

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

Regular Meeting
10th Floor City Council Conference Room

March 15, 2022
Tuesday, 9:39 a.m.

The Board was called to order at 9:39 a.m. and met in Joint Session with the Police and Fire Retirement System Board.

Present: ERS: Bahr, Carrigan, Dedic (10:00), Ebright, Garza, Kirkland, Kraus, D. Parker, Sanchez-Gazella, Schor –10

Absent: 0

Police and Fire: Kirkland, Moore, Schor, Taylor, C. Wilcox, R. Wilcox, Wohlfert, Wood - 8

Others: Karen E. Williams, Human Resources Department; Attorney Aaron Castle, (legal counsel); Geroge Tarlas, Asset Consulting Group (via phone).

Mr. Tarlas reviewed the Russian investment within the Employees' Retirement System Board.

Attorney Castle indicated that he could draft a resolution regarding divesting in current Russia investments and prohibiting future investment.

It was moved by Trustee Wood and supported by Trustee Wilcox to have legal counsel draft a resolution regarding Russian investment divestiture.

Adopted by the following vote unanimous

It was moved by Trustee Kraus and supported by Trustee Sanchez-Gazella to have legal counsel draft a resolution regarding Russian investment divestiture.

Adopted by the following vote; unanimous

The Joint meeting ended 9:56.

The Employees' Retirement System meeting resumed a 10:00 a.m.

It was moved by Trustee Bahr and supported by Trustee Carrigan to approve the Official Minutes of the Joint Employees' Retirement System Board and the Police and Fire Retirement System Board Meeting of February 15, 2022 with amendments.

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Trustee Carrigan wanted his comments regarding the Board adding private equity and private debt added to the minutes. Trustee Carrigan added that he thought adding private equity was important and would like to keep the topic on the agenda, in order to discuss further with the investment consultant and actuary.

Adopted by the following vote: unanimous

Trustee Kraus indicated that comments should be done during the public comments sections.

Attorney Castle suggested that there should be a section for Trustee comments toward the end of the agenda. Trustee Parker requested that Trustee comments be placed after other business.

There were no public comments.

Secretary's Report:

2 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 492. Total deferred: 75. 5 death(s) Vilo Acker (Parks – UAW, retired 1/4/1997), died 2/14/2022, age 80, no surviving beneficiary; Robert Goodsell (Parks - Teamster, retired 12/18/1980), died 2/12/2022, age 90, surviving spouse to receive 50%; Donald F. Magyar (Public Service -UAW, retired 5/1/1995), died 2/1/2022, age 84, Spouse to receive 50%; Dayne K. Miller (Public Service, retired 11/15/2013), died 12/19/2021, age 73, surviving spouse to receive 100%; Jeffery Mills (Finance - UAW, retired 10/1/2013), died 12/22/2021, age 69, . Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of February 2022, amounted to \$2,032,408.80. Total retirement checks printed for the ERS System: 943. Total Retirement checks printed for both systems: 1713. Eligible domestic relations orders received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the following Request for Regular Age and Service Retirement:

Michele Rachel (Public Service -UAW), 19 years, 10 months of service credits, age 62, effective April 1, 2022

Adopted by the following vote: unanimous

The medical reports for duty disability Applicant #2022 – E0118 and Applicant #2021 - E1108 have been received and the requests have been forwarded to Dr. Roth for an appointment for evaluation.

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The medical reports for non duty disability for Applicant #2022-E0118 have been received and has been forwarded to Dr. Roth for an appointment for evaluation.

There were no requests for refund of accumulated contributions.

Karen Williams reported to trustees that Asset Consulting Group Due Diligence Visit would be April 7-8 in St. Louis Missouri.

Karen Williams reported to trustees that the MAPERS Spring Conference would be held May 21-24 in Acme, Michigan.

Karen Williams provided retirement board March invoices (Income Research + Management, TRowe Price) for approval in accordance with the new authorized signer's policy.

Attorney Castle updated the Employees' Retirement System Board on the proposed amendments to the Board's Contract with Tegrit that was sent on February 21, 2022. Attorney Castle summarized the amendments: clarified that the agreement may be terminated by the Board, at will, upon 30 days advance written notice; required quarterly reporting from Tegrit detailing the status of all support services performed; established a 5-year term of contract (1/1/2022 – 12/31/2026) during which time the fees charged by Tegrit shall not be increased no more than 3% annually.

Attorney Castle updated the Securities Fraud Monitoring Services and the Board Policies and Procedures. Attorney Castle has been working to finalize the agreements approved by the board.

Attorney Attorney Castle reviewed that the Special projects sub-committee continues to meet and review recommended policies and procedures as well as updates and amendments to the Retirement Ordinances and the Boards' existing policies. The subcommittee plans to update disability retirement policy and procedures and discussed a Reciprocal Retirement Act policy.

Attorney Castle discussed House Bill 5054 that was passed by the Michigan House of Representative on March 1 and has been referred to the Senate Committee on Appropriations. Applicable sections of HB 5054 provide for the availability of up to \$1.15 billion in grant awards to local units of government. Attorney Castle reviewed the two grants: Local Unit Municipal Pension Principal Payment Grant and Pension Best Practices and Debt Reduction Grant Program.

Trustee Parker indicated that some of the requirements for the grants included uniform actuarial assumptions, and collective bargaining agreements

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Attorney Castle updated the Employees' Retirement System Board regarding Mr. Oscar Mazuca' request to change his pension beneficiary. Attorney Castle opined that Mr. Mazuca is not permitted to change his designated survivor beneficiary. It was acknowledged that waiver language contained in his Judgement of Divorce could be honored. Attorney indicated that he spoke with the retirement office and past practice of the system was not to permit such waivers.

Karen Williams distributed the FY2022 Employees' Retirement System Annual pension contribution memo. The memo indicated that on December 17, 2021, \$12,737,487 was transferred by the City of Lansing to the Employees' Retirement System for the fiscal year 2022 employer contribution, which is 100% of the actuarially determined contribution from the 12/31/20- Employees' Retirement System actuarial valuation.

Karen Williams distributed the ACG transparency letter to comply with applicable laws, regulations and policies concerning gifts and entertainments for public officials and Board business that may cost between \$25 -100 per person, per event.

Attorney Castle indicated that the Police and Fire Retirement System Board requested that additional language from the City Ethics policies be added to the letter. Attorney Castle will provide the similar language for the Employees' Retirement System.

Karen Williams reviewed the monthly investment report for the month ending December 31, 2021.

The meeting ended at 10:43 a.m.

Minutes approved on 2/15/2022

*Desiree Kirkland, Secretary
Employees' Retirement System*

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