

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

Regular Meeting
10th Floor Conference Room

September 17, 2024
Tuesday, 9:30 a.m.

The meeting was called to order at 9:31 a.m.

Present: Trustee Bahr, Dedic, Kraus, Parker, Schor, Thomas – 6.

Absent: Ebright, Jeffries, O'Leary (Excused)

Others present: Karen E. Williams, Thomas Lindemann, Human Resources Department, Attorney Joseph Abood, City Attorney's Office; Attorney Aaron Castle, VanOverbeke, Michaud and Timmony; Nathan Burk, Asset Consulting Group; Greg Stump, Boomershine Consulting Group; Darren Kalis, Deferred Compensation Committee.

Mr. Nathan Burk, Asset Consulting Group provided an overview of the Fixed Income Manager Search to replace Western Asset Management. Mr. Burk recommended three managers for review and discussion: Janus Henderson Core Plus, Loomis Sayles Core Plus and Aristotle Pacific Capital LLC/Core Plus.

It was moved by Trustee Kraus and supported by the Trustee Thomas to have all three managers interview for the Employees' Retirement System.

Adopted by the following vote: 6 - 0

Mr. Burk will coordinate the interview schedule for the investment managers with the Retirement Office.

Mr. Burk discussed the financial performance of the Employees Retirement System for the period ending September 30, 2024.

It was moved by Trustee Bahr and supported by Trustee Thomas to approve the Joint Employees' Retirement System Board and the Police and Fire Retirement System Board minutes of September 17, 2024.

Adopted by the following vote: 6 – 0.

There were no public comments for items on the agenda.

Secretary's Report:

1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers 2 retired. Total active membership: 427. Total deferred: 68; 2 death(s) Lousie VanNess, died 8/17/2024, age 95, beneficiary of a retiree; Betty Lockwood, died 7/6/2024, age 87, beneficiary of a retiree; Refunds made since last regular meeting amounted to \$0.00. Retirement allowances for the month of August 2024 amounted to \$2,041,383.38. Total retirement checks printed for ERS System: 918. Total retirement checks printed for both systems: 1735. Eligible domestic relations orders received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

It was moved by Trustee Bahr and supported by Trustee Kraus to approve the requests for Regular Age and Service Retirements:

Linda Fredenburg, (Public Service, UAW), 19 years 1 months of service credit, Age 64, effective 10/19/2024

Bryce Guenther, (Public Service, UAW) 21 years of service credit, Age 64, effective date 11/16/2024

Adopted by the following vote: 7 – 0.

Applicant #2023-E0621 Request for Reconsideration was tabled to allow the applicant time to provide additional documents requested by the medical director.

Ms. Williams reported that applicant #2024-E0724 had been sent a duty disability letter with a request for information.

There were no requests for Non-Duty Disability Retirement.

There were no requests for refund of accumulated contributions.

Karen Williams announced the following educational conferences:

MAPERS Fall Conference will be held September 21 -24, 2024 at the Grand Traverse Resort in Acme, Michigan.

IFEBP Conference, November 10-13, San Diego Convention Center in California.

Karen Williams reported that Trustee Ebright, Trustee Jeffries and Trustee O'Leary requested to be excused from the September meeting.

It was moved by Trustee Bahr and supported by Trustee Schor to excuse Trustee Ebright, Trustee Jeffries and Trustee O'Leary from the September meeting.

Adopted by the following vote: 7 -0.

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

Ms. Williams provided the following invoice for approval: from Northern Trust, \$12,506.45, Boomershine, \$7,397.50.

It was moved by Trustee Bahr and supported by Trustee Thomas to approve the Northern Trust invoice for the month of September.

Adopted by the following vote: 7 -0.

Greg Stump, Boomershine Consulting Group, provided an overview of the actuarial valuation for December 31, 2023. Mr. Stump noted that the OPEB Health data has a separate valuation that will be ready in December 2024. Mr. Stump reviewed the valuation results, demographic summary and funding outlook.

Mr. Stump reviewed the effects of the actuarial liability, assets and unfunded amounts on the funding ratio that increased to 58%. Mr. Stump discussed that normal cost, amortization, total city cost and percentage of payroll decreased. Member contributions increased.

Mr. Stump reviewed that total employees, average age, retirees and average service benefit while the average salary, and average service increased.

Attorney Castle updated the Employees and Fire Retirement System Board on the transition from the Core Bond to Core Bond Plus strategy. The paperwork has been finalized and the transition will have the same contractual terms that were in the previous management company

Ms. Karen Williams provided an update of the Northern Trust web cash management. Ms. Williams explained that the web cash management was electronic banking. Expenses would be paid through Northern Trust. Northern Trust also suggested paying retiree payroll through the custodian bank. Attorney Castle indicated that he was working with Clay Robinson at Northern Trust to prepare the appropriate the paperwork.

Mayor Schor reported that the Employees' Retirement System received \$2.1 million in MILRG State of Michigan grant monies.

Ms. Williams reported that Human Resources Deputy Director has requested that a Medicare Insert be included with the retirement application. Attorney Castle read through the letter and did not have an issue.

Karen Williams provided a preliminary report regarding the Retirement Conference scheduled for September 12, 2024. Karen Williams provided the Lansing Center estimate of charges. The

Retirement Conference did receive two sponsorships and had an estimated attendance of 187 people and six vendor tables.

Mr. Darren Kalis of the Deferred Compensation Committee provided a retirement conference report. He also inquired about the low attendance of active employees.

Ms. Williams reported that some managers inquired to Human Resources if they were required to release employees to attend the conference.

Trustee Thomas suggested in-service training for active employees that could boost the attendance.

Trustee Kraus recommended putting an emphasis on new employees to learn how to incorporate deferred compensation and the benefits of compounding interest for retirement.

It was moved by Trustee Bahr and supported by Trustee Kraus to adjourn the Employees' Retirement System September meeting.

Adopted by the following vote: unanimous.

The meeting ended at 9:19 a.m.

Minutes approved on 10/15/2024.

*Desiree Kirkland, Secretary
Employees' Retirement System*

*Dennis R. Parker, Chairperson
Employees' Retirement System*