

**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

May 16, 2019
Tuesday, 9:15 a.m.

The meeting was called to order at 9:29 a.m.

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

Trustees present: (ERS), Kehler, Kraus, D. Parker, M. Parker. – 4.
(Police & Fire), Fabus, Kehler, Rose, C. Wilcox, Wohlfert, Wood – 6

Others present: Karen E. Williams Finance Department; Attorney Ken Lane (representing the City Attorney's Office); Nathan Burk, Asset Consulting Group; Joe Gilbert, Andrea Leistra, Integrity Investments; Attorney Joseph Abood, City Attorney's Office.

It was moved by Trustee Wood and supported by Trustee Chris Wilcox to excuse Trustee Ryan Wilcox from the May Joint Retirement Board meeting.

Adopted by the following vote: 6 – 0.

Attorney Joseph Abood submitted the draft Legal Advisor Request for information (RFI) document to the Joint Boards for consideration.

Trustee Wood inquired if there was a list of pension board attorneys available to send the RFI.

Attorney Abood indicated that he had not created a list and felt the pension boards would be directing who the RFI should be sent.

Trustee Kraus expressed concern of the intent of the document. Trustee Kraus indicated that the attorney's office is responsible for the due diligence since they provide the legal staffing of the retirement boards. Trustee Kraus inquired if the Boards were planning on taking over the hiring for legal counsel and recommended taking the cost section out of the RFI. Trustee Kraus recommended just asking for the legal counsel's resume.

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Trustee Wood indicated that the retirement boards did go through a similar process of reviewing legal firms and was able to make a recommendation to the City Attorney's Office.

Attorney Lane indicated that he represented the City Attorney's Office and that in situations where the Retirement Board disagree with his opinion, the Boards have the ability to hire counsel.

Trustee Wohlfert indicated that the RFI would provide costs of the services. Trustee Wohlfert stated that if the Boards ever decided to hire a legal advisor, then he would need information regarding pricing. Trustee Wohlfert stated that it was important for the Retirement Board to perform due diligence.

Attorney Abood drafted the RFI template at the retirement boards's direction. Attorney Abood indicated that although the retirement boards can hire their own counsel, the City Attorney's Office plans to continue to provide legal staffing to the Board.

Trustee Kraus explained the process for distribution of the request for information. She explained the RFI was generally used to determine and narrow the qualifications for a specific project. Trustee Kraus contrasted the explanation with request for proposals.

Trustee Rose further explained the intent of the request for information. Trustee Rose explained that there would be a difference between qualifications and guidelines suggested for legal counsel and going out for bid.

Attorney Abood created a hybrid Request for Information that included costs to address the questions regarding pricing that Board requested. Attorney Abood recommended if the Board wish to move the document forward, the Boards could use the City Council Approved List or posting the RFI in legal journals.

It was moved by Trustee Wood and supported by Trustee Chris Wilcox for the Police and Fire Retirement System Board to distribute the RFI with the responses due to the Retirement Office by July 1, 2019.

Adopted by the following vote: 6 – 0.

Trustee Kraus recommended delaying the response date because the Employees' Retirement System could not vote on the RFI due to lack of quorum.

It was moved by Trustee Wood and supported by Trustee Chris Wilcox for the Police and Fire Retirement System Board to reconsider the RFI with responses due to the Retirement Office by July 1, 2019.

Adopted by the following vote: 6 – 0.

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It was moved by Trustee Wood and supported by Trustee Chris Wilcox for the Police and Fire Retirement System Board to reconsider the RFI with responses due to the Retirement Office by August 1, 2019.

Adopted by the following vote: 6 - 0

Ms. Andrea Leistra, Client Relationship Manager, Integrity Investments. Ms. Leistra discussed that 15% of the stock is now public and discussed the employee additions to the research team. Ms. Leistra manages the institutional clients and explained the firm is majority employee owned. Victory Capital that owns Integrity has recently purchased USAA.

Mr. Joe Gilbert provided a review of the City of Lansing retirement boards' manager mix. Mr. Gilbert discussed the process of selecting investments. He performance and provided a market value summary of the retirement boards' portfolio.

Mr. Burk, Asset Consulting Group, distributed recommendations for quarterly cash flow for \$8.5 million for the Police and Fire Retirement System Board

It was moved Trustee Wood and supported by Trustee Ryan Fabus to redeem \$8.5 million from the Police and Fire Retirement System Portfolio based upon the recommendations of Asset Consulting Group and \$20,000 from Northern Trust Security Lending for the quarterly cash flow.

Adopted by the following vote: 5 – 0.

Mr. Burk discussed recommendations for a new Emerging Markets manager. The Joint Board discussed the search process and agreed to have a special meeting June 25, 2019 to interview and review managers.

Mr. Burk provided an overview and update of the global economic markets. Mr. Burk discussed the market environment and total portfolio analysis. Mr. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending March 31, 2018.

Mr. Burk provided an analysis of the portfolios equity, fixed income, and real estate investments. He reviewed the April monthly financial report.

It was moved by Trustee Rose and supported by Trustee Chris Wilcox to adjourn the May Joint Employees' Retirement System Board and Police and Fire Retirement System Board meeting.

Adopted by the following vote: 5 – 0.

The meeting adjourned at 11:34 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System