

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

Regular Meeting  
Council Conference Room  
a.m.  
10th Floor, City Hall  
Lansing, MI

June 20, 2019  
Thursday, 8:30

The Board met in regular session and was called to order at 8:35 a.m.

Present: Kraus, D. Parker, M. Parker, Sanchez-Gazella, Schor, Washington - 6

Absent: Dedic, Kehler, Washington

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Ken Lane (representing the Law Department), Michael Grys, employee.

Karen Williams provided the Trustee board election results for approval. Ms. Williams explained that Matthew Bahr won the election with the majority of votes. Mr. Bahr replaced Carol Munroe who vacated her position. Mr. Matthew would need to be sworn in by the City Clerk prior to taking office. He should be at the next meeting.

It was moved by Trustee Mark Parker and supported by Trustee Washington to approve the election results and certify Mr. Matthew Bahr as the winning candidate for the expiring term of June 30, 2022.

Adopted by the following vote: 6 - 0

It was moved by Trustee Kraus and supported by Trustee Washington to approve the Official Minutes of the Employees' Retirement System Regular Meeting of May 16, 2019.

Adopted by the following vote: 6 – 0

It was moved by Trustee Mark Parker and supported by Trustee Kraus to approve the Official Minutes of the Employees' Retirement System Regular Meeting and the Police and Fire Retirement System Joint Meeting of May 16, 2019.

Adopted by the following vote: 6 – 0.

Karen Williams explained under public comments that Mr. Michael Grys was at the meeting to request use of the reciprocal retirement act to retire. Ms. Williams explained that Ionia County is not a reciprocal unit and would not qualify under Michigan law.

**Employees Retirement System  
Regular Meeting of June 20, 2019  
Page 2**

Secretary's Report:

5 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 452. Total deferred: 77. 0 death(s). Refunds made since the last regular meeting mounted to \$0.00. Retirement allowances paid for the month of May 2019, amounted to \$1,962,940.83. Total retirement checks printed for the ERS System: 930. Total Retirement checks printed for both systems: 1673. 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 Mark Parker to approve the request for regular age and service retirement:

Pamela Bissell (Public Service – UAW), 15 years of service credits, age 64, effective 6/1/2019

James Campbell (Human Resources – T243), 26 years, 7 months of service, age 54, effective 7/1/2019

Morris Garner (Public Service – UAW), 25 years, 4 months of service credits, age 57, effective 8/15/2019

Carol Hubbard (District Court – T243), 17 Years, 10 months of service credits, age 60, effective 7/13/2019

Timothy S. Sherwood (Public Service –UAW), 20 years, 8 months of service credits, age 61, effective 7/13/2019

Adopted by the following vote: 6 -0.

Karen Williams reported that applicant #2018 –E1108 had provided updated medical reports to be evaluated by the medical director. The Human Resources Department provided additional medical reports to be evaluated by the medical director. The medical director has seen the applicant again and the medical direct has issued an updated report.

Trustee Dennis Parker recessed the Employees' Retirement System Board to allow the disability submit to meet to review a medical report for Applicant #2018 –E1108.

The Board recessed at 8:47 a.m.

The Board resumed at 8:49 a.m.

**Employees Retirement System  
Regular Meeting of June 20, 2019  
Page 3**

Karen Williams reported that the disability subcommittee met regarding the application request for duty disability for Applicant #2018 –E1108. The subcommittee has a recommendation for the board.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to accept the medical report and approve the doctor's recommendation for a duty disability for Applicant #2018 – E1108.

Adopted by the following vote: 6 – 0.

There were no requests for non-duty disability.

It was moved by Trustee Kraus and supported by Trustee Sanchez-Gazella to approve the following request for refund of accumulated contribution:

Chelsea Coffey, Mayoral Staff, not vested, \$4,473.09  
Tremachel Johnson, T243 CTP, not vested, \$717.41

Adopted by the following vote: 6 -0

Ms. Williams reported that Trustee Kehler notified the retirement office that she had a work obligation and could not be at the meeting. Trustee Dennis Parker reported that Trustee Dedic contact him and asked to be excused from the meeting.

It was moved by Trustee Washington and supported by Trustee Mark Parker to excuse Trustee Dedic and Trustee Washington to the June Employees' Retirement System Board.

Adopted by the following vote: 6 – 0.

Trustee Mark Parker provided an oral report for the MAPERS Spring Conference. He felt that it was a great conference with good speakers. Trustee Parker discussed the U.S. Bond Market workshop. He discussed indexing versus active investments. The indexing, generally, was found to be more productive. He discussed fixed assets, active investment was more productive. Trustee Parker had an informal discussion regarding Oakland County that was fined by the IRS for their program that brought back retiree contractor. Oakland County had paid out \$300,000 in fines and had to put \$2 million in a contingency fund. The county had 56 retiree contractor employees were penalized by the IRS. Trustee Parker discussed the presentation on PA 202.

Trustee Kraus inquired if the Oakland County issue could affect the City of Lansing.

Attorney Ken Lane explained that he will review the Oakland County case, but he believed that the retiree contractors had a bona-fide separation from the County. He will review the City of Lansing policy and bring a report back to the Board.

### **Employees Retirement System**

**Regular Meeting of June 20, 2019**

#### **Page 4**

Trustee Schor indicated that the City of Lansing does not have a formal program that brings back retiree as contractors. Trustee Schor stated that there are very few retiree contracts with the City at this time.

Trustee Dennis Parker attended the MAPERS Spring Conference. Trustee Dennis Parker reported the increased importance of Defined Benefit plans and its effect on the economy. He discussed funding vehicles for retirement health care such as the VEBA and Health Savings Accounts.

Attorney Ken Lane reported that he is making progress on the Employees Retirement Ordinance. Attorney Lane proposed having a draft at the September meeting. Attorney Lane received suggestions from Trustees for updating the Frequently Asked Question document. He asked Trustees to review the document.

Karen Williams reported the Employees Retirement System Board requested that Attorney Lane draft an amendment to increase the elected board members from three to five.

Attorney Lane distributed a draft to amend the Trustee Election process. He discussed the amendment would change member representation. Elected members would come from the various bargaining units: UAW, Teamsters, and all other employees and two at large positions.

Trustee Kraus explained her concern that the current elected positions have only one union affiliation from Public Service, The UAW has all the elected positions as well as the citizen representative.

Attorney Lane provided the history of the Board policy. He discussed his amendment that that when departments were configured, elected members were in conflict with the policy.

The policy was amended to allow at-large elections.

Trustee Mark Parker re-stated that in the past without at large election, employees at City Hall had an advantage. Trustee Parker discussed the early election scandal. Trustee Parker believed that the Teamster bargaining group members are understaffed and many will not run.

Trustee Washington expressed concern for the long-term process to have more union representation and a broad base.

Trustee Schor expressed concern about increasing the Employees Retirement System Board. Trustee Schor was sympathetic to trustees' concern but he felt that the Board

should take some additional time to review alternatives.

Trustee Kraus suggested that if an employee could not be found who wished to run for an allocated position, that the Mayor could appoint a member until the next election.

**Employees Retirement System  
Regular Meeting of June 20, 2019  
Page 5**

Attorney Ken Lane explained the Reciprocal Retirement Act is a state statute. Attorney Lane opined that only participating reciprocal units could utilize the Reciprocal Retirement Act. Municipal units have to opt-in to the Act. Attorney Lane stated the Employees Retirement System Board does not have the authority to accept the time from Ionia County. Attorney Lane also noted that there was nothing in the Retirement Ordinance to allow the Board to recognize time spent in a non-reciprocal unit.

Trustee Mark Parker inquired if Ionia County had a retirement system when Mr. Grys was an employee.

Mr. Grys provided comments regarding his request for the reciprocal retirement time. Mr. Grys explained that at the time he worked for Ionia County, there was no retirement system. He believed that the Reciprocal Retirement Act allowed municipal service to be recognized. Mr. Grys requests that the Board to acknowledge and accept his seven years of service with Ionia County for retirement eligibility purposes. Mr. Grys stated that there would be no cost to the City of Lansing.

Trustee Washington inquire if Ionia County is currently a reciprocal unit.

Mr. Grys stated that Ionia County is not a reciprocal unit on the State of Michigan list. Mr. Grys indicated that he has worked for the City of Lansing for twenty-one years and the time from Ionia County would allow him to retire.

Trustee Mark Parker recommended that Mr. Grys contact Ionia County to advocate the county opt-in as a participating reciprocal unit.

Karen Williams also reported that Mr. Al Mooney has requested a return of his accumulated contributions. He was advised that he could purchase service credits under the reciprocal retirement act. Mr. Mooney worked and retired from the City of Grand Rapids, which is not a reciprocal unit. Mr. Mooney did not purchase enough service credits to vest in the system.

Attorney Lane opined that there is a provision in the Retirement Ordinance that if you do not withdraw the monies within five years, the money reverts to the system. Attorney Lane mentioned that the only time the Board made an exception was when the employee had documentation that she could use the reciprocal retirement act.

Trustee Schor requested a list of communities that participate in the Reciprocal Retirement Act be provided to employees within their documentation when the hire or

leave the City of Lansing.

Attorney Lane will review the documentation regarding Mr. Mooney's refund request and report back to the Board.

Karen William distributed proposed recommendation by Asset Consulting Group for 6 million of quarterly cash flow.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to approved quarterly cash flow requests as recommended by Asset Consulting Group; \$1.5 million from Western Asset; \$2.5 million from Franklin Templeton; \$2 million from BlackRock and \$20,000 from Northern Trust Securities Lending for the Administrative support.

Adopted by the following vote: 5 – 0.

Karen Williams reported that the Joint Retirement Board will have a special meeting for the Emerging market search, June 25, 2019.

It was moved by Trustee Mark Parker and supported by Trustee Sanchez-Gazella to approve the Legal Advisor Request for Information.

Adopted by the following vote: 5 – 0.

Karen Williams reviewed the Monthly Investment Report and the Securities Lending report for the period ending May 31, 2019.

The meeting adjourned at 9:53 a.m.

Minutes approved on \_\_\_\_\_

\_\_\_\_\_  
Angela Bennett, Secretary  
Employees' Retirement System

\_\_\_\_\_  
Dennis R. Parker, Chairperson  
Employees' Retirement System