

**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

November 21, 2019
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:31 a.m.

Present: Bahr, Dedic, Kehler, Kraus (8:55), D. Parker, M. Parker, Sanchez-Gazella Schor (8:37) – 8

Absent: Trustee Washington (excused)

Others: Karen E. Williams, Human Resources Department; Shelbi Frayer, Finance Department; Attorney Ken Lane, Clark Hill (representing the City Attorney's Office).

It was moved by Trustee Dedic and supported by Trustee Kraus to approve the Official amended Minutes of the Employees' Retirement System Board Regular Meeting of October 17, 2019.

Adopted by the following vote: 6 – 0.

There were no public comments.

9 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 462. Total deferred: 78. 2 death(s), Bennie Perdue, died 10/29/19, age 73, beneficiary to receive 100%; Ruth Trowbridge, died 11/2/2019, age 87, beneficiary of non bargaining retiree. Refunds made since the last regular meeting mounted to \$7,337.18. Retirement allowances paid for the month of October 2019, amounted to \$2,004,186.53. Total retirement checks printed for the ERS System: 940. Total Retirement checks printed for both systems: 1698. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

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It was moved by Trustee Mark Parker and supported by Trustee Kehler to approve the following requests for regular age & service retirements:

Mark Mayhoe (Public Service – Teamsters), 15 years of service credits, age 58, effective 11/23/2019

Andy Watson (Public Service – UAW), 25 years of service credits, age 52, effective 12/14/2019 (with the purchase of 8 months of universal service credits)

Adopted by the following vote: 6 -0

Karen Williams reported that the Retirement Office sent a letter to Applicant #2019-E0919 requesting a medical release and information.

There were request for non-duty disability retirements.

Karen Williams reported that the Retirement Office received a request for the refund of accumulated contributions for Albert Mooney, NonBargaining, not vested, \$5,788.46; Gregory Scott, UAW, not vested, \$5,954.71; Cluster Smith, Jr., UAW, not vested, \$4,147.57.

It was moved by Trustee Mark Parker and supported by Trustee Dedic to approve the following request for refund of accumulated contributions:

Albert Mooney, NonBargaining, not vested, \$5,788.46
Gregory Scott, UAW, not vested, \$5,954.71
Cluster Smith, Jr., UAW, not vested, \$4,147.57

Adopted by the following vote: 6 - 0

Karen Williams reported that Trustee Washington contacted the Retirement Office and requested to be excused.

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

Adopted by the following vote: 6 - 0

Trustee Dennis Parker provided an oral report for her attendance at the MAPERS Fall Conference. Trustee Parker reviewed topics that included Emerging Markets session that discussed benchmarks, fees and health care.

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Trustee Dedic provided an oral report regarding his attendance at the IFEBP Conference. Trustee Dedic reviewed the health care workshops that had topics that included overcoming stigma of mental health, future health care technology. Trustee Dedic discussed workshops regarding workforce challenges, systems moving to cash balances retirement. He discussed trustee expenses and the importance of trustee education for mature plans like the City of Lansing.

Karen Williams reported that the annual memberships for the IFEBP of \$532.50, MAPERS of \$200.00 and NCPERS of \$260.00 were due.

It was moved by Trustee Mark Parker and supported by Trustee Kehler to approve the payment of annual membership for IFEBP, MAPERS and NCPERS from its administrative fund.

Adopted by the following vote: 7 – 0

There were no public comments for items not on the agenda.

Attorney Ken Lane provided the remainder of the Employees Retirement System Ordinance that had been updated by the various collective bargaining changes. Attorney Lane recommended reviewing 292.01 (establishment of the plan) and 292.02 (definition section) and 292.14 (membership). He also discussed the 2019 recodification of the plan and deleting obsolete information.

Attorney Ken Lane provided a legal opinion of the definition of “insurable interest” as used in the General Employees’ Retirement System Ordinance, specifically under option A and B. Attorney Lane indicated the difference between the insurance and the pension is that the pension beneficiary is irrevocable. Attorney Lane draft an amendment to the Ordinance defining who could be nominated as a pension beneficiary, similar to what is done in the Police and Fire Retirement System.

Karen Williams reported that each year, the Employees’ Retirement Board reviewed the Northern Trust Security Documents. Ms. Williams has forwarded the document to Attorney Ken Lane.

Attorney Lane indicated that he would review the document and forward it to the Information Technology division for review.

Karen Williams reported the request to update the Minute Master by Gabriel, Roeder, and Smith.

The Board moved the request to pending until trustees could review the cost from the previous update.

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It was moved by Trustee Kraus and supported by Trustee Dedic moved the adoption of the following resolution:

RESOLUTION NO. 1121 - 2019

AN RESOLUTION TO DECLARE THE OFFICE OF TRUSTEE VACATED

WHEREAS, Trustee Mark Parker has diligently served on the Board of Trustees of the Lansing Employees' Retirement System for several years; and
WHEREAS, Trustee Parker has notified the Board of Trustees that he is retiring from his position with the City of Lansing effective November 22, 2019; and
WHEREAS, Section 292.05 of the Lansing Codified Ordinances provides that once a Trustee leaves the employ of the City, such Trustee is considered to have resigned from the Board and the Board must declare by resolution that the office is vacated.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Trustees of the Lansing Employees' Retirement System declares the office of trustee held by Mark Parker vacated as of the date of this Resolution.
2. The Board of Trustees directs the Retirement Analyst to begin the process to fill the vacated trustee office within 60 days in accordance with Section 292.05 of the Lansing Codified Ordinances.
3. The Board of Trustees extends its sincerest thank you to Mark Parker for his years of service and wishes him well in his future endeavors.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

Yeas: Trustees: Bahr, Dedic, Kehler, Kraus, D. Parker, M. Parker, Sanchez-Gazella, Schor - 8

Nays: Trustees: 0

Abstain: Trustees: 0

Absent: Trustees: Washington

CERTIFICATION

As Retirement Analyst to the Board of Trustees of the Lansing Employees' Retirement System, I certify this is a true and complete copy of a resolution adopted at a meeting of the Board of Trustees held on November 21, 2019.

November 21, 2019

Karen Williams, Retirement Analyst

Ms. Williams provided a posting for the election to the Board of Trustee. This election would fill the unexpired Trustee position on the Employees Retirement System Board. Ms. Williams provided dates for nominating petitions, primary election and general election. Ms. Williams also requested approval for electronic voting.

It was moved by Trustee Bahr and supported by Trustee Kehler to approve the Trustee Election posting and fee for electronic voting.

Adopted by the following vote: 8 - 0

Trustee Schor requested that the posting be sent to union representatives, and non bargaining employees.

Karen Williams reported that the Retirement Office had received seven proposals for the Legal Services Request for proposal (RFPQ). The special projects subcommittee met with members from Police and Fire Retirement System to review the proposals.

Trustee Kraus reported her and Trustee Dennis Parker attended the meeting and decided that the full Employees Retirement System Board as to whether or not to continue with how the service was provided to the Board or move forward with the interview process.

Trustee Dennis Parker indicated that the Police and Fire Retirement System made the recommendation for interviews to be held.

Trustee Kraus expressed concern regarding paying fees from the retirement system for attorney fees. Trustee Kraus felt that all of the firms were qualified to do the work for the pension board and that the review met the fiduciary responsibility. Trustee Kraus expressed concern regarding the working relationship with the City Attorney's office and City Council with an outside firm. Trustee Kraus noted that the retirement board does reserve the right to hire an outside counsel.

Trustee Schor stated that he had not heard of any issues with the legal staffing by the City Attorney's Office.

Trustee Dennis Parker reviewed that when Attorney Lane left Clark Hill, the retirement boards wanted to perform due diligence as trustees.

Trustee Schor wanted to distinguish if the City Attorney representative was doing its job or if the Board wanted to use pension funds to get an outside attorney for the job.

Trustee Mark Parker indicated that he felt the retirement boards should work with the Police and Fire Retirement System.

Trustee Kraus stated that she believes that there was a difference of opinion as to whether the Employees' Retirement System Board wants to retain the City Attorney's

office to staff the Board.

It was moved by Trustee Kraus and supported by Trustee Schor that the Employees' Retirement System Board retain the position that City Attorney's Office staff the Board's legal counsel.

Trustee Dedic recommended that all of the vendors should be re-evaluated periodically. He did not see an issue with reviewing and interviewing legal firms.

Trustee Dennis Parker reviewed that he believed that process involved interviewing the law firms and providing the recommendation to the City Attorney regarding legal representation. Trustee Parker stated if there was no agreement, he believed the next step would be to decide whether to hire an outside counsel.

Trustee Kraus withdrew her motion.

It was moved by Trustee Kraus and supported by Trustee Sanchez-Gazella to go forward with the interview process to make a recommendation to the City Attorney's office.

Trustee Dedic requested that the Mayor have the City Attorney participate in the process.

Adopted by the following vote: 8 - 0

Ms. Williams reviewed the Quarterly Expenses Report and the Securities Lending Report for the month of October 2019.

Trustee Dennis Parker presented Trustee Mark Parker with a plaque of appreciation for his service to the retirement Board.

The meeting adjourned at 9:32 a.m.

Minutes approved on _____

Shelbi Frayer, Secretary
Employees Retirement System

Dennis R. Parker, Chairperson
Employees' Retirement System