

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

Joint Meeting
10th Floor Conference Room

November 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) Carrigan, Dedic (8:46), Ebright, Kirkland, Parker, Sanchez-Gazella (8:36), Wood – 7.

(Police & Fire), Kirkland (8:40), Moore, Taylor, C. Wilcox, Wohlfert, Wood –6.

Excused: ERS: Bahr, Kraus, Schor

Excused: Police & Fire: Ryan Wilcox, Schor

Others present: Karen Williams, Human Resources Department; Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C.; Nathan Burk, Asset Consulting Group; Sally Corbin, USA Union Services: Kevin Gore, Account Representative, Travis Carr, Product specialist, Western Asset Management.

It was moved by Trustee C. Wilcox and supported by Trustee Wood to excuse Trustee Ryan Wilcox of the Police and Fire Retirement System from the November Joint Retirement System Board meeting.

Adopted by the following vote: 6 – 0.

It was moved by Trustee C. Wilcox and supported by Trustee Taylor to approve the Official minutes of the Police and Fire Retirement System Board meeting of October 12, 2021.

Adopted by the following vote: 6 -0

There were no public comments.

Secretary's Report (Police and Fire):

0 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total: Active membership: 371. 3 death(s). Stephen Fuller, CCLP NonSupervisory, died 10/25/2021, age 77, beneficiary to receive 50%; Leslie Harold Hunter, IAFF, died 9/20/2021, age 73, beneficiary to receive 50%; Kirt Baker, IAFF, died 10/30/2021, spouse to receive 50%. Refunds made since the last regular meeting amounted to \$38,590.65. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of October 2021, amounted to \$2,999,903.19. Total retirement checks printed for the P&F System: 766. Total retirement checks printed for both systems: 1,702. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified:0.

Secretary's Report (Employees' Retirement System):

2 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 480. Total deferred: 74. 2 death(s): John W. Lipka, (Parks -Teamster 243, retired 4/24/1981), died 10/28/2021, age 83, spouse to receive 50%; Dortha R. Pile, (Civic Center –NonBargaining, retired 2/18/1982), died 11/1/2021, age 98, no beneficiary. Refunds made since the last regular meeting mounted to \$0.00. Retirement allowances paid for the month of October 2021, amounted to \$2,017,838.28. Total retirement checks printed for the ERS System: 936. Total Retirement checks printed for both systems: 1,702. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Ebright and supported by Trustee Wood to excuse Trustee Bahr, Trustee Dedic and Trustee Kraus of the Employees' Retirement System Board from the November Joint Retirement System Board meeting.

Adopted by the following vote: 6 – 0

It was moved by Trustee Carrigan and supported by Trustee Ebright to approve the Official minutes of the Employees Retirement System Board meeting of October 12, 2021.

Adopted by the following vote: 6 – 0.

There were no public comments.

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

Krishna J. Singh (Fire – IAFF), 21 years, 2 months of service credits, age 58, effective 10/22/2021. (Sworn Date: 8/14/2000)

Adopted by the following vote: 6 - 0

It was moved by Trustee Ebright and supported Trustee Sanchez-Gazella to approve the following application for Regular Age and Service from the Employees' Retirement System:

Sherry Blom (Public Service – UAW), 15 years, 10 month of service credits, age 62, effective 12/4/2021

Adopted by the following vote: 7 -0.

It was moved by Trustee Ebright and supported Trustee Sanchez-Gazella to approve the following application for Regular Age and Service from the Employees' Retirement System:

David Brand (Fire/Civilian – Teamster 243), 9 years, 6 months of service credits, Age 58, effective 11/1/2021 (From Deferred)

Adopted by the following vote: 7-0.

Karen Williams reported that the Police and Fire Disability subcommittee had received medical reports for Applicant #2021-P0817 D, Applicant #2021-F0519 D, and Applicant #2021-F0518 ND.

It was moved by the Trustee Chris Wilcox and supported by Trustee Kirkland to recess the Joint Retirement Board meeting to allow the Police and Fire Disability subcommittee to review the medical director's reports.

Adopted by the following vote: 6- 0

Karen Williams reported that the Employees Retirement System subcommittee had received the medical report for Applicant #2021-E0615. Karen Williams reported that there was a request from Applicant #2021-E1108 to be evaluated for duty disability.

It was moved by Trustee Wood and supported Trustee Kirkland to recess the Joint Meeting to allow Employees' Retirement System disability to review the disability requests.

Adopted by the following vote: 7 -0.

The meeting recessed at 8:44.

The meeting resumed at 8:55.

Karen Williams reported that the disability subcommittee had met to review the request of applicant #2021-P0817, applicant #2021-F0518 ND.

It was moved by Trustee Chris Wilcox and supported by Trustee Kirkland to concur with the medical director's report and deny the Police and Fire duty disability retirement for Applicant #2021-F0519 D.

Adopted by the following vote: 6– 0.

It was moved by Trustee Chris Wilcox and supported by Trustee Wood to concur with the medical director's report and approve the Police and Fire duty disability retirement for Applicant #2021-P0817 D.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Wilcox and supported by Trustee Wood to concur with the medical director's report and approve the Police and Fire nonduty disability retirement for Applicant #2021-F0519 ND.

Adopted by the following vote: 6 -0.

Karen Williams reported that the Employees' Retirement System subcommittee had met and reviewed the medical report for Applicant #2021-E0615, and the subcommittee had reviewed the request for Applicant E2021-E0615.

It was moved by Trustee Sanchez-Gazella and supported by Trustee Carrigan to refer Applicant #2021 -E1108 to the medical director for duty disability evaluation for the Employees' Retirement System.

Adopted by the following vote: 8 – 0.

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Trustee Chris Wilcox, Police and Fire Retirement System Board, reported that he attended the IFEBP Annual Conference. He discussed the workshops that he attended that included alternative investments and real estate.

Trustee Dedic, Employees' Retirement System Board, reported that he attended the IFEBP Conference. Trustee Dedic provided an overview of the workshop that he attended that included a discussion of index funds and covid issues.

Karen Williams reported the annual memberships for MAPERS (\$200/per board), NCPERS (\$275/per board), and IFEBP (\$550, per board). The membership fees are paid for the Board's administrative funds for training and education.

It was moved by Trustee Carrigan and supported by Trustee Sanchez-Gazella to approve the annual membership fees for MAPERS, NCPERS and IFEBP for the Employees' Retirement System Board.

Adopted by the following vote: 8 – 0.

It was moved by Trustee Chris Wilcox and supported by Trustee Taylor to approve the annual membership fees for MAPERS, NCPERS and IFEBP for the Police and Fire Retirement System Board.

Adopted by the following vote: 6 – 0.

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

Kelvin Williams, IAFF, not vested of \$33,118.444.

Adopted by the following vote: 6 -0

It was moved by Trustee Kirkland and supported by Trustee Ebright to approve the following request for refund of accumulated contributions from the Employees' Retirement System:

Stephen Guel, Teamster 243, not vested, \$6,291.75

Adopted by the following vote: 8 -0.

Karen Williams reported the Police and Fire Retirement System November Invoices from VanOverbrke, Michaud & Timmony, P.C., Integrity, Boomershine, Mondrian, William Blair, MES Solutions and Zoom.

It was moved by Trustee Wood and supported by Trustee C. Wilcox to approve the November Invoices of the Police and Fire Retirement System Board.

Adopted by the following vote: 6 – 0.

Trustee Wohlfert noted that Trustee Bahr rented a car at the IFEBP conference for himself, Trustee Dedic, Trustee Ryan Wilcox and Trustee Chris Wilcox. He stated that it was less expensive than taking cabs. Trustee Wohlfert stated that he wanted to ensure that Trustee Bahr was reimbursed.

Karen Williams reported from the Finance Department, the quarterly employee contributions to the Police and Fire Retirement System. Ms. Williams reported that on October 27, 2021, \$595,015.39 was transferred by the City to the Police and Fire Retirement System for the net employee period 7/1/2021 through 9/30/2021.

It was moved by Trustee Wood and supported by Trustee Taylor to accept the quarterly employee contributions of \$595,015.39 from the City to the Police and Fire Retirement System.

Adopted by the following vote: 6 – 0.

Karen Williams reported that the Retirement Office has received one nominating petition for the office of Fire Trustee. The Board rules indicate that if only one nominating petition is received, that person is declared the winner.

Trustee Wohlfert inquired if the Retirement Office had received an explanation for the inflation adjustment fee on the Northern Trust bill.

Nathan Burk, Asset Consulting Group, stated that he would reach out to Northern Trust to have an explanation sent to the Boards.

Karen Williams reported the Employees' Retirement System November Invoices from VanOverbrke, Michaud & Timmony, P.C., Integrity, Boomershine, William Blair, MES Solutions and Zoom.

It was moved by Trustee Dedic and supported by Trustee Sanchez-Gazella to approve the November Invoices of the Employees' Retirement System Board.

Adopted by the following vote: 8 – 0.

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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 7/1/2021 through 9/30/2021 was a net amount of \$27,685.91 due to the Employee Retirement System from the City's general fund.

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

Adopted by the following vote: 8 -0.

Attorney Castle provided a legal counsel report for the Joint Retirement System Boards. Attorney Castle provided a draft service provider review schedule for approval.

It was moved by Trustee Wood and supported by Trustee Moore to approve the service provider review schedule for the Police and Fire Retirement System Board.

Adopted by the following vote: 6-0.

It was moved by Trustee Wood and supported by Trustee Sanchez-Gazella to approve the service provider review schedule for the Employees' Retirement System Board.

Adopted by the following vote: 8 – 0.

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 an update of House Bill 5427 that would amend the Open Meetings Act (OMA). Effective January 1, 2022, the Boards will no longer be able to meet remotely under the OMA. Attorney Castle noted that the OMA does not prohibit non-Board members from attending meetings remotely.

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

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

Karen Williams updated the Joint Boards that the current PBI Death Check services were being discontinued December 31, 2021. PBI has recommended that the Board moved to its new product CertiDeath Death Audit. The Board of Water and Light inquired if the retirement boards were willing to re-issue the request for proposals jointly with the Board of Water and Light who are also looking for death audit services.

Attorney Castle recommended additional due diligence for the death audit services. The Retirement Board did not receive responses for its request for proposals.

Trustee Wood recommended that PBI present to the Boards at the December meetings. PBI would present at 9:30 between the Police and Fire and the Employees' Retirement System Board.

Trustee Bart Carrigan reported that he would abstain from voting and recuse himself from the Employees' Retirement System discussion regarding USA Union Services. He believed that it was a conflict of interest as he has done consulting work with USA Union services.

Ms. Sally Corbin provided her background and her expertise in the fiduciary liability area. The USA Union Services has expanded to trustees and boards. Ms. Corbin indicated that she speaks regularly at the IFEBP education workshops, and she recently presented at MAPERS regarding Cyber Liability coverage.

Ms. Corbin distributed information and provided an overview of fiduciary liability. She discussed the types of lawsuits that clients could face and fiduciary exposure. The coverage would provide personal fiduciary liability insurance for trustees. Ms. Corbin discussed that there are limited carriers that provide this type of insurance. Ms. Corbin described the application process, and an underwriting process that would be needed to be completed.

Trustee Wood inquired if legal counsel reviewed the City Council resolution regarding liability coverage for City Boards. Trustee Wood also inquired about the protections or coverages for retiree data.

Ms. Corbin also discussed Cyber liability coverage that would provide insurance for data and information breaches. Ms. Corbin indicated that there is a lengthy application process audit and underwriting to receive the coverage. The system would be required to have multi factor authentication.

Trustee Wood indicated that the Boards are established and required by the charter and retirement ordinance. Trustee Wood inquired if it would be appropriate for the City to pay for the insurance.

Ms. Corbin discussed indemnification and would the City provide coverage.

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It was moved by Trustee Wood and supported by Trustee Sanchez-Gazella to request a written clarification from the City Attorney regarding fiduciary liability coverage at the next meeting for the Employees' Retirement System Board.

Adopted by the following vote: 7-0.

It was moved by Trustee Chris Wilcox and supported by Trustee Taylor to request a written clarification from the City Attorney regarding fiduciary liability coverage at the next meeting for the Police and Fire Retirement System Board.

Adopted by the following vote: 6 – 0.

Mr. Kevin Gore, account representative, provided an overview of the Western Asset Management portfolio and the fixed income investment team. Mr. Travis Carr, product specialist, discussed the Western Asset strategy and the investment approach. Mr. Carr reviewed the portfolio performance for the Employees' Retirement System and the Police and Fire Retirement System. Mr. Carr discussed what happened in the fixed income market and how Western Asset Management has positioned the portfolio. He discussed corporate bonds, high yield selection of bonds, and treasuries to provide performance above the benchmark. He discussed the effect of inflation, supply change issues and interest rates.

Mr. Nathan Burk discussed Black Rock Investment requests direct lending through the strategic income opportunities fund. They are sending a proxy vote to its investors to allow Black Rock the ability for direct lending. Asset Consulting Group recommended that the Boards approve the vote. It would enhance yield and return and allow more flexibility for Black Rock to navigate the fixed income markets.

It was moved by Trustee Chris Wilcox and supported by Trustee Moore for the Police and Fire Retirement System Board to approve the vote for by proxy to allow Black Rock investment to direct lend, as recommended by Asset Consulting Group

Adopted by the following vote: 6-0.

It was moved by Trustee Carrigan and supported by Trustee Kirkland for the Employees' Retirement System to approve the vote by proxy to allow Black Rock investment to direct lend, as recommended by Asset Consulting Group

Adopted by the following vote: 8-0.

Mr. Nathan Burk of Asset Consulting Group reviewed the Quarterly Performance reports for the 3rd 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 October 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.

It was moved by Trustee Wood and supported by Trustee Kirkland to adjourn the November Joint Retirement System Board for the Employees Retirement System.

Adopted by following vote: unanimous

It was moved by Trustee Chris Wilcox and supported by Trustee Moore to adjourn the November Joint Retirement System Board for the Police and Fire Retirement System.

Adopted by following vote: unanimous

The Meeting adjourned at 11:23 a.m.

Minutes approved on 12/14/2021

Karen Williams, Recording Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System