

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

Regular Meeting  
City Council Conference Room  
10th Floor, City Hall  
Lansing, MI

January 19, 2017  
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:39 a.m.

Present: Dedic, Good, Kraus, Munroe, D. Parker, M. Parker, Riley, (8:45), Wood. –8

Absent: Trustee Bernero

Others: Karen E. Williams, Angela Bennett, Finance Department; Greg Stump, Boomershine Consulting Group; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office).

It was moved by Trustee M. Parker and supported by Trustee Good to approve the Official Minutes of the Employees' Retirement System Board Meeting of December 15, 2016.

Adopted by the following vote: 7 - 0

It was moved by Trustee Good and supported by Trustee M. Parker to approve the Official Joint Minutes of the Employees' Retirement System Board and the Police and Fire Retirement System Board Meeting of December 15, 2016.

Adopted by the following vote: 7- 0

8 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total active membership: 348. Total deferred: 71. 0 death(s). Refunds made since the last regular meeting amounted to \$36,033.00. Retirement allowances paid for the month of December 2016, amounted to \$1,935,802.86. Total retirement checks printed for the ERS System: 907. Total Retirement checks printed for both systems: 1637. Eligible domestic relations orders received:0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Wood and supported by Trustee Good to approve the following requests for Regular Age and Service Retirement:

Tyler Houser (Public Service/UAW), 26 years, 7 months of service credits, age 50, effective January 17, 2017

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It was moved by Trustee Wood and supported by Trustee Good to approve the following requests for Regular Age and Service Retirement (cont.):

Richard Schaefer (Parks/Teamster 243 CTP), 25 years, 6 month of service credits, age 70, effective January 18, 2017

Adopted by the following vote: 7 – 0

Karen Williams reported that the Retirement Office received a resubmission request for duty disability for applicant #2017-E0119, and a non-duty request for applicant #2017-E0119.

The requests for duty disability and non-duty disability for applicant #2107-E0119 were referred to the disability subcommittee.

Karen Williams reported that the Retirement Office received the medical report for applicant #2016-E0915 and it was referred to the disability committee for review.

It was moved by Trustee Good and supported by Trustee Wood to recess the ERS Board meeting to allow the disability subcommittee to meet.

Adopted by the following vote: 7 -0

The Board recessed at 8:45 a.m.

The Board resumed at 8:50 a.m.

It was moved by Trustee Good and supported by Trustee Wood to approve the request for non-duty disability for applicant #2016-E0915.

Adopted by the following vote: 8 – 0.

It was moved by Trustee Good and supported by Trustee Wood to refer applicant #2017-E0119 to the medical director for disability evaluation.

Adopted by the following vote: 8 – 0.

There were no requests for Refunds of Accumulated Contributions.

Trustee Mark Parker inquired about Board interest in planning a Retirement Conference. Trustee Dennis Parker requested that the item be placed on the February Joint Meeting Agenda.

Attorney Lane reported that the Employees' Retirement System Ordinance is still being reviewed and updated by the City Attorney's Office.

Attorney Lane discussed the update for the Frequently Asked Questions document. He requested that members review the document and report what changes need to be made.

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Attorney Lane Distributed an updated Investment Policy that was approved at the December Joint Meeting.

Attorney Lane distributed the proposed budget for 2017 for ERS Board review. Attorney Lane noted that he would update the 2016 expenditures once those amount became available.

It was moved by Trustee Good and supported Trustee Dedic to approve the proposed budget for 2017 for ERS Board.

Adopted by the following vote: 8 – 0.

Attorney Lane recommended that the Employees' Retirement System re-adopt the travel and education policy. Each Trustee is allocated \$4,000 for instate travel and \$6,000 for out of state travel.

It was moved by Trustee Good and supported by Trustee Mark Parker to adopt the Employees' Retirement System existing travel policy for 2017.

Adopted by the following vote: 8 – 0.

Attorney Lane discusses Public Act 530, an amendment of Public Act 314, that requires the annual report would be sent to the State Department of Treasury within thirty days after Board approval. The State Treasurer would post a summary report of the municipalities on the state website. Municipalities funded below 60% would require steps to be listed regarding what the pension board is doing to correct the funding level.

Attorney Lane reported that Attorney Paul Novak had left Milberg. He plans to speak with Attorney Novak to discuss the Board's securities monitoring. Attorney Lane will report back to the Employees' Retirement System Board.

Attorney Lane reported that he had reviewed the ABS contracts and that they were ready to be signed by the chairperson.

Gregory Stump, Boomershine Consulting Group reviewed the Actuarial Experience Study for ERS Board. Mr. Stump reviewed the recommendations for changes to the economic assumptions, mortality assumption, and demographic assumptions. Mr. Stump recommended lowering the inflation and investment return rate to 7.25%.

Attorney Lane indicated the Police and Fire Retirement Board had not made a decision.

The Employees' Retirement System Board discussed lowering the investment return rate to 7.4% and its effect on the city contributions. Trustee Kraus inquired about waiting until the Joint Board meeting so both boards could discuss the proposed investment rate change and its effects on budgetary constraints. Trustee Dedic expressed concern about waiting.

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It was moved by Trustee Dedic and supported by Trustee Mark Parker to accept the actuarial experience study as recommended with an amendment to lower the investment rate to 7.4%

Adopted the following vote: 8 – 0.

Attorney Lane recommended that the SAS 70 Report be accepted contingent upon the Information Technology manager review.

It was moved by Trustee Wood and supported by Trustee Mark Parker to approve the SAS70/Custody and Fund Services SOC 1 Report/Cyber Security contingent upon the Information Technology manager review.

Adopted by the following vote: 8 – 0.

Karen Williams reported that each January, the trustees elects its chair and vice chair and she distributed subcommittee assignments from the previous year.

It was moved by Trustee Wood and supported by Trustee Munroe to maintain current leadership, Dennis R. Parker, Chair, and Mark Parker, Vice chair.

Adopted by the following vote: 8 – 0.

The Retirement Office scanned redacted copies of the contract employees who have retired for City of Lansing Employees' Retirement System Board review. The Board had requested the contracts to ensure that they are in compliance with the IRS requirements for retirees.

Attorney Lane reported that the City Attorney's Office will be drafting a memo, listing what steps are being taken. Attorney Lane noted that there have been no changes in the IRS code.

Trustee Kraus inquired about how to make concerns about certain contract actionable.

Attorney Lane indicated those concerns should be reported to the City Attorney's Office.

Trustee Wood inquired if the Retirement Ordinance can be amended to set a certain amount of time a person be retired, before he or she could be hired as a contract employee by the City.

Attorney Lane indicated that such changes to the Retirement Ordinance may need to be collectively bargaining.

Trustee Dedic inquired about the circumstances that would cause a retiree to have his or her pension suspended, when returning to work for the City of Lansing.

Attorney Lane explained that retirees who come back in full time positions would have their pension suspended. Attorney Lane stated that the current regulations include provisions that the retirees cannot come back into their same position with the same duties. The ERS Ordinance does not allow in-service distributions.

Karen Williams reported that the Retirement Office was requested to research electronic tablets for Trustee use. The tablet would have minutes, reports, and retirement data downloaded to it, due to the large volume of paper and reports needed by the Employees' Retirement Board.

Trustee Kraus discussed having the ability to reference policy and other information electronically. The electronic format would allow uniform updates and access to materials that are on the R:Drive that cannot be accessed by all Trustees.

The ERS Board requested that the Retirement Office contact the Information Technology Manager to come to a meeting to discuss the electronic format with tablets.

Ms. Williams distributed a report that provided the dates of the Employees' Retirement System Board vendor's last review by the Board. Legal Counsel will review the list.

Karen Williams reviewed the monthly investment report and the securities lending report for the month of December 2016.

It was moved by Trustee Wood and supported by Trustee Munroe to adjourn the meeting.

Adopted by the following vote: 6 – 0.

The meeting adjourned at 9:58 a.m.

Minutes approved on \_\_\_\_\_

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*Angela Bennett, Secretary  
Employees' Retirement System*

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