

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

Regular Meeting
10th Floor, City Council Conference Room

March 21, 2023
Tuesday, 9:30 a.m.

The meeting was called to order at 9:33 a.m.

Present: Trustee Bahr, Dedic, Ebright, Jeffries, Kirkland, Kraus (9:43a), O'Leary, Parker – 7
Absent: Excused: Garza, Schor

Others present: Karen Williams, Human Resources Department; Attorney Joseph Abood, City Attorney's Office; Attorney Aaron Castle, VanOverbeke, Michaud & Timmony, P.C.

It was moved by Trustee Bahr and supported by Trustee Dedic to approve the Official Minutes of the Employee Retirement System Board meeting of February 21, 2023, as amended.

Trustee Jeffries requested her inquiry be added to the February minutes: "Trustee Jeffries inquired whether the shift to Northern Trust's cash management system would indirectly impact the City's budget for departmental pension costs."

Trustee Parker explained that the Board's budget does not impact the City's budget for departmental pension costs. The monies going to Northern Trust would be employee contributions.

Adopted by the following vote: 6 -0

Secretary's Report

3 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 4 retired. Total active membership: 491. Total deferred: 73. 2 death(s) Donald D. Janecke (Finance – Teamster, retired 1/5/1991), died 2/26/2023, age 85, surviving spouse to receive 100%; Janet Davidowicz, died 1/21/2023, age 72, spouse of UAW retiree . Refunds made since the last regular meeting amounted to \$4,490.420. Retirement allowances paid for the month of February 2023, amounted to \$2,012,900.57. Total retirement checks printed for the ERS System: 924. Total Retirement checks printed for both systems: 1715. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

Karen Williams reported that Mr. Mark Boyer sent a letter to the retirement office requesting to rescind his age and service retirement indefinitely.

It was moved by Trustee Ebright and supported by Trustee Dedic to reconsider and rescind the following Request for Age and Service Retirement.

Mark Boyer (UAW – Public Service), 25 years, 8 months of service credit, age 50, effective 3/18/2023.

Adopted by the following vote: 6 -0

It was moved by Trustee Ebright and supported by Trustee Bahr to approve the following Request for Age and Service Retirement (cont.).

Eric Fogg (Finance -Teamster 243), 16 years, 9 months of service credits, age 67, effective March 1, 2023 (From Deferred)

Linda Sanchez-Gazella (Human Resources – Executive Management), 5 years, 1 months of service credits, age 70, effective February 3, 2023. (Eligible with additional vested service credit of 11 years, 11 months from previous City retirement.)

Adopted by the following vote: 6 – 0.

Ms. Williams reported that applicant #2023-E0321 submitted a request for duty disability. The request was referred to the disability subcommittee.

It was moved by Trustee Bahr and supported by Trustee O'Leary to acknowledge receipt of the request and refer Applicant #2023-E0321 to the medical director for evaluation.

Adopted by the following vote: 6 -0.

Karen Williams reported that Applicant #2022 -E1220 for duty disability and Applicant #2023-E0221 for nonduty disability have been scheduled to see the medical director.

Ms. Williams notified the Board of MAPERS Spring Conference, May 20 -23, 2023 in Kalamazoo, Michigan and the NCPERS Annual Conference, May 21-24, in New Orleans, Louisiana. Ms. Williams requested that members contact the Retirement Office to attend the conferences.

It was moved by Trustee Bahr and supported Trustee Dedic to excuse Trustee Garza and Trustee Schor from the March Employees' Retirement System Board meeting.

Adopted by the following vote: 7 -0

There were no public comments for items not on the agenda.

Ms. Williams provided the following invoices from Northern Trust, \$13,004.15; Western Asset, \$9733.54; and Boomershine, \$1,302.50.

It was moved by Trustee Bahr and supported by Trustee Ebright to approve the Employees' Retirement System Invoices for March.

Adopted by the following vote: 7 – 0.

Attorney Castle updated the Employees' Retirement System regarding the Protecting Michigan Pension Grant Program. Attorney Castle reported that the Michigan Department of Treasury released additional information regarding the program on its website and includes a preliminary list of qualified local retirement systems. Attorney Castle stated that the program was for underfunded pension funds under 60% funded. . Attorney Castle provided a preliminary timeline for the application process. Attorney Castle indicated the Employees' Retirement System would be eligible for the grant.

Attorney Aaron Castle provided an update to the Employees' Retirement System Board regarding the Michigan Pension Tax Changes, Public Act 4 of 2023. Attorney Castle reported that on March 7 , the Governor signed into law Public Act 4 that phases in a state income tax reduction for retirees over the course of four years. Public Act 4 was not given immediate effect and will not take effect until 2024.

Karen Williams distributed the Segal renewal information for the Fiduciary Liability Insurance Coverage. Attorney Castle explained that the Board would need to provide the updated trustee list and the most recent actuarial report for the renewal.

It was moved by Trustee Bahr and Trustee Ebright to proceed with the Fiduciary Liability Insurance Coverage renewal process.

Adopted by the following: 7 – 0.

Karen Williams reported that Trustee Kirkland, Karen Williams, and Finance Staff met with Clayton Robinson of Northern Trust regarding custodial banking services. Northern Trust stated the first step would be to set up cash accounts to receive contributions and pay expenses. Mr. Robinson provided options to pay expenses either through submitting invoices or with the Cash Web Management system.

Karen Williams provided the Employees' Retirement System Board with listing of medical specialties for MES Solution and MMRO Medical Services for review.

Trustee Parker inquired if the Board needed to send out a request for proposals.

Trustee Kraus inquired if the Board meets its due diligence by just reviewing the information presented from the medical services companies,

Attorney Castle stated that Vendor Review policy provides the Board discretion regarding how the process is completed. Attorney Castle remarked that the Board had discussed and reviewed information regarding medical services for two meetings and it would satisfy the vendor review policy.

It was moved by Trustee Ebright and supported by Trustee Bahr to retain the current medical director.

Adopted by the following vote: 7 – 0.

Ms. Williams reviewed the Monthly Investment Report for the month ending February 28, 2023. Ms. Williams also reviewed a report from Asset Consulting Group regarding the Silicon Valley bank failure.

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

The meeting ended at 10:09 a.m.

Minutes approved on 4/18/2023.

*Desiree Kirkland, Secretary
Employees' Retirement System*

*Dennis R. Parker, Chairperson
Employees' Retirement System*