

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

Regular Meeting
10th Floor City Council Conference Room

April 19, 2022
Tuesday, 9:30 a.m.

The Board was called to order at 9:43 a.m.

Present: ERS: Bahr, Dedic, Ebright, Garza, Kirkland, Kraus, D. Parker, Sanchez-Gazella, Schor – 9

Absent: 0

Others: Karen E. Williams, Human Resources Department; Attorney Aaron Castle, (legal counsel); Attorney Joseph Abood, City Attorney's Office.

It was moved by Trustee Dedic and supported by Trustee Ebright to approve the Official Minutes of the Employees' Retirement System Board of March 15, 2022.

Adopted by the following vote: 9 – 0.

Secretary's Report:

2 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 491. Total deferred: 75. 0 death(s). Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of March 2022, amounted to \$2,026,717.64. Total retirement checks printed for the ERS System: 939. Total Retirement checks printed for both systems: 1710. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. 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:

Tamara Marsh (District Court, Non-Represented), 25 years, 2 months of service credit eligibility, age 52, May 17, 2022

Adopted by the following vote: unanimous

There were no public comments.

Karen Williams reported that Applicant #2022 -E0118 and Applicant #2021-E1108 had been scheduled to see the medical director for evaluation of duty disability.

Karen Williams reported that Applicant #2021-E1108 had been scheduled to see the medical director for evaluation of non-duty disability.

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

Valerie Marchand, Mayoral Staff, not vested, \$15,447.55

Adopted by the following vote: 9 - 0

Trustee Dedic provided an oral report for the trustee group that visited the Asset Consulting Group for due diligence. Trustee Dedic reported the group visited the research department and visited with three money managements. Trustee Dedic noted that as many companies are divesting from Russia, a company in Russia is the leader in making nickel for the batteries used in electric cars.

Karen Williams updated the trustees regarding the MAPERS Spring Conference to be held May 21-24 in Acme, Michigan.

Trustee Garza inquired regarding Trustee Carrigan who had resigned from the Board. Trustee Garza asked if there was still a conflict of interest regarding Union Agency Services.

Attorney Castle indicated that there was no further conflict the Employees' Retirement System since Trustee Carrigan had resigned from that Board.

Karen Williams provided retirement board April invoices (Asset Consulting Group, Boomershine Consulting Group, Western Asset Management) for approval in accordance with the authorized signer's policy.

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the April Invoices of the Employees' Retirement System Board.

Adopted by the following vote: 9 – 0

Attorney Aaron Castle provided an overview of the fiduciary liability coverage options: Union Services Agency, Segal, and Nickel and Saph. Attorney Castle recommended Union Services Agency due to their location and that fiduciary liability was their specialty. He noted that the Police and Fire Retirement System Board requested a written opinion from the City Attorney's Office regarding trustee fiduciary liability. The Board also requested that Union Services provide quotes at the May Joint meeting. The Police and Fire Retirement System Board discussed a possible request for proposal after receiving the quotes.

Trustee Kraus stated the legal services are generally exempt from the City of Lansing Request for Proposal process.

It was moved by Trustee Schor and supported by Trustee Kraus to have Union Services Agency provide quotes at the May Joint Meeting and the Board can then decide if they want to pursue a request for proposal.

Adopted by the following vote: 9 – 0

Attorney Castle provided a resolution regarding the divestiture of Russian investment. The resolution was prepared in consultation with Asset Consulting Group and reflected the Board's intent to prudently divest the Retirement System from existing investment in Russian companies, to the extent possible, and to prohibit new investments in Russian companies until further notice.

It was moved by Trustee Kraus and supported by Trustee Sanchez-Gazella to adopt a resolution that reflects the Board's intent to prudently divest the Retirement System from existing investment in Russian companies to the extent possible and prohibit new investments in Russian companies until further notice.

Adopted by the following vote: 9-0

Attorney Castle provided an update on the Board's contract amendments with Tegrit. Tegrit responded with questions to clarify the amendments.

Attorney Castle provided an update on Oscar Mazuca request to remove his ex-spouse as his pension beneficiary. Attorney Castle provided a responsive letter stating that the Ordinance does not allow a new beneficiary to be named. Attorney Castle prepared a voluntary acknowledgement and waiver for the ex-spouse to sign. The signed waiver would allow the pension to terminate upon Mr. Mazuca's death.

Attorney Abood requested for the Board's consideration that the City of Lansing would be added to the acknowledgment and waiver and for the notary section to be amended.

It was moved by Trustee Dedic and supported by Trustee Ebright to approve the letter and waiver for Mr. Mazuca as discussed and revised.

Adopted by the following vote: 9 – 0

Attorney Castle reviewed the Disability Retirement Policy and Procedures document recommended by the Special Projects Sub-committee for adoption by the Board. The draft consolidates several policies including the Duty Disability Policy, Disability Application Review process, Disability Reexamination Investigation Policy, and Disability Offset Policy.

Attorney Abood recommended language changes in the policies and requested that the authorization for release of records include the City.

Attorney Castle discussed the Reciprocal Retirement Act policy. He discussed section 4, 5 and 6 where employees can utilize either the City of Lansing or another municipal reciprocal retirement act. He discussed the policy and procedures that the Retirement Board would follow.

Attorney Abood requested language changes to the policy that would be reviewed by the Retirement System at the next meeting.

Attorney Castle provided a draft re-statement of the Employees' Retirement System Ordinance. The draft if approved by the Board would need to be reviewed by the City Attorney's office and then approved by the City Council.

Karen Williams distributed the memo from Finance Department that detailed that \$619,000 for 2021 and \$306,000 in 2020 was transferred from the City of Lansing Employees' Retirement System to the City of Lansing VEBA account. The monies were contributed in error to the Employees' Retirement System as a part of the actuarially calculated amount. The Finance Department indicated that investment earnings would be calculated, and the earnings would be transferred at a later date.

Trustee Parker stated that the monies were never under active management and there would be no investment earnings. Trustee Parker stated that no further monies should be transferred without Board approval.

Trustee Kraus inquired if the monies that were transferred were additional amounts above the actuarial calculated amount. Trustee Kraus wanted assurance that the monies transferred were not monies meant for the Employees Retirement System health care reserve.

Trustee Kirkland stated that she spoke with the controller and the monies were designated to be moved to Principal. Trustee Kirkland stated that she would research further and provide confirmation of the amounts.

Trustee Dedic inquired if progress had been made on paying retirement expenses through the System's portfolio with Northern Trust.

Trustee Bart Carrigan sent an email dated April 14, 2022, resigning from the Employees' Retirement System Board.

Karen Williams prepared a resolution draft regarding Trustee Carrigan's vacancy. Ms. Williams will send it to the City Attorney's office for review.

Karen Williams distributed a draft posting for the Trustee Election for the term ending 6/30/2022 that is currently held by Trustee Bahr. The Board's election rules require that the notification of the election needs to be posted 30 days in advance. The posting would go up May 2, 2022, and nominating petitions would be due June 2, 2022. The general election would be June 29, 2022.

Karen Williams reported that Income Verifications for duty disability is due on April 30, 2022, and three verifications had been received.

Karen Williams reviewed the monthly investment report for the month ending March 31, 2022.

Karen Williams reported that the Police and Fire Retirement System Board voted to move the May Joint meeting to May 26 and asked for a similar motion from the Employees' Retirement System.

It was moved by Trustee Kraus and supported by Trustee Kirkland to move the May Joint Retirement Board meeting to May 26, 2022.

Adopted by the following vote: unanimous

It was moved by Trustee Kraus and supported by Trustee Ebright to adjourn the April Employees' Retirement System Board meeting.

Adopted by the following vote: 9 – 0

The meeting ended at 10:34 a.m.

Minutes approved on 5/26/2022

Desiree Kirkland, Secretary
Employees' Retirement System

Dennis R. Parker, Chairperson
Employees' Retirement System