

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

Joint Meeting
Council Conference Room
10th Floor City Hall
Lansing, MI

November 9, 2017
Thursday, 9:15 a.m.

The meeting was called to order at 9:20 a.m.

A quorum of the Employees' Retirement System Board and Police and Fire Retirement System Board was present.

Trustees present: (ERS), Dedic, Good, Houghton, Kraus, Munroe, D. Parker, M. Parker.
– 7.
(Police & Fire), Fabus, Good, Rose, St. Aubin, Wilcox, Wohlfert, Wood - 7

Others present: Karen E. Williams, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); Nathan Burk, Kathleen McGrath, Asset Consulting Group; Dominic Bruno, Steve Clancy, MD Sass Investments.

Ms. Houghton reported the city received a grant to work with AARP for seniors. Ms. Houghton participated in workgroups with several different organizations and thought the Retirement and Health Care Conference would be a good vehicle to work with these other groups.

Karen Williams updated the Joint Boards on the electronic voting process. The Police Trustee election will be the first with using electronic ballots using the software available from EBallots.

Mr. Dominic Bruno, MD Sass Senior Portfolio Manager, provided Mr. Bruno discussed the retirement of Mr. Hugh Lamle. He explained that Marty Sass will become president. Mr. Bruno discussed the transition plans and long term strategic plan for RE Sass to take over the firm in the future. MD Sass will maintain its current strategy and there will be no change in decision making. Mr. Bruno provided an overview of the team members and the taxable fixed income portfolio strategy.

Mr. Clancy discussed the investment performance of the 'Employees' Retirement System and the Police and Fire Retirement System portfolios. Mr. Clancy provided a market overview and discussed high yield and investment grade credit.

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Mr. Nathan Burk, Asset Consulting Group, reviewed the following Employees' Retirement System Quarterly Cash flow recommendations to meet retirement system obligations of \$5.9 million:

Redeem \$2 million from NT S&P 500 Index Fund

Redeem \$3 million from T. Rowe Price

Redeem \$900,000 from William Blair

It was moved by Trustee Good and supported by Trustee Munroe to approve the quarterly cash flow redemption of \$7.9 million as recommended by Asset Consulting Group and to redeem \$10,000 from securities for the Board's Administrative Expenses.

Adopted by the following vote: 7 – 0.

Mr. Nathan Burk, Asset Consulting Group, reviewed the following Police and Fire Retirement System Quarterly Cash flow recommendations to meet retirement system obligations of \$7.9 million:

Redeem \$3 million from William Blair

Redeem \$3 million from Integrity

Redeem \$1.9 million from T. Rowe Price

It was moved by Trustee Good and supported by Trustee Wood to approve the quarterly cash flow redemption of \$7.9 million as recommended by Asset Consulting Group and to redeem \$10,000 from securities for the Board's Administrative Expenses.

Adopted by the following vote: 7 – 0.

Mr. Burke reviewed the schedule for the December due diligence visit to Wasatch, Western Asset and Franklin Templeton.

Mr. Burke updated the Joint Boards regarding manager changes at William Blair, MD Sass and Franklin Templeton. Asset Consulting Group did not have any concerns at this time and recommended no action from the Boards.

Mr. Burk reviewed the market environment and total portfolio analysis. Mr. Burke discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending September 30, 2017. Ms. Katherine McGrath provided an analysis of the portfolios equity, fixed income, and real estate investments. Mr. Burke reviewed the October monthly financial report.

The meeting adjourned at 11:10 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System