

**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

December 19, 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, D. Parker, Sanchez-Gazella (8:37) – 6
Absent: Schor, Washington (excused)

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

It was moved by Trustee Dedic and supported by Trustee Kehler to approve the Official Minutes of the Employees' Retirement System Board Regular Meeting of November 21, 2019.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Kraus and supported by Trustee Kehler to approve the Official Joint Minutes of the Employees' Retirement System Board and the Police and Fire Retirement System Board of November 21, 2019.

Adopted by the following vote: 6 – 0.

Mr. Brian Lefler gave comments regarding having the draft agenda and minutes posted prior to the meetings. He stated that he would like to have copies of these items so he able to address items on the agenda. Mr. Lefler wanted to ask questions regarding the actuarial report.

Attorney Ken Lane opined that there was no requirements to post draft items on the website. The decision to post draft items would be up to the Board.

Ms. Williams indicated that she could provide an agenda for Mr. Lefler prior to the meeting.

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Secretary's Report:

8 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 461. Total deferred 77. 3 death(s), Sharron Bain, died 12/5/2019, age 79, beneficiary of UAW retiree; Leroy Barber, Jr. (Public Service/UAW, retired 1/24/2015), died 12/8/2019, age 63, beneficiary to receive 100%; Vaughan McKinch (Finance/Executive Management, retired 11/5/1988), died 11/14/19, age 87, no surviving beneficiary. Refunds made since the last regular meeting mounted to \$15,890.74. Retirement allowances paid for the month of November 2019, amounted to \$2,006,585.31. Total retirement checks printed for the ERS System: 941. Total Retirement checks printed for both systems: 1698. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified 0.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the following requests for regular age & service retirements:

Lisa Thelen (Human Resources – Teamsters 243 CTP), 16 years, 3 months of service credits, age 59, effective 1/4/2020

Constance L. Klein (Public Service – UAW), 25 years, 7 months of service credits, age 55, effective 1/2/2020

Trustee Sanchez-Gazella wanted it noted that she did not receive notification that Lisa Thelen retirement would be on this month's agenda prior to the meeting.

Ms. Williams explained the request for retirement process. In the past, the process has remained confidential until the application for retirement has been received. Once the application was received, a personal action form was created for notification.

The Board discussed better ways for notification and the confidentiality of retirement applications. The Board agreed that the process would remain confidential until an application was received. Trustee Schor request that he be notified when a retirement application has been received.

Adopted by the following vote: 6 -0

Karen Williams reported that Applicant #2019-E0919 was scheduled to see the medical director in December.

There were request for non-duty disability retirements.

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

Adopted by the following vote: 6 - 0

Mr. Greg Stump, Boomershine Consulting Group, explained the delay in actuarial report due to a mix-up with the plan assets, but the issue was corrected. Mr. Stump provided an overview of the Employees' Retirement System actuarial valuation for the plan year ending December 31, 2018. Mr. Stump reviewed the investment performance, funding recommendations and the funding progress. Mr. Stump discussed the amortization policy, investment risk and demographic risks. Mr. Stump discussed the state of Michigan uniform assumption and reviewed figures based on the return assumption of 7%

Mr. Stump reviewed the plan asset information and discussed the smoothing of value assets. He reviewed the healthcare reserve. Mr. Stump discussed the participant summary, reviewed the demographics and actuarial liability. Mr. Stump reviewed the importance of preparing an experience study every five years.

Mr. Stump discussed the development of the Employer Contributions. He reviewed the normal (benefit) cost based on the current assumptions. The numbers were calculated as a percentage of pay. He reviewed the amortization policy, which is now at 23 years of 30 year closed amortization. Mr. Stump reviewed the long-term projections of funding and contributions

It was moved by Trustee Kehler and supported by Trustee Dedic to accept the Employees' Retirement System Actuarial Valuation for the plan year ending December 2018.

Adopted by the following vote: 6 – 0.

Trustee Dedic left the meeting.

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 draft amendment to the Ordinance defining who could be nominated as a pension beneficiary, similar to what was done in the Police and Fire Retirement System for review.

The Board reviewed the amendment and agreed that the issue defining who could be nominated, as a pension beneficiary should be addressed through collective bargaining.

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Attorney Lane provided an update regarding the Northern Trust Security Documents. Attorney Ken Lane reviewed the documents and had no issues. Attorney Lane forwarded the documents to the Information Technology department and was waiting for their review.

Karen Williams reported that nomination petitions for the election of a Board member were made available November 25, 2019. The petitions were due December 23, 2019. Elections if necessary would be held in January.

Karen Williams reported that the Retirement Office contacted the law firms that were selected for interviews. The interviews were scheduled for January 14, 2020 at a Joint meeting of both Boards.

Karen Williams reported the fee that was charged for the last update of the Minute Master by Gabriel, Roeder, and Smith.

It was moved by Trustee Bahr and supported by Trustee Sanchez-Gazella to approve the update of the Minute Master with expenses that do not exceed \$2,000.

Adopted by the following vote 5 – 0.

Ms. Williams reviewed the Monthly Investment Report and the Securities Lending Report for the month of November 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