

**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

October 18, 2018
Thursday, 8:30

The Board met in regular session and was called to order at 8:33 a.m.

Present: Good, Kraus, Munroe, D. Parker, M. Parker, Sanchez-Gazella - 6
Absent: Dedic, Schor, Washington.

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Ken Lane
(representing the Law Department).

It was moved by Trustee Kraus and supported by Trustee Good to approve the Official minutes of the Employees' Retirement System Regular Meeting of September 23, 2018.

Adopted by the following vote: 6 – 0.

There were no public comments for items on the agenda.

1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 414. Total deferred: 74. 1 death(s) Ruth Ward, (retired 3/17/1990 – T243) died 10/3/2018, age 70, no beneficiary. Refunds made since the last regular meeting mounted to \$8,671.79. Retirement allowances paid for the month of September 2018, amounted to \$1,945,179.45. Total retirement checks printed for the ERS System: 919. Total Retirement checks printed for both systems: 1662. Eligible domestic relations orders received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

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

Michael L. Crawford, (Public Service - UAW), 2210 years, 4 months of
service credits, age 58, effective 10/1/2018.

Adopted by the following vote: 6 – 0

There were no requests for duty disability retirements.

There were no requests for non-duty disability.

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It was moved by Trustee Good and supported by the Trustee Munroe to approve the following request for Refund of Accumulated Contribution:

Adora Easterbook, District Court, Non Bargaining, not vested, \$1,413.15

Adopted by the following vote: 6 - 0

Karen Williams reported that Trustee Schor and Trustee Washington contacted her to request to be excused from the October meeting. Trustee Dedic was attending the IFEBP Conference

It was moved by Trustee Good and supported by Trustee Mark Parker to excuse Trustee Dedic and Trustee Washington from the October Employees' Retirement System meeting.

It was noted that Trustee Schor did not need to be excused, because he is Ex-officio.

Adopted by the following vote: 6 – 0.

Trustee Mark Parker provided an oral report regarding the MAPERS Fall Conference. He discussed Public Act 202, actuarial workshop that discussed 30-year open amortization. Trustee Parker stated that MAPERS had good speakers in the real estate/ fixed income review. He also discussed the activism within the larger municipal pension boards such as CALPERS that reduced CEO salaries.

Trustee Kraus gave an oral report regarding the MAPERS Fall Conference. She stated that she learned something in all the session. Trustee Kraus attended the trustee trainee and learned that Article 1, Section 10 protects retiree health care if there is a contractual explicit promise for lifetime or eligible for Medicare. Trustee Kraus discussed the municipal stability board under Public Act 202. She detailed the Tim Skubick session and spoke that the moderate republican and democrats have been referred to as the exhausted majority. His session also discussed retirement systems being proactive with their legislators.

Trustee Kraus provided an overview of small caps investments, risk management session discussed that boards needed to be proactive. She discussed actions such as contributing more during good times and buying out deferred/vested people. Trustee Kraus explained that taxpayer bears the costs of retirees who have inadequate pensions.

Trustee Dennis Parker also attended the MAPERS Fall Conference and reviewed the workshops that detailed avoiding fiduciary potholes. He discussed a workshop that detailed better decision making by overcoming emotional bias. Trustee Dennis Parker attended the defined benefit pension sessions and how these pensions affects the long-

term economic stability of retiree. Trustee Dennis Parker discussed the Tim Skubick session who spoke on the effect on term limits where lobbyist drive the legislative agenda.

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Attorney Ken Lane attended the legislative breakfast at the MAPER Fall Conference. He discussed Public Act 202 and that MAPERS lobbyist was surprised that there were no waivers given. It was determined that the Treasury wanted to see these plans go through the Municipal Stability Board.

Attorney Lane reported that Asset Consulting Group has negotiated new rates with the custodial bank, Northern Trust. Attorney Lane stated that the rate reduction will save the Employees' Retirement System approximately \$4,500. Attorney Lane stated that the rates required a signed agreement to the contract. He has reviewed the document and has it available for the chairperson's signature.

Ms. Angela Bennett discussed the provisions of Public Act 202 that lists Uniform Assumptions guidelines by the Michigan Department of Treasury. The Treasury Department has recommended but not required retirement plans to adopt the assumptions. For those plans that do not adopt the assumptions, the Department would require a separate actuarial prepared with the Treasury assumptions. Ms. Bennett reviewed a comparison between the Treasury valuation assumption and the current City of Lansing assumption.

Ms. Bennett reviewed the corrective action plan that would be submitted to the State of Michigan. The plan would need to go to City Council for review and approval before it is submitted to the Municipal Stability Board. Ms. Bennett stated that the corrective action included the Segal study, Financial Health Team study, information on what has been done in the past, changes to the plan, and additional funding that was contributed. Ms. Bennett reviewed the funding projection provided by Boomershine Consulting Group.

Attorney Lane reported that Public Act 202 has a provision that requires a peer actuarial study or that plans hire a new actuary.

Attorney Lane reviewed the Contract Employees Policy. The chair requested that the policy be discussed at the Joint Retirement Board meeting.

Attorney Lane discussed the duty disability re-examination policy that would detail a written procedure and guidelines for Board review. Attorney Lane included some criteria in which a retiree would not be re-examined.

It was moved by Trustee Kraus and supported by Trustee Good to approve the Duty Disability Re-Examination Policy.

Adopted by the following vote: 6 - 0.

Ms. Williams reviewed the Monthly Investment Report and the Securities Lending report

for the month ending September 30, 2018.

It was moved by Trustee Mark Parker and supported by Trustee Kraus to adjourn the meeting.

Adopted by the following vote: 6 – 0.

The meeting adjourned at 9:09 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Dennis R. Parker, Chairperson
Employees' Retirement System