# BWL Logo

# Lansing Board of Water & Light

# PENSION FUND TRUSTEES MEETING MINUTES

**November 17, 2020**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met via WebEx (BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:00 P.M. on Tuesday, November 17, 2020.

Event Address for Attendees:

[https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=efac46ef50bf8a3970e0de61fec6c4195](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Flbwlevents.webex.com%2Flbwlevents%2Fonstage%2Fg.php%3FMTID%3Defac46ef50bf8a3970e0de61fec6c4195&data=04%7C01%7CMaria.Koutsoukos%40LBWL.COM%7C2b1baa40bc234c49b29008d884cdcaf7%7C8ba9e4d672d34e24be0f8936881f9f9f%7C0%7C0%7C637405366686789356%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=bT0wP%2FOoDgXLBIpiSf2zwhxeB8TnEPkXUgt7GEZSqPg%3D&reserved=0)

Event Number for Attendees: 132 199 1884 Event Password: RTuAXyAV35

Audio Conference: United States Toll +1-408-418-9388 Access Code: 132 199 1884

Trustee and Board Chairperson David Price called the meeting to order at 5:00 p.m.

Corporate Secretary Griffin called the Roll:

The following Trustees were present via audio/video:

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| --- | --- |
| Douglas Jester, East Lansing, MI (arrived @5:30pm)  Deshon Leek remotely, Lansing, MI | David Lenz remotely, Lansing, MI  Larry Merrill remotely, Delta Township (arrived @ 5:45pm) |
| Tony Mullen remotely, Lansing, MI | David Price remotely, Lansing, MI |
| Ken Ross remotely, Lansing, MI  Tracy Thomas remotely, Lansing, MI | Sandra Zerkle remotely, Lansing, MI |

Absent: Trustee Beth Graham

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Trustee Thomas and Seconded by Trustee Zerkle to approve the minutes from the May 26, 2020 Pension Fund Trustees Meeting.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Nays:** None.

**Action**: Motion Carried.

**Pension Fund**

Chief Financial Officer (CFO) Heather Shawa provided an overview of the information from the Pension Dashboard, Defined Benefit Plan (DB), Post-Employment Benefit Plan (VEBA), and Defined Contribution and Deferred Compensation Plan (DC).

Ms. Shawa stated that a delegation of authority to the Retirement Plan Committee (RPC); an updated Statement of Investment Policies, Procedures Objectives for DB and VEBA; and one-time lump sum payment to DB retiree participants were the changes made in FY 2020. The DB Plan ended FY2020 with $55.6 million in assets compared to $60.4 million in 2019 and with a funded status at 106.5% compared to 112.3% in 2019. The VEBA Plan ended FY2020 with $198.8 million in assets compared to $195.2 million in 2019 and the funded status at 128.6% compared to 131.4% in 2019. BWL uncovered errors related to employer contributions for the DC Plans and will post adjustments to participant accounts.

Mr. Scott Taylor, BWL Finance Manager, introduced the financial advisory panel. The Panel provided financial plan information and followed by a question and answer session.

1. Nathan Burk, Vice President and Senior Consultant with Asset Consulting Group (ACG); ACG assists in investment allocation, evaluation of investment managers, reporting of investment performance and investment policy statements.
2. Mark Miller, Founder and Principal Consultant with Benassist Retirement Consulting, LLC; Mr. Miller provides actuarial evaluation reports, assists with required annual state filing requirements, and performs calculations for DB employee benefits at retirement.
3. Dori Drayton, Senior Vice President and Financial Advisor with Captrust; Captrust assists with fund line up selection and monitoring, investment performance reporting, fee benchmarking and fiduciary compliance for the DC plans.
4. David Sharer, Managing Vice President and Sales and Relationship Management with ICMA-RC; ICMA is the DC Plan administrator and provides personalized resources to help employees and retirees reach their financial goals.

Mr. Nathan Burk gave a capital market update for 2020. Mr. Burk stated that during the pandemic Federal Reserve rates were cut to zero and an economic stimulus was sent out in response to the bear market decrease of 20%. U.S. Treasury bonds were the best performing asset class at 10% followed by high quality bonds at 8% and U.S. equities at 7%. The results for FY 2020 for the DB and VEBA Plans include a strong funded status and a strategic asset allocation that advanced 3.5% and 2.3% respectively. Mr. Burk noted that the investment management fees paid are less than that for 75% of consultants nationwide and are very efficient.

Mr. Mark Miller spoke about the DB and VEBA plan funded status. He noted that the BWL DB plan is 106.5% while the average for funded plans in Michigan is 73.5% and the BWL VEBA plan is 128.6% while the average for funded plans in Michigan is 50.9%.

Trustee Price commented that the information provided was beneficial to retirees.

Ms. Dori Drayton with Captrust spoke about the investment management, fiduciary process, plan design, vendor monitoring, and participant engagement for the 401(a) and 457(b) plans. There were no fund changes nor share class changes made in the plans as the investments performed well. Approximately 94% of the managers met the one- year criteria, and 90% met the five-year criteria.

Mr. David Sharer with ICMA gave an update on education outreach for the 401(a) and 457(b) plans.

Education efforts included information on benefits and features of the plan along with providing advice and distribution strategies for the DC plan. Digital outreach has increased by the way of seminars, webinars and attendees.

Trustee Zerkle asked if virtual meetings will continue after the COVID-19 pandemic subsides as more employees can be contacted. Mr. Sharer responded that virtual meetings would continue as they were beneficial in reaching employees and retirees.

Trustee Thomas asked for the dollar amounts in assets from the 401(a) and 457(b) plans. Ms. Drayton from Captrust responded that $204M was in the 401(a) plan and $118M was in the 457(b).

**RESOLUTION #2020-11-01**

**ACCEPTANCE OF 2020 AUDITED FINANCIAL STATEMENTS FOR DEFINED BENEFIT PENSION**

**PLAN, DEFINED CONTRIBUTION PENSION PLAN, AND RETIREE BENEFIT PLAN**

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined

Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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Staff comments: All three Plans received clean audit reports.

**Motion** by Trustee Mullen, **Seconded** by Trustee Lenz, to accept the 2020 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Nays:** None.

**Action**: Motion Carried.

**Other**

None.

**Excused Absences**

**Motion** by Trustee Mullen, **Seconded** by Trustee Thomas for an excused absence for Trustee Beth Graham.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Nays:** None.

**Action**: Motion Carried.

**Adjourn**

There being no further business, the Pension Fund Trustees meeting adjourned at 5:50 p.m.

**Approved by the Trustees on \_\_\_\_\_\_, 2020**