LANSING BOARD OF WATER & LIGHT
PENSION FUND TRUSTEES MEETING MINUTES
November 19, 2024

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met at the BWL Headquarters in the REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:00 P.M. on Tuesday, November 19, 2024.

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

Corporate Secretary LaVella Todd called the Roll:

The following Trustees were present: Chairperson David Price, Commissioners Beth Graham (arrived @ 5:13pm), Semone James, DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle (arrived @5:13pm). Also present: Non-Voting Commissioner Stuart Goodrich (Delhi Township)

Absent: None

The Corporate Secretary declared a quorum.

<u>Public Comments</u>
There were no public comments.

<u>Approval of Minutes</u>
Motion by Trustee Tracy Thomas and **Seconded** by Trustee Tony Mullen to approve the minutes from the November 14, 2023 Pension Fund Trustees Meeting.
Action: Motion Carried.

<u>Pension Fund</u>
Assistant General Manager Heather Shawa provided an overview of the information from the Pension Memo and Pension Dashboard.

Mr. Scott Taylor, BWL Accounting, Finance and Planning Director, introduced the financial advisory panel. The Panel provided financial plan information.

1) Nathan Burk, Director and Senior Consultant with Asset Consulting Group (ACG); ACG has served as investment advisor for BWL's DB & VEBA Plans since 2017. Mr. Burk assists BWL with investment allocation, evaluation of investment managers, reporting of investment performance, and investment policy statements. As a Chartered Financial Analyst (CFA) with over 20 years of investment industry experience, Mr. Burk is well versed regarding DB & VEBA investments.

2) Mark Miller, Founder and Principal Consultant with Benassist Retirement Consulting, LLC; Mr. Miller provides actuarial services for the DB & VEBA Plans since 2018. He also assists

with required filings for the State of Michigan and performs calculations for DB employee benefits at retirement. As an expert with over 37 years of actuarial experience, Mark is also well versed regarding the actuarial reports for the DB & VEBA Plans.

3) Justin Cohen, CFP, CPA, Financial Advisor/Relationship Manager with CAPTRUST; CAPTRUST assists with fund line up selection and monitoring, investment performance reporting, fee benchmarking and fiduciary compliance for the DC plans. Mr. Cohen is both a NAPA Certified Plan Fiduciary Advisor (CPFA™) and a CERTIFIED FINANCIAL PLANNER™.

4) Michael Burkhart, Executive Relationship Manager with Nationwide Retirement Solutions; Mr. Burkhart is responsible for maintaining relationships with Nationwide's largest governmental plan sponsor clients in the Central and West regions. Nationwide became the administrator and recordkeeper for BWL's 401 and 457 Plans in 2021. In addition to maintaining DC investment accounts, Nationwide provides BWL employees and retirees with personalized resources for meeting financial goals. Mr. Burkhart has been with Nationwide for over 28 years and is well versed regarding the range of services which Nationwide provides to participants.

Mr. Nathan Burk gave a capital market update for FY2024. Mr. Burke stated that the focus was on inflation, mobile growth, and interest rates of the Federal Reserve Bank. Mr. Burke noted that bonds were up about 3%, global equities were up about 19%, and there weren't positive returns in the private real estate market. The portfolio for VEBA plan was up over 10% which was better than the policy index and the 6.5% target rate of return. The portfolio for the DB plan was up to nearly 10% which was better than the policy index and the 6% target rate of return. There was recommendation and approval of replacing a non-U.S. manager from Lazar to Marathon, and de-risking the DB Plan to protect the funded status by reducing equity exposure and increasing bond exposure. BWL outperformed a majority of its peers with less management fees. Neither the DB Plan or VEBA Plan are required to follow the federal ERISA law regarding guidelines in corporate defined benefit plans and 401k's.

Mr. Mark Miller spoke about the actuarial work for the DB and VEBA plans funding. He noted that the funded status for the DB plan is 115% which is 4% higher than 2023. The average for DB funded plans in Michigan is 79% and BWL is in the top 4% out of 881 Michigan plans. The funded status for the VEBA plan is 150% which is 4% higher than 2023. The average for VEBA funded plans in Michigan is 46% and BWL is in the top 8% out of 463 Michigan plans.

Mr. Justin Cohen spoke about the roles of CAPTRUST in investment management, fiduciary process, plan fees, and participant choices for the 401(a) and 457(b) plans. Mr. Cohen stated the total investment expenses as a percentage of plan assets is at 1.9% which is low compared to average industry investment expenses. Mr. Cohen added that the current Nationwide fee is 0.01% of plan assets, which is very low compared to the industry average of 0.03% to 0.05% of plan assets, and the advisory fee is 0.02% which is also below the median industry average. Both the 401(a) and 457(b) are not required to follow the federal ERISA law but do follow as closely as possible.

Mr. Michael Burkhart provided information about the retirement services that Nationwide furnishes. Nationwide provides the daily record keeping for the plans in participant's account balances, transaction processing, and customer service through a call center. Group education, workshops, and individual consultations are provided through a local service representative Ken Kelbel. A custom BWL website has online educational content at mybwlretirement.com. Nationwide also provides retirement planning tools, advisory services through a financial planner, and managed account solutions.

Commissioner Zerkle commended GM Peffley and Ms. Shawa on the presentation and having a good year.

RESOLUTION #2024-11-01

ACCEPTANCE OF 2024 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.

Staff comments: All three Plans received clean audit reports.

Motion by Trustee Sandra Zerkle, **Seconded** by Trustee Semone James to approve the Resolution for the Acceptance of 2024 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 19, 2024.
Action: Motion Carried.

Other
There was no other business.

Adjourn
There being no further business, the Pension Fund Trustees meeting adjourned at 5:36p.m.

Approved by the Trustees on November 18, 2025