement System.

Adopted by the following vote: 10 -0.

Attorney Castle provided a legal counsel report for the Joint Retirement System Boards. Attorney Castle reported that he was reviewing the Cybersecurity safeguards of the Boards' pension administration services contract with Tegrity Group and their most recent System and Organization Controls (SOC) 2 audit report. He will provide a full summary of his findings at a later meeting.

Attorney Castle reported the Special Projects sub-committees continue to meet and review recommended policies and procedures as well as updates and amendments to the Retirement Ordinances and the Boards' existing policies.

Attorney Castle provided a legal counsel report for the Police and Fire Retirement System. A revised draft Board Education and Travel Policy, as recommended by the Special Projects Sub-Committee for the full Board's consideration. The additions to the revised draft Policy are intended to expand on the Board's fiduciary role and responsibility with respect to the day-to-day operation of the City of Lansing Police and Fire Retirement System, include additional detail regarding the Board's rules and regulations with respect to Retirement System related travel and education, including, without limitation, the reporting and accountability required of all Board members and staff traveling on Retirement System business.

It was moved by Trustee Wood and supported by Trustee Kirkland to approve the revised Police and Fire Retirement System Board Education and Travel Policy.

Adopted by the following vote: 7 - 0.

Karen Williams provided a vendor update report that contained when contracts were last renewed.

Nathan Burk, Asset Consulting Group, reported that they maintain a rotating schedule of investment managers to visit the Board. The Joint Board requested a listing documenting the most recent meetings between the Boards and the investment managers.

Joint Meeting

10th Floor Conference Room

August 17, 2021

Tuesday, 8:30 a.m.

Page Six

Karen Williams reviewed the Police and Fire Retirement System quarterly expenses report for the period ending June 30, 2021.

Karen Williams reviewed the Employees' Retirement System quarterly expenses report for the period ending June 30, 2021.

Karen Williams updated the Joint Boards that the current PBI Death Check services were being discontinued December 2021. PBI has recommended that the Board moved to its new product CertiDeath Death Audit.

Trustee Parker referred the death check services to the Employees' Retirement System special projects subcommittee to draft a request for proposals.

Trustee Ryan referred the death check services to the Police and Fire Retirement System special projects subcommittee to draft a request for proposals.

The Joint Board discussed moving the September and October meetings due to the MAPERS, NCPERS and IFEBP conferences.

It was moved by Trustee C. Wilcox and supported by Trustee Wood for the Police and Fire Retirement System to change the September and October meeting dates to September 14, and October 12 for 2021.

Adopted by the following vote: 6-0.

It was moved by Trustee Kraus and supported by Trustee Bahr for the Employees Retirement System to change the September and October meeting dates to September 14, and October 12 for 2021.

Adopted by the following vote: 9-0.

Mr. Nathan Burk of Asset Consulting Group reviewed the Quarterly Performance reports for the 2nd quarter of 2021. Mr. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending July 31, 2021. 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.

Joint Meeting
10th Floor Conference Room

August 17, 2021
Tuesday, 8:30 a.m.

Page Seven

Mr. Tom Janisch discussed the K2 Ascent platform. Mr. Janisch provided an overview of the investment and the name change from K2 Manua Kea. Mr. Janisch explained that the portfolio would be customized by each Board with ACG's recommendation and the fees would be lower. Each Board would select the investment managers to be included in its portfolio. The portfolios would have more market participation with more exposure, giving higher return for the increased risk. The investment would have two fiduciaries, K2 and Asset Consulting Group. The initial investment would be with 10-12 managers. Changes to the portfolios would be approximately one per year. Mr. Janisch discussed the portfolio construction and fee comparison.

Trustee Parker expressed concern about time lags where money could be out of the market because it generally takes the Board some time to make investment decisions.

Trustee Wood expressed concern that individual managers would reach out to trustees to solicit inclusion into the portfolio.

Mr. Burk indicated that managers should not be contacting individual trustees. He indicated that K2 would be investment and prospective managers would contact K2. Mr. Burk discussed the timeline to make a decision to select K2.

Trustee Kraus asked what would be the deadline to make a decision.

Mr. Burk stated that a decision would be needed by the November meeting and the investment could be made in December or January.

It was moved by Trustee Kraus and supported by Trustee Sanchez-Gazella for the Employees' Retirement System to redeem ABS and follow the timeline recommended by Asset Consulting Group to fund the K2 investment by December 31, 2021.

Trustee Kraus indicated that by the end of year, it was expected that manager selection, notification to ABS, and contract negotiation would be done.

Trustee Wood expressed concern that waiting until the new year may bring new trustees to the Board. With the turnover, there is a possibility that the decision would drag for additional months.

Trustee Ryan Wilcox expressed concern and did not believe that the Boards moved fast enough in making changes to participate in this investment.

The motion failed by the following vote: 2 - 6

The Meeting adjourned at 10:45 p.m.

Minutes approved on 9/14/2021

Karen Williams, Recording Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System