

**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

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

The Board met in regular session and was called to order at 8:34 a.m.

Present: Trustees Dedic, Kraus, McCaffery, Parker, Rose, Wood -- 6.  
Absent: Trustee Bernero, Singleton

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

It was moved by Trustee Wood and supported by Trustee McCaffery to approve the Official Minutes of the Employees Retirement System Regular Meeting of September 23, 2010.

Adopted by the following vote: 6 – 0.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 3 retired. Total active membership: 515. Total deferred: 55. Refunds made since the last regular meeting amounted to \$ 0.00. Retirement allowances paid for the month of September, 2010 amounted to \$1,659,418.47. Total retirement checks printed for the ERS System: 845. 1 death(s) Carmaleta Stanley, died 7/5/2010, (Finance – NonBargaining, retired 1/1/1969), age 101, no surviving beneficiary. Eligible domestic relations orders 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 Regular Age & Service Retirement:

Linda M. Gazella (Mayoral Staff), 11 years of service, age 58, effective 9/13/2010 (From Deferred)

Approved by the following vote: 6 – 0.

There were no Requests for Duty Disability Retirement.

Karen Williams reported Case #2010-E1021, Request for Non-Duty Disability Retirement.

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

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

Page 2

It was moved by Trustee Kraus and supported by Trustee Wood move Case #2010-E1021, Request for Non-Duty Disability Retirement to the disability subcommittee.

Adopted by the following vote: 6 – 0

There were no Requests for Refunds of Accumulated Contribution.

Trustee Bob Rose provided a report for the MAPERS Fall Conference. Trustee Rose found the sessions to be informative and he enjoyed and was impressed with this first conference. Trustee Rose discussed sessions that described Michigan's financial status and future revenue sharing. Trustee Parker added that the Conference provided a good overview and concurred with Trustee Rose's assessment of the conference.

Attorney Kenneth Lane reported that he also attended the Conference and he distributed a legislative update for amendments to Public Act 314. Attorney Lane reviewed HB 5323, HB 5982 and SB 1240.

Trustee Kraus reported that she attended the NCPERS Conference for the Police and Fire Retirement Board. Trustee Kraus discussed Omaha, Nebraska that was funded at 40% last year, had a worse funding level this year and had concerns about running out of money in twenty years. Trustee Kraus also discussed other public safety around the country that had concerns. Trustee Kraus discussed media issues and how to stay on message. Trustee Kraus stated that the City of Lansing pension were in good shape, among the best of the public safety attendees.

Karen Williams requested approval from the Board to pay membership dues for NCPERS (\$150), International Foundation (\$370), and MAPERS (\$50). Trustee Kraus suggested that the Board review the NCPERS upcoming agenda to determine if there were any conferences of interest. The Board inquired if NCPERS would allow a City of Lansing membership similar to International Foundation. Karen Williams will check on NCPERS for next month.

It was moved by Trustee Wood and supported by Trustee Kraus to pay International Foundation and MAPERS dues from the Securities Lending.

Adopted by the following vote: 6 -0.

Karen Williams distributed an email from Asset Consulting Group and discussed the Due Diligence Trip to New York for December 7 – 8. Asset Consulting Group provided a suggested agenda and will help schedule a hotel. Asset Consulting Group proposed that trustees fly into New York, December 7<sup>th</sup> and meet with MD Sass and Milberg on the first day. On December 8<sup>th</sup>, Trustees will meet with ING and Artio, and then fly



back to Lansing. Trustee Kraus suggested that interested members coordinate with the Police and Fire System to arrange flights.

It was moved by Trustee Kraus and supported by Trustee Wood to pay the travel and hotel expenses of the Due Diligence Trip to New York for any trustees from the Employees Retirement System that wanted to attend.

Adopted by the following vote: 6 – 0.

Attorney Ken Lane distributed the Board's new litigation policy. The policy would provide a procedure to notify the Board of litigation that potentially impacts security holdings of the retirement system. Attorney Lane also reported to the Board that he contacted John Jackson, Asset Consulting Group regarding the pending City pharmacy lawsuit. Attorney Lane asked Mr. Jackson if there were any concerns regarding the Board's investment. Mr. Jackson did not indicate any concerns.

It was moved by Trustee Wood and supported by Trustee McCaffery to approve the Litigation Policy, and that this policy will supersede any litigation policies of the Employees Retirement System.

Adopted by the following vote: 6 – 0.

Attorney Ken Lane discussed a list of policies presented by Attorney VanOverbeke at MAPERS that retirement systems should have in place. Attorney Lane suggested that he review the list to determine if there were any policies that were needed by the Employees Retirement System Board.

It was moved by Trustee Wood and supported by Trustee Rose to have legal counsel review the MAPERS presentation regarding Board policies and determine what policies that the Employees Retirement System should have.

Adopted by the following vote: 6 – 0.

Trustee Kraus updated the Board regarding the Actuary Bid process. Trustee Kraus stated that the proposal had been received. The Joint Committee for Special Projects will review the proposals.

Attorney Ken Lane reported to the Board that he spoke with Attorney Jack Roberts regarding the October deadline to complete his review of the ERS Ordinance. Attorney Roberts informed Attorney Lane that he was on target to complete the ERS Ordinance.

Trustee Dedic reported to the Board that they can move forward with recommended dates for the Trustee Election vacancy for the Parks position.

The ERS Board reviewed the Subcommittee assignments. The following subcommittee assignments were approved:

Disability committee:	Kraus, Singleton, Wood
Investment committee:	Kraus, McCaffery, Rose, Wood
Education committee:	Dedic, Parker, Rose
Ordinance Change/ Special Projects:	Dedic Kraus, Singleton, Wood
Joint Ad Hoc Committee	
On Health Care:	Dedic, Singleton, Wood
Outside Legal Services:	Dedic, Kraus, Singleton, Wood

Karen Williams reviewed the Investment and Securities Lending Monthly report for August.

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

Adopted by the following vote: 6 - 0

The meeting adjourned at 9:15 a.m.

Minutes approved on \_\_\_\_\_

\_\_\_\_\_  
Jerry Ambrose, Secretary  
Employees Retirement System

\_\_\_\_\_  
Scott Dedic, Chairperson  
Employees Retirement System