

**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

May 20, 2010
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:44 a.m.

Present: Trustees Antekeier, Dedic, Kraus, McCaffery, Wood – 5.
Absent: Trustee Bernero, Murphy, Singleton

Others: Karen E. Williams, Finance Department; Attorney Kenneth Lane, Clark Hill Law Office (representing the Law Department).

It was moved by Trustee McCaffery and supported by Trustee Wood to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of April 22, 2010.

Adopted by the following vote: 5 – 0.

Secretary's Report.

0 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 5 retired. Total: Active membership: 577. Total deferred: 54. Refunds made since the last regular meeting amounted to \$ 676.00. Retirement allowances paid for the month of April, 2010 amounted to \$1,521,693.46. Total retirement checks printed for the ERS System: 804. 1 death(s), Richard Mitchell, (Parks -Exempt), retired 1/7/1985, age 80, died 4/27/2010, spouse to receive 50%. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

Richard L. Wilkins (Finance -T580 Supervisory), 10 years of service, age 62, effective May 1, 2010.

Thomas Korkoske (Finance -T214 Supervisory). 32 years, 1 month of service, age 53, effective May 15, 2010.

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Regular Age and Service: (cont.)

Scott Watson, (Public Service - UAW), 27 years of service, age 51, effective May 15, 2010.

Tom Trayler (Public Service - UAW), 15 years, 4 months of service, age 62, effective May 28, 2010.
Adopted by the following vote: 5 - 0.

There were no requests for Refund of Accumulated Contributions.

It was moved by Trustee Wood and supported by Trustee Dedic to excuse Trustee Michael Murphy from the Employees Retirement System Board Meeting.

Adopted by the following vote: 5 - 0.

Karen Williams distributed information regarding MAPERS Spring Conference at Soaring Eagle in Mt. Pleasant, Michigan, May 23 - May 25.

Trustee Kraus updated the Board regarding the Request for Proposal for Actuarial Services. The proposal was given to Purchasing Division to distribute. Trustee Kraus was waiting for responses.

Attorney Kenneth Lane updated the Board regarding the Fraud Monitoring/Securities Litigation firms. Attorney Lane has been reviewing the contract documents for the two selected firms. Attorney Lane advised the Board that the three firms would store the Board's income information sent by Asset Consulting Group electronically.

Trustee Wood suggested that Attorney Lane contact Milberg firm and the Stein firm regarding their security systems and the precautions to keep electronic data safe. Trustee Wood suggested a letter be added to the contract.

Karen Williams reported that the duty disability verifications for the Employees Retirement System had been received as of the April 30, 2010 deadline.

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It was moved by Trustee Wood and supported by Trustee Kraus for the ERS Board to enter into a contract with the Milberg Firm and the Stein Firm for Fraud Monitoring of its investments, contingent upon legal counsel review, and with an attachment from the firms regarding their security precautions and liability to protect the sensitive information provided by the Board.

Adopted by the following vote: 5 - 0.

Trustee Kraus reported that the Investment Subcommittee met regarding replacement of BlackRock. The investment subcommittee interviewed several applicants and committee suggested TRowe Price to replace Black Rock.

It was moved by Trustee Kraus and supported by Trustee Wood to select TRowe Price to replace Black Rock Investment, pursuant to legal review of the contract documents.

Adopted by the following vote: 5 - 0.

Trustee Robert Antekeier read a letter from Trustee Korkoske resigning from the ERS Board due to his retirement from the City of Lansing, effective May 17, 2010.

Attorney Kenneth Lane reviewed the Ordinance regarding vacancies on the ERS Board.

It was resolved by Trustee Dedic and supported by Trustee Kraus to acknowledge the retirement of Trustee Korkoske and that his position on the Board has been vacated.

Adopted by the following vote: 5 - 0.

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Trustee Kraus met with Trustee Antekeier about the City Hall Election to replace Tom Korkoske. Trustee Kraus reviewed the posting announcement for dates to hold the election. Trustee Dedic suggested Trustee be elected by union instead of Department due to the City of Lansing consolidation plans.

Trustee Kraus expressed concern regarding equitable representation for all unions, and separating the trustee and union roles.

Attorney Ken Lane reviewed the Ordinance and advised that it was not appropriate to reference the union in the Board's election policy.

It was moved by Trustee Wood and supported by Trustee Kraus to approve the posting and move the dates of the Trustee Election for the City Hall position vacated by Thomas Korkoske.

Adopted by the following vote: 5- 0.

The Board agreed to review the Employees Retirement System Election Policy and Procedures. This item was referred to the Special Project subcommittee.

Karen Williams reported to the Board a request from Thomas Korkoske to allow Shawn Farnum to purchase prior service credits at the price in place in 2000. Mr. Farnum received a miscalculation of the amount of service credits he could purchase in 2000, when in bought his time in the defined benefit plan. The Board agreed that Mr. Farnum should not be allowed to purchase his time at the 2000 price. The Board suggested that Mr. Farnum work with the administration to make up the difference in price.

Karen Williams reported that Mr. Rick Reed had missing service credits. Mr. Reed stated that he has never missed any time. The Retirement Office requested direction from the Board regarding what type of documentation is needed to verify Mr. Reed's service. Ms. Williams has been checking with Human Resources for breaks of service.

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The Board agreed that Ms. Williams should review payroll records to determine if all of his contributions have been made.

Trustee Wood reported to the Board that an actuarial evaluation would need to be completed regarding contract employees who return to work after leaving under the Targeted Retirement Incentive. These contract employees would have their pensions suspended.

Attorney Kenneth Lane advised that under Public Act 314, a supplemental evaluation is needed when changes affect a retiree or the retirement system.

Attorney Ken Lane distributed a tax disclaimer notice that states that the Retirement Board shall not provide tax advice or information at any City employees, in response to the inquiry from Sue Topping at last month's meeting. The notice can be used and attached to service credit purchase forms.

It was moved by Trustee Wood and supported by Trustee Kraus to adopt the Tax Disclaimer Notice as Board Policy (attached). The Policy shall supercede and replace all other Tax Disclaimer policies.

Adopted by the following vote: 5 - 0.

Karen Williams distributed Gabriel, Roeder, Smith & Company Actuarial Evaluation regarding an amendment to suspend pension benefits to contractors.

Trustee Wood inquired to legal counsel if the memo was considered a supplemental actuarial evaluation that satisfies the PA 314 requirement. Attorney Lane responded that the memo did satisfy the PA 314 requirement.

It was moved by Trustee Wood and supported Trustee Kraus by based on the supplemental actuarial report, that the memo regarding the suspension of pension benefits to contractors be moved to City Council.

Adopted by the following vote: 5 - 0.

The board recessed at 9: 25 for the Joint ERS and Police and Fire Retirement System meeting.

The meeting adjourned at 11:39 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees Retirement

System

Robert Antekeier, Chairperson
Employees Retirement System