

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

October 9, 2018
Tuesday, 8:30 a.m.

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

Present: Trustees Fabus, Good, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood – 8.

Absent: 0.

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Ken Lane (representing the City Attorney's Office.)

It was moved by Trustee Good and supported by Trustee Fabus to approve the Official Minutes of the Police and Fire Retirement System Board meeting of September 18, 2018.

Adopted by the following vote: 8 – 0

0 new fire member(s), 0 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total: Active membership: 364. 2 death(s). Elton L. Sellers, Fire, died September 18, 2018, age 87, spouse to receive 50%; Deborah Fraser died September 6, 2018, age 64, spouse of Fire retiree. Refunds made since the last regular meeting amounted to \$1,002.74. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of September 2018, amounted to \$2,687,245.02. Total retirement checks printed for the P&F System: 743. Total retirement checks printed for both systems: 1662. Domestic relations order received: 0. Domestic relations orders pending: 1. Eligible Domestic Relations Order Certified: 0.

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

Hung Tran, Police Department, 25 years of service credits, age 47, effective
October 13, 2018 (Sworn Date 11/8/1993)

Adopted by the following vote: 8 – 0.

Karen Williams reported that Applicant #2018 –F1009 submitted a request for duty disability retirement.

The request for duty disability retirement was referred to the disability subcommittee for review.

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It was moved by Trustee Fabus and supported by Trustee Rose to recess the meeting to allow the disability subcommittee to meet to review the request for duty disability for Applicant #2018-F1009.

Adopted by the following vote: 8 - 0

The Police and Fire Retirement System Board recessed at 8:34 a.m.

The Police and Fire Retirement System Board resumed at 8:40 a.m.

Trustee Good reported that the disability subcommittee had met and recommends that Applicant #2018-F1009 be evaluated for duty disability.

It was moved by Trustee Good and supported by Trustee Wilcox to send Applicant #2018 – F1009 to the medical director for duty disability evaluation.

Adopted the following vote: 8 -0.

There were no requests for non-duty disability retirements.

Trustee Wohlfert provided his report for the fall 2018 MAPERS Conference. Trustee Wohlfert stated that the conference was very good. Trustee Wohlfert provided an update the trustee development session and actuary hour. Trustee Wohlfert discussed the 'Is it legal workshop', that review sections of Michigan Constitution, Article 9, Section 24, and Public Act 202. He also enjoyed the Tim Skubick's workshop that focused on politics.

Trustee Christopher Wilcox provided his report of the fall MAPERS Conference. Trustee Wilcox also highlighted Tim Skubick's workshop. Trustee Wilcox discussed the behavioral finance workshop that detailed better decision making by overcoming emotions.

Trustee Ryan Wilcox agreed that Tim Skubick's session was very good. Trustee Wilcox discussed the lack of knowledge that many people have regarding how politics affects pension, health care and unions. He also discussed the behavioral finance workshop and noted how a person's beliefs and influences can affect investing.

Attorney Ken Lane provided a legislative update from the MAPERS Fall Conference. Attorney Lane stated that there is not a lot going on that impact pensions. The MAPERS lobbyist expressed concern that there may be a busy lame duck session after the mid-term elections. The only proposed legislation

regarding pensions is HB 61 that prohibits retirement systems from having open amortization.

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He also discussed public act 202 actuarial assumptions that were provided by the State Treasurer. Attorney Lane discussed the waiver system and the corrective plan process.

Karen Williams reported the upcoming training and education conferences: NCPERS 2018 Public Safety Conference, October 28-31; and IFEBP 2018 Annual Conference, October 14-17.

Karen Williams reported that the following requests for refunds of accumulated contributions for Police and Fire Board approval: Eric Lovell, Fire, IAFF, not vested, \$6,582.33.

It was moved by Trustee Good and supported by Trustee Ryan Wilcox to approve the following refunds of accumulated contributions:

Eric Lovell, Fire, IAFF, not vested \$6,582.33

Adopted by the following vote: 8 – 0

There were no public comments.

Attorney Lane discussed the duty disability re-examination policy that provides a written procedure and guidelines for Board review. The policy would formalize what the Board has been doing each year. Attorney Lane added a section that would reference the Board's investigation policy.

It was moved by Trustee Wood and supported by Trustee Good to approve the duty disability re-examination policy.

Adopted by the following vote; 8 – 0.

Attorney Lane also discussed the Contract Employee Policy and request Board review.

ACG has negotiated with Northern Trust for lower rates. The new rates would save the Police and Fire Retirement System approximately \$11,000 a year. Attorney Lane has reviewed the amendment to contract regarding the fees and has the paperwork for the chairperson's signature.

Trustee Wohlfert explained as a part of due diligence that was discussed at recent conferences that the Board should send out a Request For Proposal (RFP) for

legal counsel.

Trustee Rose indicated that the Ordinance that stated that the City Attorney shall be the legal advisor to the Board.

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Trustee Schor inquired why the request for proposal was necessary if the Board was not planning on hiring or changing its legal counsel.

Trustee Wood indicated that the retirement board does have the ability to hire its own counsel. She reminded members that a proposal for information was sent out when the Board changed actuary firms.

Attorney Lane indicated that the Public Act 314 had been amended to allow retirement boards to hire its own legal counsel and to use system assets.

Trustee Rose expressed concerned that the RFP was a strong tool that requests firms and the committee to go through a process that may not be needed.

Trustee Wood stated that she would have no issue with recommending a proposal for information. Trustee Wood did remind the Board that by going through the request for proposal process, the Board learned information to update their policy book and other material.

Trustee Ryan Wilcox indicated at the recent conferences, he learned that the request for proposal would be a part of the Board's due diligence.

It was moved by Trustee Wood and supported by Trustee Ryan Wilcox to prepare a request for information for legal advisor.

It was moved by Trustee Rose to table the request until the joint meeting with the Employees Retirement System.

Motion failed by the following vote: 4-4.

Trustee Fabus did express concern that the Police and Fire Retirement Board would not wait until November to discuss the issue with the Employees' Retirement Board. The legal advisor generally serves both boards.

It was moved by Trustee Wood and supported by Trustee Ryan Wilcox to withdraw the motion to prepare a request for information for legal advisor.

Adopted by the following vote: 8 – 0

It was moved by Trustee Fabus and supported by Trustee Rose to request the

request for proposal for legal advisor to be forwarded to the City Attorney's office for review and discuss the request at the Joint meeting with the Employees' Retirement System Board.

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Trustee Ryan Wilcox asked if the City Attorney's office could have a draft ready for the joint meeting.

Trustee Schor expressed concern about creating an RFI and going through the process to get to the same place. He did understand the importance of due diligence and was more comfortable if there was a model or draft that had already been created from a previous search

Trustee Good requested that the RFP be sent out to members to review before the Joint meeting.

Adopted by the following vote: 8 – 0.

Karen Williams distributed a fire trustee election posting for Trustee Wohlfert's term that expires December 31, 2018. Trustee Wohlfert requested that the date for the primary election, if needed, be amended to Thursday, December 6, 2018 through Friday, December 7, 2018 to allow all Fire shifts the ability to vote.

It was move by Trustee Good and supported by Trustee Wood to approve the Fire Trustee Election posting with the amended dates for the primary election, December 6-December 7, 2018.

Adopted by the following vote: 8 -0

Ms. Angela Bennett provided a review of updated provisions from the State of Michigan Treasurer regarding public Act 202. Ms. Bennett indicated that Police and Fire Retirement System did not fall below the level of 60%. The 2018 Actuary would require the City of Lansing to either report to the State using the standard assumptions or require a supplemental valuation.

The state assumptions uses a 3.5% wage increase, mortality tables RP2000, amortization period of 20 years. Ms. Bennett contrasted the state assumptions with the City of Lansing. She will send out a comparison of the State assumption versus the City of Lansing for Board review.

Trustee Wood inquired if the Boomershine Consulting Group had received the information needed for to prepare the actuarial report. Trustee Wood also inquired if the actuary would have new mortality tables for the retirement board.

Ms. Bennett stated that she spoke to Mr. Stump and he indicated the valuation

would be ready for the November meeting.

Attorney Ken Lane stated that Public Act 202 requires that every eight years there must be a peer review by another actuarial firm.

Ms. Williams reported that there were three duty disability re-examinations reports received for Mr. Hallett, Mr. Coddington and Mr. Hoffman. The medical director has recommended that duty disability continue for all three retirees.

Attorney Ken Lane reported that a deal was being worked on regarding the Sworn Date/Trainee issue.

Ms. Williams reviewed the monthly investment report and the Securities lending report for the month ending September 30, 2018.

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

Adopted by the following vote: 6 -0.

The meeting adjourned at 9:34 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Eric Wohlfert, Chairperson
Police & Fire Retirement System