

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

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

February 6, 2019
Wednesday, 8:30

The Board met in regular session and was called to order at 8:38 a.m.

Present: Bennett, Dedic, Kraus, Munroe, D. Parker, M. Parker, Sanchez-Gazella, Schor
(8:49) Washington - 8

Absent: 0.

Others: Karen E. Williams, Finance Department; Eric Hassett, employee; Lynne Meade,
Teamster 243; Attorney Ken Lane (representing the Law Department).

Trustee Bennett indicated that she was acting Treasurer and would be participate in that capacity for the meeting.

Attorney Lane sent out background documents regarding Mr. Eric Hassett request for eligibility to retire. Attorney Lane provided an overview of the issue. In 1995, Mr. Hassett made a decision to transfer from UAW to Teamster. Both unions provided for pension in different ways, UAW had a defined benefit plan, Teamsters had a defined contribution plan.

Attorney Lane reviewed that Mr. Hassett requested a legal opinion regarding what would happen to his time. The City Attorney provided an opinion that if Mr. Hassett made the transition, the time would be forfeited. An acknowledgement was prepared for Mr. Hassett to sign in May 1995. Attorney Lane opined that the time was forfeited for all purposes except the Reciprocal Retirement Act. In 2003, collective bargaining, Teamster 580 began providing pension through the defined benefit plan. In 2003, a Frequently Asked Questions was provided to Mr. Hassett. Within the document, there was a statement that the time in either plan could be used for eligibility. In 2012, Attorney Lane provided a legal opinion that the time was forfeited based upon the acknowledgement that was signed in 1995.

Mr. Hassett filed a grievance regarding the issue. The grievance was denied and the decision had not been appealed.

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Attorney Lane provided options for Mr. Hassett. He stated that Mr. Hassett could request that his application for retirement be placed on the agenda for Board action. Attorney Lane stated within the Ordinance 292.15 there is a section that discusses special circumstances for restoration of service credit and allows the issue to be forwarded to City Council for review.

Attorney Lane distributed a new legal opinion that re-affirmed his 2012 opinion.

Trustee Dennis Parker indicated that Mr. Hassett was only requesting eligibility not pension benefit. He stressed that the 2004 Frequently Asked Question document stated that the time in either plan could be used for eligibility. Trustee Parker indicated that Mr. Hassett used his money to purchase into the defined benefit plan.

Attorney Lane indicated the Frequently Asked Questions was not a legal document.

The Board members discussed who could have drafted the Frequently Asked Questions.

Trustee Kraus stated that Mr. Hassett purchased back in the defined benefit pension plan as of the date he transferred into the Teamster position. Trustee Kraus that the city documents indicate that May 1995 was his date for retirement purposes.

Trustee Mark Parker felt that the Frequently Asked Question document was misleading. Trustee Mark Parker indicated that document stated that the time in either plan could be used for eligibility to retire. '

Attorney Lane opined that the Frequently Asked Question would supersede the collective bargaining or the acknowledgement that Mr. Hassett signed.

Trustee Washington expressed that the Board members should only consider the documents before them, and not speculate on actions that happened in previous years. Trustee Washington expressed concern that the city service would not be counted because he worked the time. Trustee Washington believes that if he worked 25 years, then he should be allowed to retire.

Trustee Mark Parker stated the Frequently Asked Question document was used by the employees to make decisions, and that all city service would be used for eligibility.

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Ms. Lynne Meade indicated that Mr. Hassett always thought his years of service within the UAW would be used for eligibility. Ms. Meade indicated that Mr. Hassett bought service credits into the defined benefit plan to make himself whole.

Attorney Lane opined that the Frequently Asked Questions could not be used as a legally binding document in this case.

Trustee Bennett believed that the collective bargaining, the acknowledgment Mr. Hassett signed and the City Attorney's opinion had more legal weight than the Frequently Asked Questions. She stated the Frequently Asked Questions are generally not considered as the source material. Trustee Bennett requested that the Board take time to read the legal opinion prepared by Attorney Lane.

Trustee Dedic stated Mr. Hassett's request would not be harmful to the City, and not harmful to the pension system. Trustee Dedic stated that the Retirement Ordinance provides the ability for the Board to amend the problem. Trustee Dedic believed that the acknowledgement was not clear in indicating that the time would not be used for eligibility.

Trustee Bennett clarified that there would be a cost to the pension system in that Mr. Hassett would allow for earlier draws from the system that were not accounted for based on the documentation.

Trustee Washington does not believe the acknowledgement was not clear and believes the cost to the system would be insignificant.

Trustee Kraus stated that it was important to perform its due diligence and discuss the facts before making a decision. Trustee Kraus indicated that Mr. Hassett should submit an application for retirement that could be considered by the Board.

Mr. Hassett indicated that he believed that he was the only person in this situation.

Trustee Munroe requested information regarding the Retirement Ordinance 292.15 option.

Attorney Lane stated that the Retirement Ordinance allows the Board to forward the issue to City Council for review for special circumstances regarding the restoration of service credits.

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Trustee Washington called the question.

It was moved by Trustee Mark Parker and supported by Trustee Kraus that the Employees Retirement System Board confirm that Mr. Hassett has eligibility to retire for all of his full time service with the City, If the City does not feel that the Board does not have the authority to make this decision, then the item should be moved to City Council. Trustee Marker Parker accepted a friendly amendment to place Mr. Hassett request for his age and service retirement on the February regular meeting agenda,

Trustee Dedic inquired if legal counsel believed that the Board has the authority to make a decision on the eligibility.

Attorney Ken Lane indicated the Board does have the ability to correct errors, but it does not have the authority to approve the retirement without it being listed on the agenda.

Motion was approved: 5- 0.

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

Adopted by the following vote: 8 – 0.

The meeting adjourned at 9:48 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Dennis R. Parker, Chairperson
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