

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

COPY

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

January 21, 2010
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:37 a.m.

Present: Antekeier, Dedic, Kraus (8:49), McCaffery, Murphy, Singleton (8:41), Wood – 7.
Absent: Trustees Bernero, Korkoske

Others: Karen E. Williams, Finance Department; Attorney Ken Lane, Clark Hill (representing the Law Department), John Jackson, Asset Consulting Group; Keri Hepburn, Marvin Flewellen, James Lockhart, Invesco Investments.

It was moved by Trustee Dedic and supported by Trustee Wood to approve the Official minutes of the Employees' Retirement System Regular Meeting of December 17, 2009 with amendments.

Adopted by the following vote: 5– 0.

Trustee Singleton arrived.

There were no comments public comments for items on the Agenda.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total active membership: 598 Total deferred: 53. Refunds made since the last regular meeting amounted to \$ 1,342.79. Retirement allowances paid for the month of December, 2009 amounted to \$1,497,181.59. Total retirement checks printed for the ERS System: 797. 2 death(s), Helen Garlock, (NonBargaining), retired 4/1/1978, age 91, died 11/11/2009; Rueben Mylander, (Public Service – UAW), retired 4/17/2004, age 92, died 1/12/2010. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

It was moved by Trustee Dedic and supported by Trustee Wood to approve the following requests for Regular Age & Service Retirement:

Donald A. Ballard (Parks – T214), 31 years, 2 months, age 58, effective January 15, 2010.

Adopted by the following vote: 6 – 0.

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There were no requests for Duty Disability Retirements.

There were no requests for Non-Duty Disability Retirements.

The Retirement Office reported that Ms. Sheila Fandrick, District Court Teamster, requested a Refund of her Accumulated Contributions of \$4,310.52. Ms. Fandrick was not vested.

It was moved by Trustee Wood and supported by Trustee Murphy to excuse Mr. Korkoske, from the Employees Retirement System Meeting.

Adopted by the following vote: 6 – 0.

Trustee Kraus arrived to the meeting.

The Board discussed amending the travel policy. The amended travel policy would not limit the amount of out-of-state conferences for education and training. The amended travel policy would limit expenses for out-of-state trips to \$3,000 annually.

Attorney Lane advised the Board that new legislation would require records must be kept for these conferences, noting the benefit, for five years.

It was moved by Trustee Dedic and supported by Trustee Murphy to amend the travel policy to not limit the number of out-of-state trips, but limit the total expenses for trips to \$3,000 annually.

Adopted by the following vote: 7 – 0.

Trustee Kraus recommended that the travel policy also be amended to include baggage fees.

It was moved by Trustee Kraus and supported by Trustee Wood to amend the travel policy to include baggage fees with the appropriate receipts.

Adopted by the following vote: 7 – 0.

Karen Williams announced that International Conference sent out an e-mail requesting members who wished to attend the 2010 conference register early due to increased demand.

It was moved by Trustee Wood and supported by Trustee Kraus to nominate and elect Robert Antekeier as chairperson and Scott Dedic as vice chair.

Adopted by the following vote: 7 – 0.

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The Board agreed to the following subcommittee assignments for 2010:

Disability Committee	-	Antekeier, Kraus, Singleton, Wood
Investment Committee	-	Antekeier, Korkoske, Kraus
Education Committee	-	Antekeier, Korkoske, Murphy
Ordinance Changes Committee Expanded for Special Projects	-	Dedic, Kraus, Singleton, Wood
Joint Ad Hoc Committee		
On Health Care	-	Dedic, Korkoske, Singleton, Wood
Outside Legal Services Committee	-	Dedic, Kraus, Wood

Attorney Ken Lane reviewed the memo from the City Attorney's Office regarding the Private Advisors Hedged Equity Fund, Ltd. The memo expressed concerns with the investment outlined by Clark Hill.

Trustee Wood expressed concern regarding the Hedge Fund Equity's offshore account and the ability to redeem monies invested by the Board.

Trustee McCaffery stated that he opposed the Hedge Fund Investment and that he voted against it.

John Jackson addressed the concerns of trustees regarding the investment strategy.

The Board agreed to keep Hedge Fund discussion on the agenda.

Attorney Ken Lane reported to the Board that there was a Joint subcommittee meeting to discuss Fraud Monitoring and Securities Litigation firms. Attorney Lane was given the assignment to research and recommend the top five Fraud Monitoring firm. Attorney Lane discussed his research criteria and distributed a list of seven of the top firms for the Board to consider. Attorney Lane also drafted a list of questions and a letter that can be used to invite firms to interview with the Board.

It was moved by Trustee Wood and supported by Trustee Murphy to send Attorney Lane's information to the Joint subcommittee with the Police and Fire Retirement System to determine a date for interviews.

Adopted by the following vote: 7 – 0.

Trustee Murphy inquired if the fraud monitoring firms that were recommended, represented any Michigan municipalities.

Trustee Wood updated the Board that the Police and Fire Retirement Board discussed having a Retirement Conference in 2011 instead of this year. The ERS Board agreed to take time to research ways to reach more people that would be more cost effective.

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It was moved by Trustee Wood and supported by Trustee Kraus to refer the retirement conference planning to the Education subcommittee.

Adopted by the following vote: 7 – 0.

Trustee Kraus expressed concern that the subcommittee start meeting now and not wait until next year to begin the planning of the conference.

Attorney Kenneth Lane reviewed the new Trustee Orientation Policy.

It was moved by Trustee Wood and supported by Trustee Singleton to approve the New Trustee Orientation Policy.

Adopted by the following vote: 7 – 0.

Trustee Wood updated the Board that she would work with the Retirement Office to send out the Retiree Health Care Generic Drug Letter.

Trustee Kraus updated the Board that the RFP for Actuarial service is being edited.

Attorney Ken Lane updated the Board that the Ordinance Changes subcommittee has the Qualified Plan Documents and he is available when the committee meets to review the documents.

Karen Williams updated the Board that Kevin Beardsley of Gabriel, Roeder and Smith was invited to the Joint Board meeting to present a proposal on estimated costs and fees for the retirement calculator, valuation software and death check software. The fee range would be between \$32,000 and \$38,000 to implement, plus an annual licensing fee. The IT Department would be invited to the presentation to advise the Board.

Karen Williams distributed and John Jackson, Asset Consulting reviewed the Investment Report and Securities Lending Account Report for the month of December.

Ms. Keri Hepburn of Invesco presented an investment opportunity for the Retirement Boards. Mr. Marvin Flewellen and Mr. James Lockhart of Invesco provided an overview of the Invesco Mortgage Recovery Fund. The Invesco team reviewed the Investment strategy, structure, team members and their process. Mr. James Lockhart reviewed details regarding the portfolio and performance investment.

Mr. John Jackson, Asset Consulting Group, reviewed his criteria for evaluating the Invesco Mortgage Recovery Fund product and did not recommend the investment vehicle at this time.

The meeting adjourned at 11:05 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees' Retirement System

Robert Antekeier, Chairperson
Employees' Retirement System