

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

Regular Meeting
Via Zoom Meeting

January 19, 2021
Tuesday, 9:30 a.m.

The Board met in regular session and was called to order at 9:32 a.m.

Present (attending remotely): Bahr (Lansing), Dedic (Laingsburg), Ebright (Lansing), Kirkland (Lansing), Kraus (Delta Township), Parker (Lansing), Sanchez-Gazella (Lansing), Schor (Lansing), Wood (Lansing), –9

Absent: 0

Others: Karen E. Williams, Human Resources Department; Robert Widigan, Finance Department; Attorney Aaron Castle, (legal counsel).

Karen Williams reported that the Lansing City Council has appointed Carol Wood as the city council representative to the Police and Fire Retirement Board for 2021.

It was moved by Trustee Kraus and supported by Trustee Ebright to approve the Official minutes of the Joint Employees' Retirement System meeting and Police and Fire Retirement System meeting of December 9, 2020 (as amended).

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.

No – 0.

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Official Minutes for the Employees' Retirement System Board meeting of December 15, 2020.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.

No – 0.

There were no public comments.

1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 477. Total deferred: 71. 1 death(s) Harvey Cater, (Parks – UAW, retired 10/20/1988), died 12/12/2020, age 87, spouse to receive 50%. Refunds made since the last regular meeting mounted to \$0.00. Retirement allowances paid for the month of December 2020, amounted to \$2,023,068.18. Total retirement checks printed for the ERS System: 944. Total Retirement checks printed for both systems: 1699. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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There were no applications from regular age and service retirements.

There were requests for duty disability.

Karen Williams reported there was a request for non-duty disability for applicant #2021-E0119. The applicant has battled several health issues and unable to return to work full time. The applicant has contacted the director of the department and has the support of the department.

The non-duty disability application was referred to the disability subcommittee for review.

It was moved by Trustee Wood and supported by Trustee Bahr to send the applicant #2021-E0119 to the medical director review contingent upon approval and recommendation from the disability subcommittee.

Trustee Sanchez-Gazella reported that she had met with the applicant and spoken with the department director and supports the process moving forward.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.
No – 0.

It was moved by Trustee Wood and supported by Trustee Bahr to approve the following request for refund of accumulated contribution:

Jordan Meckstroth, Public Service, not vested, \$3,870.29

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.
No – 0.

Karen Williams updated the conferences available through IFEBP, NCPERS, and MAPERS. She reported that a MAPERS One Day Conference was to be held Friday, February 12, 2021. The one day session was geared toward new trustees. She requested that members who were interested contact the Retirement Office to be registered for the session.

Karen Williams provided retirement board January invoices (Northern Trust, Boomershine) for approval in accordance with the new authorized signers policy.

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It was moved by Trustee Wood and supported by Trustee Kirkland to approve the January invoices.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.
No – 0.

There were no public comments.

There were no requests for duty disability.

There were no requests for non-duty disability.

Attorney Aaron Castle provided a legal counsel report and reviewed the income Research & Management selection as the system's Core Fixed Income. Attorney Castle reviewed the negotiated contract provision for the Employees' Retirement System Board. He also reviewed an Act 314 compliance opinion that legally qualified the investment. The opinion discusses the terms of the investment and a legal analysis of how the investment qualified under Act 314.

Attorney Castle was asked to review the Police and Fire Retirement Ordinance regarding a health insurance fund. Attorney Castle provided analysis of the ordinance section regarding the IRS Code 401H account. The IRS stated that contributions to the health insurance fund should be no more than 25% of the aggregate pension contributions. A separate VEBA has been recommended for the health care contributions funding. Attorney Castle discussed IRS requirements and the language in the retirement ordinance. As of last valuation, there were over \$34.3 million in the health insurance fund. Attorney Castle provided an overview of distribution schedule. The Board set the assumptions for the health insurance fund and has investment fiduciary for the fund.

Trustee Wood Castle requested additional detail regarding the annual city contributions.

Attorney Castle was asked to create a memo regarding the Solar Winds hack. The memo would requesting vendors to notify the Board if they were impacted by the Solar Winds breach.

Attorney Castle indicated that his law firm uses a competitor to the Solar Winds software and were not affected by the breach.

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It was moved by Trustee Wood and supported by Trustee Kirkland to send the Solar Winds memo to vendors for response.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.
No – 0.

Attorney Castle updated the Board regarding Public Act 254 that amended the Michigan Open Meeting Act to allow public bodies to meet remotely under any circumstances through March 31, 2021.

Karen Williams indicated that the Board received notification from the Finance Department regarding the FY 2020 Employees' Retirement System Contribution. In December \$12,349,529 was transferred from the City of Lansing to the Employees' Retirement System, which was 100% actuarially calculated amount. Additionally, the City of Lansing transferred an additional net employee contribution of \$727,044.96.

It was moved by Trustee Wood and supported by Trustee Kraus to accept the FY 2020 Employees' Retirement System pension.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.
No – 0.

It was moved by Trustee Dedic and supported by Trustee Bahr to re-elect the current leadership of Trustee Dennis Parker as chairperson and Trustee Antonia Kraus as vice chairperson.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Sanchez-Gazella, Schor, Wood – 9.
No – 0.

Karen Williams reviewed the subcommittee memberships and requested that members contact the Retirement Office or the chairperson for additions or changes to the committees.

Karen Williams indicated that she will re-send out the Retirement Ordinance to subcommittee members.

Karen Williams distributed the 2021 meeting schedule for the Employees' Retirement System Board. She noted that the Police and Fire Retirement System Board changed its November meeting to November 9th, 2021.

Karen Williams reviewed the monthly investment report for the month ending December 31, 2020.

It was moved by Trustee Bahr and supported by Trustee Dedic to adjourn the January Meeting of the Employees' Retirement System Board.

Adopted by following vote: Yes: Bahr, Dedic, Ebright, Kirkland, Parker, Sanchez-Gazella, – 6.

No – 0

The meeting adjourned at 10:34 a.m.

Minutes approved on _____

*Robert Widigan, Secretary
Employees' Retirement System*

*Dennis R. Parker, Chairperson
Employees' Retirement System*