

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

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

January 18, 2018
Thursday, 8:30

The Board met in regular session and was called to order at 8:34 a.m.

Present: Dedic, Good, Munroe, Houghton, D. Parker, M. Parker - 6.

Absent: Trustees Bernero, Kraus, Munroe

Others: Karen E. Williams, Angela Bennett, Finance Department, Acting Human Resource Director; Attorney Ken Lane, Clark Hill (representing the Law Department); Greg Stump, Boomershine Consulting Group; Nathan Burk, Asset Consulting Group.

It was moved by Trustee Good and supported by Trustee M. Parker to approve the Official minutes of the Employees' Retirement System Regular Meeting of November 9, 2017.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Good and supported by Trustee Houghton to approve the Official Minutes of the Joint Employees' Retirement System and the Police and Fire Retirement System Board Meeting of November 9, 2017.

Adopted by the following vote: 5 - 0

5 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 396. Total deferred: 73. 1 death(s), Neil Coppins, (retired 1/16/1993, NonBargaining) died December 4, 2017, age 73, no beneficiary. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of November 2017, amounted to \$1,908,047.82. Total retirement checks printed for the ERS System: 904. Total Retirement checks printed for both systems: 1636. Eligible domestic relations orders received:1. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Good and supported by Trustee M. Parker to approve the following requests for regular age and service retirements:

William Barkyoumb (Finance –Teamster), 20 years, 2 months of service credits, age 69, effective January 27, 2018.

Cynthia J. King, (District Court Teamster), 29 years, 1 month of service credits, age 54, effective February 1, 2018 (From Deferred)

Adopted by the following vote: 5 – 0.

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Karen Williams updated the Retirement Board regarding Applicant 2017 –E1017 and Applicant 2017 –E1109 requests for duty disability. The applicants have been scheduled for an appointment with the medical director.

Karen Williams updated the Retirement Board regarding Applicant 2017-E0817 request for non-duty disability. The applicant has been scheduled for an appointment with the medical director.

It was moved by Trustee Mark Parker and supported by Trustee Dedic to approve the request for Refund of Accumulated contribution:

Annette Thomson Hirt, T243 CTP, \$1,630.89, not vested

Adopted by the following vote: 5 - 0.

It was moved by Trustee Dedic and supported by Trustee Good to excuse Trustees Kraus and Trustee Monroe from the December Employees Retirement System Board meeting.

Adopted by the following vote: 5 -0.

Trustee Mark Parker stated that the due diligence visit to Wasatch, Franklin Templeton and Western Asset was a worthwhile and valuable experience. Trustee Mark Parker provided a greater understanding and confidence in the investment manager.

Trustee Good discussed the due diligence trip. Trustee Good noted Kitty Swenson with Wasatch. She felt Ms. Swenson stood up for what she believed. Trustee Good explained that Wasatch had a 24 hour operation with three difference shifts.

Trustee Dennis Parker also discussed the due diligence trip. He provided an overview of the visit to Wasatch and the investment managers. Trustee Dennis Parker stated that the trip was informative.

Trustee Dedic discussed Wasatch and stated that the investment company lived up to their philosophy. Trustee Dedic discussed the corporate structure and felt that he learned a lot.

Attorney Ken Lane reported that Angela Bennett as Interim Director can serve as a trustee of the Board and Secretary of the Board. He did not believe there would be a problem going forward. Ms. Bennett would need to be sworn in by the City Clerk.

Attorney Lane reported that the Government Retirement Benefit Act had been signed by the Governor. The Act provides additional reporting requirements that include having the actuary reviewed and or replaced every eight years; the Treasury Department will provide uniform actuarial assumption; municipalities could apply for waivers to the

underfunded status, and the creation of the Municipality Stability Board. The Treasury Department will evaluate communities that have underfunded status.

Attorney Lane also reported that the State of Michigan also have legislation regarding retiree health care.

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Ms. Bennett reported that the City of Lansing started prefunding health in the late 1990s. At this time, the City of Lansing still contribute to the health care trust, but there is not enough funds available to pay from the funds.

Trustee Dedic inquired who would be responsible for filing reports required by the State of Michigan and how would the Board be informed.

Attorney Lane indicated that in the past the secretary of the Board would be responsible for providing the reports to Treasury Department Attorney Lane recommended that the Board discuss who would be responsible for these reports sent by the administration to the State of Michigan.

Ms. Bennett indicated that the Board and the City Administration would need to work together to provide the material required by the State of Michigan.

Ms. Williams distributed the Actuarial Valuation for the Employees' Retirement System as of December 31, 2016.

Ms. Angela Bennett noted that there was a correction to the report of the assumed interest rate of 7.4% that was voted by Board at the January 2017 meeting.

It was moved by Trustee Dedic and supported by Trustee Mark Parker to accept the Actuarial Valuation report for the Employees' Retirement System as of December 31, 2016.

Adopted by the following vote: 5 – 0.

Karen Williams reported that at the Employees' Retirement System Board January 2017 meeting, the Board discussed lowering its assumed rate of interest to 7.25% and the inflation rates as recommended in the actuarial Experience Study.

It was moved by Trustee Mark Parker and supported by Trustee Good to lower the assumed rate of interest to 7.25% and lower the inflation rate as recommended in the Actuarial Experience Study.

Adopted by the following vote: 5 - 0.

Karen Williams reported that the City of Lansing Finance Department sent a memo regarding the 2017 ERS Pension Contribution. Ms. Williams read that On December 1, 2017, \$10,843,00 was transferred by the City to the ERS Retirement System for the 2017 (FY 2018) contribution, which was \$657,940 more than the actuarially-determined contribution amount of \$10,185,060 from the 12.31.2016 ERS actuarial valuation..

It was moved by Trustee Good and supported by Trustee Houghton to accept the 2017 ERS Pension Contribution from the City.

Adopted by the following vote: 5 - 0.

It was moved by Trustee Mark Parker and supported by Trustee Dedic to accept the Northern Trust Custody Report contingent upon review of the report by the IT Director.

Adopted by the following vote: 5 – 0.

Trustee Tina Houghton expressed her appreciation for the time she spent on the Employees Retirement System Board for 2017.

Attorney Lane reported that there was only one Medical Director RFP received, from Dr. Roth. Attorney Lane reported that he will send out the report again for additional responses.

Attorney Ken Lane reported that he requested a written memo from the City Attorney's Office regarding their review of the contract employees. Since June 30, 2017, all the contracts have been renewed and are compliant.

Karen Williams reviewed the Monthly Investment Report and the Securities Lending Account report for month ending November 30, 2017

The meeting adjourned at 9:23 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Dennis R. Parker, Chairperson
Employees' Retirement System