

**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

December 20, 2018  
Thursday, 8:30

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

Present: Dedic, Kraus, Munroe, D. Parker, M. Parker, Sanchez-Gazella, Schor (8:39)  
Washington - 8  
Absent: Good

Others: Karen E. Williams, Angela Bennett, Finance Department; Eric Hassett, employee; Ronald Kruger, retiree; Attorney Ken Lane (representing the Law Department).

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Official minutes of the Employees' Retirement System Regular Meeting of November 8, 2018.

Adopted by the following vote: 7 – 0.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Official minutes of the Employees' Retirement System Board and the Police and Fire Retirement System Board Joint meeting of November 8, 2018.

Adopted by the following vote: 7 – 0.

Mr. Eric Hassett, Teamster 243 employee provided a statement to the Board regarding his request for his UAW service credit be restored so that he could retire. He stated that he was hired in 1993 and was originally in the Employees Retirement System. Mr. Hassett stated that about 18 months later, he accepted a job as a Teamster 243. At the time, the Teamster 243 was not a part of the Employees' Retirement System plan; the union had a defined contribution plan. He purchased service credits when the Teamsters returned to the Employees Retirement System in 2003.

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Mr. Hassett stated that he received a Frequently Asked Questions Document that stated his time with the City would be used for his eligibility. Mr. Hassett has received a City Attorney's opinion that his time spent in the UAW was forfeited upon moving the Defined Contribution plan. Mr. Hassett is requesting no benefits for the 18 months; he wishes to use the time for eligibility to retire.

Attorney Lane inquired about the document Mr. Hassett stated that he received at the time he moved to Teamster 243.

Mr. Hassett indicated that he met with Human Resources regarding the move to Teamster 243 and he thought the only issue was regarding contributions. He was told he could not receive the UAW contributions to invest.

Trustee Sanchez-Gazella reported that Mr. Hassett had a grievance that was reviewed by the Human Resources Department. Trustee Sanchez-Gazella stated that she took a considerable amount of time and reviewed the City Attorney's opinions and letter that outlined what Mr. Hassett was accepting. Trustee Sanchez-Gazella concurred with the City Attorney's office and Mr. Hassett's grievance was denied. The next step would be arbitration.

Trustee Dennis Parker with agreement from the Employees Retirement System Board moved the Eric Hassett request for eligibility to retiree up on the agenda for discussion.

Attorney Lane summarized that this issue was presented to the Employees' Retirement System Board in 2012. Mr. Hassett signed an agreement that his UAW time could not be used for retirement purposes in the Employees' Retirement System. Attorney Lane reviewed that the UAW were not making contributions the Employees' Retirement System at the time Mr. Hassett moved to Teamster 243. Attorney Lane reviewed the document that were signed at the time in 1993 and opined that the UAW time could not be used for any retirement purpose. Attorney Lane read the portion of the Frequently Asked Question document that stated, "Any conflicts between the document and the provisions of labor agreement and the City Ordinance will be governed by the provisions of the labor agreement and the City Ordinance". Attorney Lane opined that the Frequently Asked Question document does not supersede the labor agreement foregoing his service credits and eligibility within the UAW. It does not change the opinion that Attorney Lane provided in 2012.

Trustee Kraus inquired if the Employees Retirement System Board has the authority to make a decision that influences the retirement of an active employee.

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Attorney Lane stated that the Board has the authority under the Retirement Ordinance to take action regarding service credits in special circumstances or if errors had been made. The Board would make recommendations to the City Council.

Trustee Mark Parker expressed concern that employees who received the Frequently Asked Questions document would believe that the all City time would count toward retirement. Trustee Mark Parker thought the document he signed was misleading. Trustee Mark Parker stated that he thought the cost to allow Mr. Hassett to use his UAW time would be negligible.

Trustee Schor expressed concern that Employees Retirement System Board taking action would interfere with the grievance process that has been outlined in the Collective Bargaining Agreement.

Trustee Sanchez-Gazella stated the Mr. Hassett issues was reviewed through the Step 4 process.

Attorney Lane recommended that he could review all the documents again. He would provide his opinion and all the documents to Trustees for Board review.

Trustee Washington agreed that the Board should review all the documentation but to not delay it past next month.

Trustee Munroe stressed the importance of the Board for due diligence.

It was moved by Trustee Washington and supported by Trustee Munroe to have Attorney Lane collect and review all the documents regarding Mr. Hassett's request and then provide that information with the legal opinions to all Trustees prior to next month's meeting.

Adopted by the following: 8 – 0

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Secretary's report:

7 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 420. Total deferred: 74. 4 death(s) Gary Carrick (retired 8/16/2002 – T243), died 11/29/2018, beneficiary to receive 100%; Frank Cena Sr. (retired 1/21/1992 – T243 Supervisory), died 11/19/2018, spouse to receive 100%; Joseph Davidowicz (retired 3/1/2000 – UAW), died 11/20/2018, spouse to receive 100%; Nona M. Mix (retired 10/15/2001 – T243), died 11/1/2018, age 82, no beneficiary. Refunds made since the last regular meeting mounted to \$0.00. Retirement allowances paid for the month of November 2018, amounted to \$1,948,317.37. Total retirement checks printed for the ERS System: 920. Total Retirement checks printed for both systems: 1664. Eligible domestic relations orders received: 1. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Kraus and supported by Trustee Sanchez-Gazella to approve the following requests for regular age and service retirements:

Vince D. Cantrell, (Planning & Neighborhood Development – T243), 18 years, 11 months of service credits, age 62, effective 1/3/2019.

Julia M. Cherry, (District Court – District Court Non Represented), 25 years, 11 months of service credits, age 73, effective 1/2/2019.

Christopher B. Johnston (Public Service – T243), 18 years, 4 months of service credits, age 81, effective 1/15/2019

Daniel F. Perry, (Public Service –UAW), 21 years, 5 months of service credits, age 58, effective 1/7/2019.

Guy Pierce (Public Service – T243), 20 years, 1 month of service credits, age 58, effective 12/31/2018.

Adopted by the following vote: 8 – 0

Ms. Robin Edmondson submitted a letter requesting consideration regarding her Final Average Compensation.

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Robin Edmondson was hired on October 1978 as a full-time employees and a member of the Employees' Retirement System. In 1986, she transferred to a part-time position. She had eight years of services, was vested and her pension was deferred. She became a full-time employee again in November 2003. The City Attorney's office opined that her Final Average Compensation for her deferred pension should be calculated on her highest two years of wages from the time period of 1978-1986.

Attorney Ken Lane reviewed the letter submitted by Ms. Edmondson and opined that while she was a part-time employee, she was not a member of the Employees' Retirement System. Her first pension was deferred when she transferred to part-time employment.

Attorney Lane stated that there would be two separate calculations: one for the deferred and for the current pension.

Trustee Dedic inquired if the Board was considering two separate questions. One questions would be the approval of the retirements. The other questions would be final average compensation.

Attorney Lane clarified that the City Attorney's office has stated that the first pension was deferred. Only the current pension would be based on the current final average compensation. Attorney Lane opined the Board action would be to approve as presented if the Board agreed that the City Attorney's office opinion.

Trustee Kraus stated that Ms. Edmondson is eligible for retirement with age 58 and 8 years of service credits for both pension. Trustee Kraus inquired if the pensions had two separate calculations with the appropriate service credits and multiplier and final average compensation for each specific period.

Ms. Williams confirmed that the two pensions were calculated separately. One calculation was done for the deferred pension with the final average compensation at that time. Ms. Edmondson's current pension will be calculated using her most recent multiplier, service credits and final average compensation.

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Attorney Ken Lane indicated that distributed a draft for the Employees Retirement System Board of Trustees projected budget. Attorney Lane indicated that the final numbers for the year are not available yet. He requested that the Board review the draft for approval at the January meeting.

Karen Williams reported that Applicant #2018 – E1108 is gathering information for submission to the medical director to be evaluated for Duty Disability.

There were no requests for non-duty disability.

Karen Williams reported that Mr. Zwalee Mixaykham was approved for duty disability. The Retirement office sent out paperwork for completion. The retirement office had not received a response. The retirement office was informed by the family, that Mr. Mixaykham was incapacitated due to his disability, and could not sign his paperwork. The family did not get a power of attorney before his disability. Ms. Williams spoke with Mr. Mixaykham's son, Abel, who indicated that his father wanted to choose option A to leave his benefits to his spouse at the time of his death. Ms. Williams contacted the chairperson and legal counsel for direction.

Attorney Lane indicated that Mr. Abel Mixaykham had been acting on behalf of his father during the disability process and could sign the paperwork. Ms. Williams indicated that she received paperwork sign by Mr. Abel Michaykham, but has since heard that Mr. Mixaykham has died.

Trustee Kraus inquired who is handling the estate.

Trustee Dedic indicated that the family is from Laos and the spouse had limited English. Trustee Dedic was not certain, but believed the son would be handling the estate.

Attorney Lane indicated if the Board does not have any issue with the Option A designation and with the son signing the paperwork, the Board need not take further action.

Karen Williams distributed the 2017 Employees' Retirement System Actuarial Valuation for approval. Mr. Greg Stump reviewed the valuation at the last month's meeting.

It was moved by Trustee Mark Parker and supported by Trustee Washington to approve the Employees' Retirement System Actuarial Valuation for the period ending December 31, 2017.

Adopted by the following vote: 8 – 0.

Ms. Bennett reviewed the Employees' Retirement Action Plan was filed with the State of Michigan. The City of Lansing has not been contacted by the State of Michigan Municipal Board review of its corrective action plans.

Attorney Ken Lane reviewed the Contract Employees Policy.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Employees' Retirement System Contract Employees Policy.

Adopted by the following vote: 8 – 0.

Ms. Williams reviewed the Monthly Investment Report and the Securities Lending report for the month ending November 30, 2018.

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

Adopted by the following vote: 8 – 0.

The meeting adjourned at 9:30 a.m.

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

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Angela Bennett, Secretary  
Employees' Retirement System

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Dennis R. Parker, Chairperson

Employees' Retirement System