

OFFICIAL PROCEEDINGS OF THE BOARD OF TRUSTEES CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM

Regular Meeting
Via Zoom Meeting

January 19, 2021
Tuesday, 8:30 a.m.

The Board was called to order at 8:30 a.m.

Present (via remotely): Trustees Kirkland (Lansing), Moore (Lansing), Schor (Lansing), C. Wilcox (Haslett), R. Wilcox, (Lansing) Wohlfert (Westphalia), Wood (Lansing) – 7.

Absent: Rose -1

Others: Karen E. Williams, Human Resources Department; Robert Widigan, Finance Department, Attorney Aaron Castle (legal counsel).

Karen Williams reported that the Lansing City Council has appointed Carol Wood as the city council representative to the Police and Fire Retirement Board for 2021.

Karen Williams distributed the election results for the Police Trustee position. Justin Moore submitted a valid nomination petition and the received the most votes. Mr. Moore has been sworn in by the city clerk.

It was moved by Trustee Wood and supported by Trustee Ryan Wilcox to confirm the election results and declare Justin Moore as a Police Trustee to the Police and Fire Retirement System Board.

Adopted by the following vote: Yes: Kirkland, Moore, Schor, C Wilcox, R. Wilcox, Wohlfert, Wood.- 7. No – 0.

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to approve the Official Minutes of the Joint Employees' Retirement System and Police and Fire Retirement System Board of December 9, 2020.

Adopted by the following vote: Yes: Kirkland, Moore, Schor, C Wilcox, R. Wilcox, Wohlfert, Wood.- 7. No – 0.

It was moved by Trustee Chris Wilcox and supported by Trustee Wood to approve the Official minutes of the Police and Fire Retirement System Board meeting of December 15, 2020.

Adopted by the following vote: Yes: Kirkland, Moore, Schor, C Wilcox, R. Wilcox, Wohlfert, Wood.- 7. No – 0.

Special Meeting

December 15, 2020

Secretary's Report.

0 new sworn fire member(s), 3 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total: Active membership: 373. 3 death(s): Shirley Alvord, died 11/30/2020, age 80 spouse of Police retiree; Michael D. Betcher, IAFF, died 12/9/2020, age 75, spouse to receive 50%; Charles Finn, Police-Nonsupervisory, died 12/25/2020, age 82, spouse to receive 50%. Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the System year-to-date amount to \$19,644.35. Retirement allowances paid for the month of December 2020, amounted to \$2,885,394.88. Total retirement checks printed for the P&F System: 755. Total retirement checks printed for both systems: 1,699. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to approve the following applications for regular age and service retirements:

Sheila Platner, (Fire – IAFF), 25 years of service credits, age 51, effective 12/19/2020 (with the purchase of 11 months of universal service credits

Teresa Robinson (Fire – IAFF), 25 years of service credits, age 46, effective 1/16/2021 (with the purchase of 10 months of universal service credits.

Keegan C. Stitt (Police – CCLP Supervisory), 22 years, 4 months of service credits, age 49, effective 2/20/2021 (eligible to retire with additional 3 years, 3 months of reciprocal retirement credits from City of Chelsea-MERS)

Adopted by the following vote: Yes: Kirkland, Moore, Schor, C Wilcox, R. Wilcox, Wohlfert, Wood.- 7. No – 0.

There were no requests for duty disability.

There were no requests for non-duty disability retirement.

It was moved by Trustee Chris Wilcox and supported by Trustee Kirkland to approve the following request for refund of accumulated contributions:

Jason G. Knopps, IAFF, vested, \$91,510.61

Attorney Castle inquired if the former employee was required to complete a form that acknowledges that the employee forfeits all rights to a pension.

Ms. Williams read the notarized form that employee acknowledges that he understands that upon withdrawal of retirement contributions, he is forfeiting all rights to pension, health care and of life insurance benefits.

Adopted by the following vote: Yes: Kirkland, Moore, Schor, C Wilcox, R. Wilcox, Wohlfert, Wood.- 7. No – 0.

Karen Williams updated the conferences available through IFEBP, NCPERS, and MAPERS. She reported that a MAPERS One Day Conference was to be held Friday, February 12, 2021. The one day session was geared toward new trustees. She requested that members who were interested contact the Retirement Office to be registered for the session.

It was moved by Trustee Chris Wilcox and supported by Trustee Kirkland to excuse Trustee Rose from the January Police and Fire Retirement System Board meeting.

Adopted by the following vote: Yes: Kirkland, Moore, Schor, C Wilcox, R. Wilcox, Wohlfert, Wood.- 7. No – 0.

There were no public comments.

Karen Williams provided retirement board January invoices (Northern Trust, Boomershine) for approval in accordance with the new authorized signers policy.

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris. Wilcox to approve the January invoices.

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood -7. No: 0.

Attorney Aaron Castle provided a legal counsel report and reviewed the income Research & Management selection as the system's Core Fixed Income. Attorney Castle reviewed the negotiated contract provision for the Police and Fire Retirement System Board. He also reviewed an Act 314 compliance opinion that legally qualified the investment. The opinion discusses the terms of the investment and a legal analysis of how the investment qualified under Act 314.

Trustee Wood inquire if security protocols were included in the contract.

Attorney Castle reported that he specifically included information in the side letter that included security insurance coverage.

Attorney Castle was asked to review the Police and Fire Retirement Ordinance regarding a health insurance fund. Attorney Castle provided analysis of the ordinance section regarding the IRS Code 401H account. The IRS stated that contributions to the health insurance fund should be no more than 25% of the aggregate pension contributions funding. Attorney Castle discussed IRS requirements and the language in the retirement ordinance. A separate VEBA has been recommended for the health care contributions. As of last valuation, there were over \$42 million in the health insurance fund. Attorney Castle provided an overview of distribution schedule. The Board set the assumptions for the health insurance fund and has investment fiduciary for the fund.

Attorney Castle was asked to create a memo regarding the Solar Winds hack. The memo would requesting vendors to notify the Board if they were impacted by the Solar Winds breach.

Attorney Castle indicated that his law firm uses a competitor to the Solar Winds software and were not affected by the breach.

It was moved by Trustee Wood and supported by Trustee Chris Wilcox to send the Solar Winds memo to vendors for response.

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood -7. No: 0.

Attorney Castle updated the Board regarding Public Act 254 that amended the Michigan Open Meeting Act to allow public bodies to meet remotely under any circumstances through March 31, 2021.

Trustee Wood asked to return to the discussion regarding the health insurance fund. She inquired what action does the Board need to take going forward.

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Attorney Castle indicated that the Board would need to approve the actuarial

assumptions on a regular basis, monitor that contributions are made, and as an investment fiduciary. He recommended asking for additional detail.

Karen Williams indicated that the Board received notification from the Finance Department regarding the FY 2020 Police and Fire Contribution. In December \$16,950,155 was transferred from the City of Lansing to the Police and Fire Retirement System, which was 100% actuarially calculated amount.

Trustee Wood requested that the contribution amount indicate how much was allocated for the health insurance fund.

It was moved by Trustee R. Wilcox and supported by Trustee Kirkland to approve the FY 2020 Police and Fire Pension Contribution.

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood -7. No: 0.

Mr. Vargas, a duty disability retiree, requested a beneficiary change for his pension. The current spouse was not named as beneficiary at the time of the duty disability retirement in 2008. Mr. Vargas sent in a marriage certificate and was married in 2015.

Attorney Castle opined that the Mr. Vargas cannot his pension beneficiary election after his retirement in 2008. Attorney Castle indicated that he could change who would receive his accumulated contributions in the event of the death.

Trustee Wood requested that Attorney Castle draft a letter than can be sent to Mr. Vargas in response to his request.

Karen Williams reviewed the subcommittee memberships and requested that members contact the Retirement Office or the chairperson for additions or changes to the committees.

Trustee Ryan Wilcox nominated Eric Wohlfert as chairperson for the Police and Fire Retirement System. The nomination was supported by the Trustee Wood.

Trustees Wood nominated Ryan Wilcox as vice chairperson for the Police and Fire Retirement System. The nomination was supported by Trustee Chris Wilcox.

It was moved by Trustee Wood and supported by Trustee Chris Wilcox to approve and accept Eric Wohlfert as chairperson and Ryan Wilcox as vice chairperson of the Police and Fire Retirement System Board.

Adopted by the following roll call vote: Yes: Kirkland, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood -7. No: 0.

Karen Williams reported that she had received several from the laid-off officers regarding their breaks in service and its effects on their retirement dates. Ms. Williams will be completed with Police Department requests and will move to the Fire Department requests next.

Greg Stump reviewed the actuarial valuation report for the period ending in December 31, 2019. Mr. Stump reviewed demographic information, funding level and the contribution calculation for the year. He discussed the market and actuarial rate of return. Greg Stump requested to attend the February Joint meeting to discuss the experience study proposed recommendations.

Karen Williams reviewed the monthly investment report for the month ending December 31, 2020.

The meeting adjourned at 9:29 am.

Minutes approved on _____

Robert Widigan, Secretary
Police & Fire Retirement System

Eric P. Wohlfert, Chairperson
Police & Fire Retirement System