

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

Regular Meeting
Council Conference Room
10th Floor, City Hall
Lansing, MI

July 18, 2017
Tuesday, 8:30 a.m.

Present: Trustees Fabus, Good, Rose, St. Aubin, Wilcox, Wohlfert, Wood– 7.
Absent: Trustee Bernero

Others: Karen E. Williams, Finance Department; Attorney Ken Lane, Clark Hill (representing the City Attorney's Office); Mary Riley, Human Resources Department; Mr. Guy Pace, Police Department.

There were no public comments.

It was moved by Trustee Good and supported by Trustee Wilcox to approve the Official Minutes of the Police and Fire Retirement System Board meeting of May 16, 2017.

Adopted by the following vote: 7 – 0.

It was moved by Trustee Wood and supported by Trustee Wohlfert to place on file the Committee of the Whole Minutes of the Police and Fire Retirement System Board meeting of June 20, 2017.

Adopted by the following vote: 7 - 0

Mr. Guy Pace addressed the Police and Fire Retirement System Board regarding his retirement. Mr. Pace submitted his retirement paperwork with an effective date of August 4, 2017. He had understood that would be eligible to retire upon attaining twenty-five years of service from his seniority date. Mr. Pace had plans to make his last day July 31, 2017 and had also accepted a new position with the understanding that he was eligible for retirement.

Mr. Pace was informed by the Retirement Office that he was not ineligible for the August 4, 2017 because only sworn officers can be members of the Police and Fire Retirement System. Mr. Pace was sworn in November and would need to work three additional months to be eligible for age and service retirement. The Retirement Office shared with Mr. Pace the 1996 City Attorney opinion regarding sworn officers.

Regular Meeting
Council Conference Room
10th Floor, City Hall
Lansing, MI

July 18, 2017
Tuesday, 8:30 a.m.

Page Two

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total: Active membership: 352. 1 death(s), Joy A. Behrmann, died 6/24/2017, age 62, spouse of Police retiree. Refunds made since the last regular meeting amounted to \$10,285.28. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of June 2017, amounted to \$2,597,992.76. Total retirement checks printed for the P&F System: 732. Total retirement checks printed for both systems: 1640. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Fabus and supported by Trustee Good to approve the following the application for Regular Age & Service Retirement:

Darren P. Duso, Police Department, age 55, 15 years, 4 months of service credits, effective 8/1/2017 (From Deferred)

Adopted by the following vote: 7 – 0

Trustee Wilcox provided a report of his attendance at MAPERS Annual Spring Conference. He commented that he found the workshops and the trustee training very informative.

Karen Williams announced the MAPERS Fall Conference to be held September 17-20. She requested that members contact the Retirement Office to register.

Karen Williams announced the NCPERS Public Safety Conference to be held October 1 -4. She requested that members contact the Retirement Office to register.

Attorney Lane attended the MAPERS Legislative update and reported that the only pension item discussed was regarding school employees.

Ms. Williams reported that the MAPERS Fall Conference will be held September 16-19 and members who wished to attend should contact the Retirement Office.

Ms. Williams provided a retirement conference update that would be held at the Lansing Center, Thursday, September 7.

Karen Williams reported that Ms. Angela R. Soltis, vested, CCLP Non-Supervisory had requested a return of her accumulated contributions of \$74,778.30.

Regular Meeting
Council Conference Room
10th Floor, City Hall
Lansing, MI

July 18, 2017
Tuesday, 8:30 a.m.

Page Three

It was moved by Trustee Fabus and supported by Trustee Wohlfert to approve the request of accumulated contributions for Angela R. Soltis of \$74,778.30.

Adopted by the following vote: 7 - 0

Attorney Lane provided a legislative update. He discussed Public Act 92 that amended the Public School Retirement Act. Employees hired after February 2018, must choose between DC plan and hybrid DB plan that uses different actuarial assumptions. Employees no longer will be able to purchase service credits.

Attorney Lane discussed the City Attorney opinion regarding sworn officers. Since 1951, the City Charter and Ordinance indicates that to be an eligible member of the Police and Fire Retirement System the permanent employee must be sworn, take the oath of office, by the City Clerk. In 1996, the City Attorney provided an opinion regarding the issue. After last month's meeting, Attorney Lane reported that he contacted Human Resources regarding the issue to determine the extent of the problem. He indicated that Ms. Angela Bennett had been in touch with Human Resources and that the problem could be larger than original thought. Additionally, there may be limitations of data retrieval in the payroll system.

Attorney Lane was contacted by the Retirement Office regarding Mr. Pace whose sworn date is different than his Human Resource hire date. Due to Mr. Pace's request for retirement, Attorney Lane provided an opinion to address the situation. Attorney Lane opined that based upon the foregoing provisions, a person is not eligible to become a member of the system until he/she becomes a sworn police officer or firefighter. Officer Pace total years of services credits had been increased based on an inadvertent error in the City's payroll process. Attorney Lane concluded that the Board was compelled to correct the error by reducing Officer Pace's credited service and refunding his contribution, with interest, for the period of time he was a police department trainee.

Trustee St. Aubin indicated that officers sponsored through the academy may be affected. He requested an audit to review officers' records that were in question.

Trustee Wohlfert inquired if the City administration could pay for the purchase of time.

Trustee Rose expressed concern for the members who are affected but indicated that the Board Trustees are fiduciaries of the fund and are limited in the corrective measures that can be taken.

Regular Meeting
Council Conference Room
10th Floor, City Hall
Lansing, MI

July 18, 2017
Tuesday, 8:30 a.m.

Page Four

Trustee Fabus inquired that City Administration made the errors and should pay for cost for actuarial valuations for affected employees. Trustee Fabus inquired if the Retirement Board could provide written recommendations to the administration.

Trustee Wood requested that the Retirement Board take official action that should be sent to the administration and City Council.

It was moved by Trustee Wood and supported by Trustee Fabus to send a letter to the City administration and copy City Council requesting an audit of the police and fire officers sworn dates, have the information available at the next meeting, so that members can be notified and provide recommendations to correct errors.

Adopted by the following vote: 7 – 0.

Karen Williams provided the annual Duty Disability Income Verification Report. There are two members who had not submitted their annual outside income certification.

Karen Williams reported that Dr. Roth is waiting for a list of duty disability retirees for review.

Karen Williams provided dates for the due diligence visits to Wasatch, Franklin Templeton and Western Asset as recommended by Asset Consulting Group. Ms. Williams requested that member review the dates so that can narrowed for planning purposes. The trip would be scheduled for November or December.

Attorney Lane presented the Medical Director RFP to the full Police and Fire Retirement Board for review.

Ms. Williams reviewed the monthly investment report and the securities lending report for the month of June 30, 2017.

The meeting recessed at 9:22 a.m.

The meeting resumed 9:24 a.m.

Attorney Lane explained to Trustee Riley, Human Resources Director, that the Police and Fire Retirement Board have requested an audit of the police officers and firefighter who may have errors in their records.

The Board directed legal counsel to provide a written request to the administration cover the actuarial calculation to find the cost of the months that must be purchased to restore service credit lost due to the difference in sworn date versus hire dates.

Trustee Riley stated that the Human Resources Department is currently in the discovery phases and agrees that members should be notified and their records corrected.

Karen Williams reported that the old payroll system is no longer available.

Trustee Good expressed concern that these members be found as soon as possible, concentrating on those closest to retirement.

It was moved by Trustee Wilcox and supported by Trustee Rose to adjourn the meeting.

Adopted by the following vote: 7 – 0.

The meeting adjourned at 9:41 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System