

**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

February 21, 2019
Thursday, 8:30

The Board met in regular session and was called to order at 8:37 a.m.

Present: Bennett, Dedic, Kraus, Munroe (9:05), D. Parker, M. Parker, Sanchez-Gazella, Schor (8:40) - 8
Absent: Washington

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

It was moved by Trustee Kraus and supported by Trustee Dedic to approve the Official minutes of the Employees' Retirement System Regular Meeting of January 24, 2019.

Adopted by the following vote: 6 – 0.

Attorney Ken Lane reported that the Employees Retirement System requested that legal counsel review if the Board had authority to approve the retirement of Mr. Eric Hassett. Attorney Lane on behalf of the City Attorney's office that the ERS Board did not have the authority to confirm Mr. Hassett's retirement eligibility through use of the UAW time or approve Mr. Hassett's retirement. He stated that he prepared a memo that would outline the Retirement Ordinances section that re-affirm his opinion that was distributed at the special meeting.

Attorney Lane indicated that he did researched the Retirement Ordinance regarding the Board's equitable authority. He discussed Section 292.46 that detailed the correction of errors and Section 292.12 that detailed the restoration of credits service in certain cases.

Attorney explained that 'if any change or error in the records results in any member, retirant or beneficiary receiving from the retirement system more or less than he or she would been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and as far as practical, shall adjust the payment in such a manner

that the actuarial equivalent of the benefit to which such member, retirant or beneficiary was correctly entitled shall be paid.

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Secretary's report:

7 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total active membership: 434. Total deferred: 75. 1 death(s) Bert R. Queen (retired 7/7/1993 – T580 CTP), died 1/27/2018, no beneficiary. Refunds made since the last regular meeting mounted to \$0.00. Retirement allowances paid for the month of January 2019, amounted to \$1,955,604.98. Total retirement checks printed for the ERS System: 923. Total Retirement checks printed for both systems: 1667. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

It was moved by Trustee Dedic and supported by Trustee Kraus to approve the following requests for regular age and service retirements:

Julia M. Cherry, (District Court – District Court Non Represented), 26 years of service credits, age 73, effective 2/22/2019.

Ernestine M. Cruz (Police/Civilian – UAW), 21 years. 10 months of service credits, age 66, effective 3/1/2019

Troy M. Swisher (Public Service – UAW Full Time), 26 years, 4 months of service credits, age 56, effective 3/30/2019.

Adopted by the following vote: 6 – 0

It was moved by Trustee Mark Parker and supported by Trustee Dedic to approve the following requests for regular age and service retirements based upon Section 292.46, and the Board's prior motion to confirm his eligibility for retirement:

Eric Hassett (Public Service – T243 Supervisory), 23 years, 11 months of service credits, age 53, effective 3/15/2019.

Trustee Schor inquired to legal counsel if Mr. Hassett had enough qualified service time to retire.

Attorney Lane opined that Mr. Hassett does not have enough time. He stated the Board would be disagreeing with his opinion.

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Trustee Dedic stated that at the Employees' Retirement System special meeting, the Board voted to deem Mr. Hassett qualified to retire. Trustee Dedic indicated that the Board at this meeting would be voting to approve the retirement.

Trustee Angela Bennett expressed concern regarding the reliability of the Frequently Asked Question document and giving it equal weight to the legal documents that were signed that forfeited the UAW time.

Trustee Kraus stated that the Board should state under what section of the Retirement Ordinance that Mr. Hassett could retire.

Trustee Mark Parker indicated that the Board approved all of Mr. Hassett's city service for eligibility purposes. The twenty-three years and eleven months would only apply to pension calculations.

Trustee Dennis Parker and Trustee Kraus inquired about the impact to Mr. Hassett if the City takes legal action.

Trustee Schor inquired if the Board had made an illegal action. Trustee Schor expressed concern that Mr. Hassett signed a legal agreement. Trustee Schor wanted it reflected that he would vote no to be consistent with his no vote at the special meeting.

Attorney Lane advised that the Board could approve the retirement using the Retirement Ordinance 292.46 correction of errors and the action would be legal.

The motion failed 5 - 3.

The Employees Retirement System Board discussed sending the issue to the City Council for review.

It was moved by Trustee Parker and supported by Trustee Munroe to send Mr. Hassett's request for eligibility to retire to City Council.

Adopted by the following vote: 7 – 0, 1 abstained.

Attorney Lane provided an explanation of how the provision regarding special circumstances would work. The referral to City Council would reaffirm or disagree with the Board's decision.

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Mayor Schor expressed concern that the City Council decision would be non-binding. Mayor Schor indicated that a legislative fix was needed.

Attorney Ken Lane stated that he would provide documents to City Council. Attorney Lane stated that the provision allows the Board to provide a recommendation to City Council. Attorney Lane would state in the documentation regarding the Board actions to approve the eligibility to retire at a special meeting. The Board actions at its regular meeting was to deny Mr. Hassett's request for retirement. The documentation to Council would ask to confirm or disagree with the Board's decision. Attorney Lane opined that City Council would have the authority to right the wrong.

Trustee Dennis Parker inquired if a Retirement Ordinance amendment would be needed, if the City Council has the authority to right the wrong.

Attorney Lane stated that if the City Council believed the Board acted incorrectly, he would recommend the Retirement Ordinance be amended.

Mayor Schor stated that he would advocate changing the Ordinance. Mayor Schor indicated that he does not believe the Ordinance allows for the retirement under the opinion that was given by the City Attorney's office. Mayor Schor would recommend to Council, if they believe that Mr. Hassett should be able to retire, that the Ordinance should be amended.

Trustee Kraus inquired if the Board could provide a recommendation to amend the Ordinance to City Council. Trustee Kraus suggested that the Ordinance amendment recommendation be a part of the motion to refer the issue to City Council.

It was moved by Trustee Parker and supported by Trustee Munroe to amend its motion to send Mr. Hassett's request for eligibility to retire issue to City Council to determine if the ERS Board acted appropriately. If the City Council determines that the ERS did not act appropriately, the ERS Board recommends that the City Council amend the ERS Ordinance.

Adopted by the following vote: unanimously

Karen Williams reported that applicant #2018 –E1108 had been evaluated by the medical director. The medical director could not make a final determination because the applicant had a recent procedure that could affect the disability. The medical director would like to see the applicant again to determine if the procedure had been successful.

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

Chris Loveall, Teamster 243, not vested, \$5,179,17

Adopted by the following vote: 8 – 0.

It was moved by Trustee Dedic and supported by Trustee Mark Parker to excuse Trustee Washington from the Employees Retirement System Board February meeting.

Adopted by the following vote: 8 – 0.

Ms. Williams reminded members that the MAPERS One Day Conference was scheduled for March 1, 2019 for those who were interested in attending.

The Retirement Office provided Employees Retirement System for 2017-2018 to determine if any adjustments needed to be made. The Employees Retirement System Board reviewed and discussed amendments to the 2019 draft budget. The Board agreed to increase the allocation for Asset Consulting Group, lower the allocation for investment fees, and create an administrative account of \$5,000.

It was moved by Trustee Mark Parker and supported by Trustee Dedic to approve the 2019 Employees' Retirement System Budget with the proposed amendments.

Adopted by the following vote: 8 – 0.

Attorney Lane stated that he would bring copies of the updated approved budget to the next meeting.

Ms. Williams reported that there was a vacancy on the disability subcommittee.

Trustee Dennis Parker appointed Trustee Kraus to the disability subcommittee.

Ms. Bennett reviewed that the Employees' Retirement Corrective Action Plan was filed and approved by the State of Michigan. The City of Lansing is required each December to report to the State of Michigan Municipal Board regarding its implementation of the plan.

Attorney Ken Lane reviewed the Contract Employees Policy.

Ms. Williams reviewed the Quarterly Investment Report and the Securities Lending report for the month ending January 31, 2019.

It was moved by Trustee Munroe and supported by Trustee Dedic to adjourn the meeting.

Adopted by the following vote: 8 – 0.

The meeting adjourned at 9:47 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Dennis R. Parker, Chairperson
Employees' Retirement System