

**CITY OF LANSING
JOINT EMPLOYEES' RETIREMENT SYSTEM
And POLICE AND
FIRE RETIREMENT SYSTEM
MEETING MINUTES**

Joint Meeting
Via Zoom meeting

May 26, 2020
Tuesday, 8:30 a.m.

The meeting was called to order at 8:31 a.m.

A quorum of both Retirement Boards were present.

Trustees present: (ERS), Bahr, Cahill (8:40), Dedic, Kehler, Kraus, D. Parker, Sanchez-Gazella, Schor – 8.

(Police & Fire), Fabus, Lewandowsky, Kehler, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood –8.

Excused: Spadafore (ERS)

Others present: Karen Williams, Human Resources Department; Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C.

It was moved by Trustee Bahr and supported by Trustee Linda Sanchez-Gazella to excuse Trustee Spadafore from the May Joint Police and Fire Retirement System Board meeting.

Adopted by the following vote: unanimous

It was moved by Trustee Chris Wilcox and supported by Trustee Ryan Wilcox to approve the official minutes of the Police and Fire Retirement System Board meeting of April 21, 2020.

Adopted by the following vote: unanimous

It was moved by Trustee Bahr and supported by Trustee Cahill to approve the official minutes of the Employees' Retirement System Meeting of April 21, 2020.

Adopted by the following vote: unanimous

There were no public comments.

Secretary's Report (Police and Fire):

0 new sworn fire member(s), 1 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total: Active membership: 371. 0 death(s): Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of April 2020, amounted to \$2,843,569.60. Total retirement checks printed for the P&F System: 752. Total retirement checks printed for both systems: 1,697. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 1.

Secretary's Report (Employees' Retirement System)

0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total active membership: 464. Total deferred: 76. 1 death(s): Donna Allen, died 4/18/2020, age 76, beneficiary of UAW retiree. Refunds made since the last regular meeting mounted to \$0. Retirement allowances paid for the month of April 2020, amounted to \$2,022,131.08. Total retirement checks printed for the ERS System: 945. Total Retirement checks printed for both systems: 1697. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

It was moved by Trustee Ryan Wilcox and supported by Trustee Carol Wood to approve the following application for Regular Age & Service retirement from the Police and Fire Retirement System:

Bryan Curtis (Police – Supervisory), 25 years of service credits, effective June 8, 2020 (with the purchase of 16 months of service credits). Sworn Date: 10/28/1996

Adopted by the following vote: unanimous

It was moved by Trustee Chris Wilcox and supported by Trustee Wood to approve the following application for Regular Age & Service retirement from the Police and Fire Retirement System:

Antoni Martinez (Fire – IAFF), 25 years of service credits, age 48, effective June 11, 2020. Sworn Date: 6/26/1995

Antonio Ortiz (Fire – IAFF) 25 years of service credits, age 57, effective June 15, 2020. Sworn Date: 6/26/1995

Frank Mobley (Police – CCLP Non Supervisory), 25 years of service credits, age 47, effective June 12, 2020 (with the purchase of 1 month of universal service credits). Sworn Date: 7/28/1995.

Anthony Phillips (Fire – IAFF), 23 years of service credits, age 55, effective May 15, 2020. Sworn Date: 6/9/1997

Chad Rogers (Fire – IAFF), 25 years of service credits, age 54, effective June 16, 2020. Sworn Date: 6/26/1997

David Sileo (Police – CCLP Supervisory), 25 years of service credits, age 47, effective June 8, 2020 (with the purchase of 8 months of universal service credits) Sworn Date: 3/5/1996

Peter Vandenberg (Police –CCLP Non-Supervisory), 15 years of service credits, age 55, effective June 1, 2020 (From Deferred)

Adopted by the following vote: unanimous

It was moved by Trustee Bahr and supported by Trustee Kraus to approve the following application for Regular Age and Service retirement from the Employees' Retirement System:

Susan C. Graham (Human Resources – NonBargaining) 14 years, 4 months of service credits, age 58, effective June 1, 2020 (has 16 years 1 month of eligibility for retirement and health care from Deferred)

Karen Phelps (Police/Civilian – FOP 911), 19 years, 10 months of service credits, age 50, effective June 1, 2020. (From Deferred)

Adopted by the following vote; unanimous

There were no requests for duty disability retirements.

There were no requests for non-duty disability retirements.

Karen Williams notified of the Retirement Boards of the upcoming webinar education provided by MAPERS and NCPERS organizations.

It was moved by Trustee Kraus and supported by Trustee Bahr to approve the request for refund of accumulated contributions from the Employees Retirement System for the following:

Sheldon Humphreys, UAW, vested \$20,427.17

Adopted by the following vote; unanimous

Attorney Aaron Castle provided a legal report for the Police and Fire Retirement System Board. Attorney Castle reviewed the Board's policies for compliance with PA 314. Attorney Castle recommended action on some older policies and recommended additional policies in the area of Board Governance, Administrative and Investment/Miscellaneous.

Attorney Castle also received information from the Retirement Office of a duty disability member who inquired if an inheritance would be subject to the annual income verification process.

Trustee Wood inquired if the \$1200 federal payment who qualify as income for the verification process.

Attorney Castle indicated that Board did not have a formal policy on what constituted income but he would review the matter. Attorney Castle also reviewed the CARES act and instructed that the legislative was voluntary. The Retirement Ordinance will need to be amended.

Trustee Wohlfert inquired about how the non duty disability process would apply to members who may not be able to work due to Covid-19. He inquired if the member could be called back to work at a later time, would they receive service credits for the time off duty.

Attorney Castle believed that the person would need to be determined and permanently disabled. The non-duty disability would follow the same provisions as the duty disability process. The Board does not have the authority to guarantee employment.

Trustee Wohlfert inquired about members who were recently deployed by the military and who return to work. He requested clarification on whether those members were required to pay contributions for the time that they were on leave. Trustee Wohlfert indicated that he received information from the retirement office regarding military leave described in the Retirement Ordinance. The Retirement Ordinance did not state the members were required to pay contributions for the time deployed.

Attorney Castle requested to review the issue and wanted to make sure the section was consistent with federal guidelines.

The Police and Fire Retirement System Board requested a formal opinion from Attorney Castle regarding intervening military leave service.

Trustee Scott Dedic stated at the time the original Retirement Ordinance was written, there were no employee contributions paid to the systems. Trustee Dedic requested that Attorney Castle compare the two retirement ordinances with respect to the veterans, so that both ordinances will be similar.

Attorney Aaron Castle provided a legal report for the Employees' Retirement System Board. Attorney Castle reviewed the Board's policies for compliance with PA 314. Attorney Castle recommended action on some older policies and recommended additional policies in the area of Board Governance, Administrative and Investment/Miscellaneous.

Trustee Parker indicated that the UAW entered a memorandum of understanding regarding voluntary furlough. Trustee Parker inquired if the Board needed to act upon the MOU regarding retirement service credits.

Attorney Castle requested to review the memorandum of understanding and he requested that the Board review the MOU prior to action. Attorney Castle will provide a memo regarding the voluntary furlough and its effect on retirement service credits.

Karen Williams indicated that Trustee Cahill was elected to complete the term of Mark Parker who retired. The term would expire June 30, 2020. Ms. Williams requested direction for the election.

Trustee Parker inquired what needed to be done by the Board to delay the election because City hall is closed and employees working for home.

Attorney Castle indicated the Employees Retirement System Board sets the rules for election of trustees.

Trustee Kraus was concerned about having an equitable election due to lack of appropriate notification to employees, and the nominating petitions.

It was moved by Trustee Kraus and supported by Trustee Dedic to suspend the election process for Trustee until City Hall.

Adopted by the following vote: unanimous

Karen Williams reported the income verification were due April 30, 2020. There were two retirees had not submitted verification.

Attorney Aaron Castle reviewed Trustee Training policy and proposed having a Zoom meeting for new Trustees who are required to have orientation. Mr. Nathan Burk indicated that Asset Consulting Group also provided training for new trustees and offered to join the orientation session.

Attorney Castle reviewed the CARES Act and again indicated that the provisions of the ACT are optional for retirement plans to implement. Attorney Castle also reviewed the SECURE Act.

Trustee Carol Wood inquired if the Employees' Retirement System Board needed to extend the term of Trustee Irene Cahill.

Attorney Castle stated that he would review the issue and provide a legal opinion regarding whether the Board can extend the term.

Karen Williams reviewed the Quarterly Expenses Reports for the Employees Retirement System and the Police and Fire Retirement System Boards.

Karen Williams reported that Northern Trust has requested the retirement systems obtain a Legal Entity Identifier (LEI). Ms. Williams reached out to Asset Consulting Group that provided the explanation that the LEI is required to continue lending securities to EU domiciled borrowers. The identifier would allow regulator to know whom EU borrowers are borrowing from. It is an added layer of transparency and Northern Trust will handle all reporting requirements. The cost to obtain the LEI should be no more than \$100 for each plan.

It was moved by Trustee Kehler and supported by Trustee Kraus to obtain the Legal Entity Identifier for the Employees' Retirement System Board.

Adopted by the following: unanimous

It was moved by Trustee Wood and supported by Trustee Chris Wilcox to obtain the Legal Entity Identifier for the Police and Fire Retirement System Board.

Adopted by the following vote: unanimous

Ms. Ami Fox, Director, Global Equity Institutional Sales, Artisan Partners provided an overview of the investment team. She provided an update and overview of the organizational structure. She discussed the investment philosophy and structure of the Artisan team. Ms. Fox provided a review of the market environment, Artisan Partners portfolio performance for the Police and Fire Retirement System.

Mr. Patmon Malcom and Ms. Katie O'Connor, Earnest Partners provided an overview of the investment team. Ms. O'Connor provided a review of the portfolio performance for the Employees Retirement System.

Mr. Nathan Burk of Asset Consulting Group reviewed the Quarterly Performance reports for the 1st quarter of 2020. Ms. Burk discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending April 30, 2020. Mr. Burk reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial portfolio. Mr. Burk provided a review of the structure of both plans and discussed fees and asset allocation.

Ms. Irene Cahill inquired if Attorney Castle could also review the Teamster 243 and Teamster 214 Voluntary Furlough memorandum of understanding in regards to retirement service credits.

It was moved by Trustee Chris Wilcox and supported by Trustee Ryan Wilcox to adjourn the Police and Fire Retirement System Board May joint meeting.

Adopted by the following vote: unanimous

It was moved by Trustee Irene Cahill and supported by Trustee Bahr to adjourn the Employees' Retirement System Board May Joint meeting.

Adopted by the following vote: unanimous

The Meeting adjourned at 10:44 p.m.

Minutes approved on _____

Shelbi Frayer, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System