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

A quorum of both Retirement Boards were present.

Trustees present: (ERS), Bahr, Cahill, Dedic, Kehler, Kraus, D. Parker, Sanchez-Gazella, Schor, Spadafore – 9.

Others present: Karen Williams, Human Resources Department; Shelbi Frayer, Finance Department; Attorney James Smietka, Attorney Joseph Abood, (City Attorney’s Office); Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C. Attorney Kenneth Kane, AML Group, PLC.; Greg Stump, Boomershine Consulting Group.

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to excuse Trustee Fabus, Trustee Kehler, Trustee Rose, Trustee Schor and Trustee Wood from the January 2020 Police and Fire Retirement System Board meeting.

Adopted by the following vote: 8 -0

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to approve the official minutes of the Police and Fire Retirement System Board meeting of December 17, 2019.

Adopted by the following vote: 8 – 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 the Police and Fire Retirement System Meeting of January 14, 2020.

Adopted by the following vote: 8 – 0.
It was moved by Trustee Chris Wilcox and supported by Trustee Ryan Wilcox to approve the official minutes of the Police and Fire Retirement System Committee of the Whole meeting of January 21, 2020.

Adopted by the following vote; 8 – 0.

It was moved by Trustee Bahr and supported Trustee Dedic to approve the reading of the official minutes of the Employees’ Retirement System of January 21, 2020.

Adopted by the following vote: 8– 0.

Secretary’s Report (Police and Fire):
0 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total: Active membership: 372. 4 death(s): Manuel Burch Jr., Police, died 1/24/2020, age 91, no surviving beneficiary; Rita Frayer, died 1/20/20, age 83, spouse of Fire retiree; Stephen Klein, Police, died 2/11/2020, age 66, no beneficiary. Carlton Meredith, Fire, died 1/3/20, age 91, surviving spouse to receive 50%. Refunds made since the last regular meeting amounted to $0.00. Reimbursements to the System year-to-date amount to $0.00. Retirement allowances paid for the month of January 2020, amounted to $2,847,047.66. 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.

Secretary’s Report (Employees’ Retirement System):
7 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 465. Total deferred: 77. 1 death(s): Audrey Dube (Police/Civilian, retired 8/1/1991), died 1/22/2020, age 89, no beneficiary. Refunds made since the last regular meeting mounted to $0. Retirement allowances paid for the month of January 2020, amounted to $2,017,307.65. Total retirement checks printed for the ERS System: 944. Total Retirement checks printed for both systems: 1699. Eligible domestic relations orders received: 1. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.
Joint Meeting
Council Conference Room
10th Floor City Hall
Lansing, MI

February 18, 2020
Tuesday, 8:30 a.m.

Page Three

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to approve the following application for regular age and service retirement from the Police and Fire Retirement System:

Scott Clark (Police – CCLP Non-Supervisory), 10 years, 2 months of service credits, age 55, effective March 1, 2020. (From Deferred)

Adopted by the following vote: 8 - 0

It was moved by Trustee Chris Wilcox and supported by Trustee Rose to approve the following application for regular age and service retirement from the Police and Fire Retirement System:

Thomas Fabus (Police – CCLP Supervisory), 25 years of service credits, age 48, effective March 14, 2020. (with the purchase of 6 months of universal service credits)

Adopted by the following vote: 8 - 0

It was moved by Trustee Kraus and supported by Trustee Bahr to approve of the following applications for regular age and service retirement from the Employees' Retirement System:

Margarete L. Chalker, spouse of Steve Chalker, deceased, (Teamster 214 – Supervisory), 8 years, 6 months of service credit, age 58, effective March 1, 2020. (From Deferred)

Kimberly Schneider,(Finance – T243 CTP), 8 years, 6 months of service credit, age 58, effective March 1, 2020 (From Deferred)

Adopted by the following vote: 8 - 0.

There were no requests for duty disability retirement.

There were no requests for non-duty disability retirements.
Karen Williams announced the following upcoming training and education:

- One Day MAPERS Seminar – March 6, 2020
- NCPERS Annual Conference – May 10-13, 2020
- MAPERS Spring Conference – May 16 -19, 2020

Ms. Williams explained the travel policy and indicated that if the chairperson and more than two members would like to attend the NCPERS Annual Conference, the Boards would need to approve the out-state travel.

It was moved by Trustee Ryan Wilcox and supported by Trustee Chris Wilcox to permit the Chairperson and any members who wished to attend the NCPERS Annual Conference from the Police and Fire Retirement System Board.

Adopted by the following vote: 8 -0.

It was moved by Trustee Dedic and supported by Trustee Bahr to permit the Chairperson and any members who wished to attend the NCPERS Annual Conference from the Employees’ Retirement System Board.

Adopted by the following vote: 8 -0.

It was moved by Trustee Bahr and supported by Trustee Schor to approve the request for the refund of accumulated contribution from the Employees Retirement System for the following:

- Cody Shattuck, T243 District Court, Not Vested, $2,432.61.

Adopted by the following vote: 8 – 0.

Karen Williams provided the legal counsel contracts for review by the retirement boards. Attorney Abood commented that the law department did review the contract and provide amendments to the original contract. Attorney Abood indicated that the law department did remove language regarding a different fee for litigation. Attorney Abood explained that the law department did not incentive litigation. Attorney Abood also inquired about the fee structure of the contract.

Attorney Castle explained the fee structure and the different rates for non-litigation and
Attorney Schor requested that the fee structure be clarified within the contract.

Attorney Castle stated that he would clarify the travel expenses within the contract.

Trustee Wood indicated that she did not have a problem with the fee structure but would like the expenses clarified.

Attorney Schor inquired if there were any ‘not to exceed’ language so that the contract would not be more expensive to the City or the retirement board than what has been paid in the past.

Attorney Smiertka requested to make a statement to the joint retirement boards. Attorney Smiertka commended that the City of Lansing retirement ordinances mandate that the city attorney shall be the legal advisor to the Boards. Attorney Smiertka indicated that unless the city council amends the retirement ordinance, the Boards are bound by the Ordinance. Attorney Smiertka indicated that PA 314 allows legal counsel where necessary, but it is not a mandate.

Attorney Smiertka read in part from a Michigan Supreme Court case: Applying the plain language of the statute, the Supreme Court concluded that Board may retain legal services in those circumstances where such counsel is necessary for the conduct of the affairs of the retirement system, it is not an open authorization to the Board … if the legislature intended to give the Board of the retirement systems unfettered discretion to pay independent legal counsel under any circumstances it would not have included the language ‘where necessary for the conduct of the affairs of the retirement system’, whether independent legal counsel is ‘necessary for the conduct of the affairs of the retirement system’ is a determination to be made by Board on a case by case basis.

Trustee Carol Wood indicated that the Retirement Ordinances can be amended. She reviewed the timeline and process for amending the ordinance. It would require a public hearing.

Attorney Castle wanted it clarified that VanOverbeke’s model is that the firm works for the Board of Trustees, not the City. He believed that state law is clear that Boards can hire their own legal counsel.

Trustee Irene Cahill requested a copy of the Michigan Supreme Court decision.
Trustee Kraus clarified that the City Attorney is the legal advisor to the Board until VanOverbeke is under contract. She also clarified with Attorney Castle that the Board was not being charged by VanOverbeke for his time, while not under contract.

It was moved by Trustee Ryan Wilcox and supported by Trustee Wood for the Police and Fire Retirement System that once the language was clarified regarding the travel expenses, that the VanOverbeke contract would be sent to the chairperson for signature.

Trustee Rose commented that City Attorney represents the Boards. Trustee Rose commented that if he has a question or issue, he would go to the City Attorney.

It was moved by Trustee Schor and supported by Trustee Rose to table the motion until the Retirement Ordinance is changed. The motion failed.

Adopted by the following vote: 6 – 2.

It was moved by Trustee Dedic and supported by Trustee Bahr for the Employees’ Retirement System that once the language was clarified regarding the travel expense that the VanOverbeke contract would be sent to the chairperson for signature.

It was moved by Trustee Spadafore and supported by Trustee Kraus to table the motion until the Retirement Ordinance is changed. The motion was withdrawn from Trustee Spadafore to allow discussion.

Trustee Dedic inquired to City Attorney to know if there are any additional details or obstacles that would preclude the hiring of independent legal counsel.

Attorney Smiertka explained that although the Retirement Boards are allowed to hire independent legal counsel when necessary by statute, the city attorney is the legal counsel to the Boards. The retirement ordinance would need to be amended.

Trustee Dedic inquired if the Retirement Ordinance was changed, would there be an issue for the administration.

Trustee Schor indicated that if there is a not a further cost to the city and that there is no conflict in the Retirement Ordinance after it was amended, the administration would feel comfortable with the hire of independent legal counsel.
Trustee Wood outlined a process for the consideration and approval of an Ordinance amendment that would start at the city council meeting, February 24, and the Retirement Boards could strike the language that requires the city attorney shall be the legal advisor. A public hearing could be held on March 23, followed by City Council approval. Trustee Wood indicated the Boards could recommend to City council regarding the removing the city attorney as legal advisor.

It was moved by Trustee Spadafore and supported by Trustee Kraus to table the motion for the Employees’ Retirement System Board until the next meeting, March 17th.

The motion to table was approved: 6 -3.

It was moved by Trustee Wood and supported by Trustee Rose that the Police and Fire Retirement Board recommend to City Council its support for the Retirement Ordinance change regarding legal counsel.

Adopted by the following vote: 8 -0.

It was moved by Trustee Spadafore and supported by Trustee Dedic that the Employees’ Retirement System Board recommend to City Council its support for the Retirement Ordinance change regarding legal counsel.

Adopted by the following vote: 9 – 0.

The Retirement Office reported that the Finance Department sent a memo that details $10,698,401 pension contribution that would be transferred to the Employees’ Retirement System.

It was moved by Trustee Chris Wilcox and supported by Trustee Rose to accept the FY2020 Police and Fire Pension contribution.

Trustee Wood requested that the Board receive notification once the contribution has been made.

Adopted by the following vote: 9 – 0.

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

Adopted by the following vote: 8 - 0.
The 2020 Subcommittee membership was appointed by the chairperson:

Disability Committee – R. Wilcox, C. Wilcox, Wohlfert
Investment Committee – Rose, Wohlfert, Wood, C. Wilcox
Education Committee – C. Wilcox, R. Wilcox, Wood
Special Projects – R. Wilcox, Wood, Wohlfert Ex-officio legal counsel

BOARD OF TRUSTEES
CITY OF LANSING
POLICE AND FIRE RETIREMENT SYSTEM

Trustee Wood supported by Trustee Ryan Wilcox, moved the adoption of the following Resolution:

RESOLUTION NO. 2020-Jan

AN RESOLUTION TO DECLARE THE OFFICE OF TRUSTEE VACATED

WHEREAS, Trustee Thomas Fabus has diligently served on the Board of Trustees of the Lansing Police and Fire Retirement System for several years; and

WHEREAS, Trustee Fabus has notified the Board of Trustees that he is retiring from his position with the City of Lansing effective March 14, 2020; and

WHEREAS, Section 294.02 (c) (4) of the Lansing Codified Ordinances provides that once a Trustee leaves the employ of the City, such Trustee is considered to have resigned from the Board and the Board must declare by resolution that the office is vacated.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Trustees of the Lansing Police and Fire Retirement System declares the office of trustee held by Thomas Fabus vacated as of the date of this Resolution.

2. The Board of Trustees directs the Retirement Analyst to begin the process to fill the vacated trustee office within 60 days in accordance with Section 294.02 (c) (4) of the Lansing Codified Ordinances.

3. The Board of Trustees extends its sincerest thank you to Thomas Fabus for his years of service and wishes him well in his future endeavors.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

Yea: Trustees: Fabus, Kehler, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood - 8

Nays: Trustees: 0

Abstain: Trustees: 0
Karen Williams distributed a posting for the election of the Police Trustee to the Police and Fire Retirement System Board to fill the unexpired term of Trustee Fabus.

Karen Williams reviewed a request from a duty disability retiree, Mr. Robert Vargas. He has requested that he be able to place his current wife as his beneficiary for his pension. Mr. Vargas believes that because he has not converted to age and service that she should be allowed to name his current wife.

Attorney Ken Lane opined that if he must provide the Police and Fire Retirement Board with divorce paperwork.

Attorney Aaron Castle opined that the Police and Fire Retirement Board would need to amend its policy to allow the current wife.

Karen Williams updated the Employees’ Retirement System Board that members have received the various sections of the Retirement Ordinance.

Trustee Parker referred the Retirement Ordinance to the Special Projects Committee.

Attorney Lane will distribute a copy of the entire Employees’ Retirement System Ordinance to the special projects committee and the membership.

It was moved by Trustee Dedic and supported by Bahr Rose to accept the Employees’ Retirement System pension contribution.

Adopted by the following vote: 9 – 0.

The Retirement Office will provide an updated subcommittee list at the next meeting.

It was moved by Trustee Spadafore and supported by Trustee Kraus to approve the Funding information Report for Employees’ Retirement System Board.

Adopted by the following vote: 9-0

Attorney Aaron Castle reviewed the legal counsel report. The report detailed his meeting with the retirement office to gather information, and the federal SECURE act.
Karen Williams distributed the Quarterly Expense report and the proposed Police and Fire Retirement System 2020 budget and the Employees’ Retirement System 2020 budgets for review. Trustee Schor requested that the fees for non-litigation legal expenses would be $20,000 per board.

Ms. Shelbi Frayer reviewed the City Travel/Conference policy. Ms. Frayer stated that for the City, all out-of-state travel comes through a four-signature process. Ms. Frayer indicated that because the Board approves its out-of-state travel, it would not need to go through the four-signature process. Ms. Frayer also reported that for those who had credit cards, the statements would be posted online.

Trustee Kraus requested that the City Travel policy be forwarded to the retirement board for review and to be incorporated with its Conference and Education policy.

Karen Williams updated that Joint Boards that the Retirement Office would be working with Tegrit to update the retirement software to incorporate the new collective bargaining agreements that were approved.

Ms. Lynn Goodwin, Institutional Relationship Manager for Franklin Templeton, provided an overview of the investment team. Mr. Jason LaRocco, Senior Product Manager provided an update and overview of the organizational structure. Mr. LaRocco provided a review of the market environment, and portfolio performance.

Mr. Burk reviewed the 4th quarter investment performance of the Police and Fire Retirement System and the Employees’ Retirement System. Mr. Burk discussed the financial performance of the Employees’ Retirement System and the Police and Fire Retirement System for the period ending January 31, 2020. Mr. Burk reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial portfolio. Mr. Burk provided a review of the structure of both plans and discussed fees and asset allocation.

Mr. Burk reviewed the asset allocation for the Police and Fire Retirement System and the Employees’ Retirement System and discussed changes in the investment managers for the fixed income strategy. The Joint Boards agreed to have an investment meeting March 24, 2020 to interview and review potential managers.
Mr. Greg Stump, Boomershine Consulting Group spoke under public comments. He provided the current status, impact of the 2019 investment experience for the Employees’ Retirement System and the Police and Fire Retirement System actuarial valuation. Mr. Stump also discussed changes in funding outlook and project scenarios.

It was moved by Trustee Rose and supported by Trustee Chris Wilcox to adjourn the Police and Fire Retirement System Board

Adopted by the following: 8 -0.

It was moved by Trustee Bahr and supported by Trustee Dedic to adjourn the Employees’ Retirement System Board.

Adopted by the following vote: 6 -0.

The Meeting adjourned at 12:33 p.m.

Minutes approved on ________________

______________________________
Shelbi Frayer, Secretary

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Dennis R. Parker, Chairperson          Eric P. Wohlfert, Chairperson
Employees’ Retirement System            Police and Fire Retirement System