

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

COPY

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

November 30, 2010
Tuesday, 8:30 a.m.

The Board met in regular session and was called to order at 8:36 a.m.

Present: Trustees Dedic, Kraus, Parker, Rose, Wood – 5.
Absent: Trustee Bernero, McCaffery, 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 October 21, 2010.

Adopted by the following vote: 5 – 0.

Secretary's Report. 4 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total active membership: 517. Total deferred: 50. Refunds made since the last regular meeting amounted to \$ 0.00. Retirement allowances paid for the month of October, 2010 amounted to \$1,657,517.42. Total retirement checks printed for the ERS System: 844. 3 death(s) Doris L. Wagner, died 6/25/2010, age 87, spouse of Exempt retiree; Barbara Bellmer, died 7/3/2010, (District Court Exempt – retired 11/21/1992), age 76, no surviving beneficiary; Grace Sleep, died 8/30/2010, age 89, spouse of retiree. 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:

James VanAmburg (Public Service – T580 Supervisory), 23 years, 2 months of service credits, age 55, effective 11/13/2010 (65 points)

Kathleen A. Evans (FOP 911), 15 years, 1 month service credits, age 61, effective 11/20/2010

Approved by the following vote: 5 – 0.

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

November 30, 2010
Tuesday, 8:30 a.m.

Page 2

There were no Requests for Duty Disability Retirement.

Karen Williams updated the Board regarding Case #2010-E1021, Request for Non-Duty Disability Retirement. The applicant was schedule to see Dr. Roth, December 8, 2010.

Ms. Dawn R. Teall, 911 Center, has submitted a request for her refunds of accumulated contributions of \$35,703.18

It was moved by Trustee Wood and supported by Trustee Rose to receive acknowledgement of the Request for refund of accumulated contributions by Dawn R. Teall.

Adopted by the following vote: 5 - 0.

It was moved by Trustee Wood and supported by Trustee Rose to excuse Trustee McCaffery from the ERS meeting.

Adopted by the following vote: 5 – 0.

Karen Williams requested approval from the Board to pay membership dues for NCPERS and split the cost with the Police and Fire Board. Ms. Williams distributed background and information regarding the NCPERS.

It was moved by Trustee Kraus and supported by Trustee Wood to share the cost of the NCPERS members with the Police and Fire Retirement Board from the Securities Lending account.

Adopted by the following vote: 5 -0.

There were no public comments for items not on the agenda.

Karen Williams distributed the 2011 Meeting Schedule for the Employees Retirement System Board and requested approval for the dates.

It was moved by Trustee Rose and supported by Trustee Kraus to approve the 2011 Meeting Schedule.

Adopted by the following vote: 5 -0

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

November 30, 2010
Tuesday, 8:30 a.m.

Page 3

Karen Williams reported that the Retirement Office received notification from Budget Director, Angela Bennett that a contribution of \$7,186,000 has been contributed to the Retirement System in advance of the actuary report.

It was moved by Trustee Wood and supported by Trustee rose to recognize the City's contribution to the Retirement system of \$7,186,000.

Trustee Kraus inquired about the reason for receiving the contribution prior to actuarial evaluation.

Trustee Dedic explained that the timing is due to past practice and the Board calendar year ends December 31 and does not follow the City's fiscal year. Trustee Dedic also reported that the City Attorney's office did review the current November 1 date used by the Actuary and there was no legal or IRS reasoning for that particular date.

Adopted by the following vote: 5 – 0.

Attorney Ken Lane expressed his appreciation that the Retirement Board was willing to pay his expenses for the Due Diligence Trip to New York. However, Attorney Lane requested that his company provide additional resources for him to attend. His request was granted by Clark Hill

Karen Williams reviewed the travel and hotel arrangements for the Due Diligence Trip to New York for December 7 – 8. Asset Consulting Group provided an agenda that trustees fly into New York, December 7th and meet with MD Sass and Milberg on the first day. On December 8th, Trustees will meet with ING and Artio, and then fly back to Lansing.

Trustee Wood explained that the Retirement Board has been investigating Pension Software for the website and the Retirement Office. Trustee Wood discussed that issues included migrating information from Bridge and continuation of service within the Retirement Office. Trustee Wood discussed having a Project Manager to coordinate safeguard the data and data migration to a new system and assist with implementing a comprehensive database. Trustee suggested that this cost should be shared by both systems.

Trustee Kraus inquired what types of retirement data need to be mined from the Bridge system.

Trustee Parker requested an explanation of the project manager role. Trustee Wood explained the Project Manager would provide a scope of project, timetable and coordinate and troubleshoot any issues with implementation.

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

November 30, 2010
Tuesday, 8:30 a.m.

Page 4

Trustee Kraus also added that the Project Manager would be a consultant from outside the City who would oversee the implementing a pension software retirement system. Trustee Kraus stated that she has discussed with the administration that the City would not eliminate the old Bridge system.

Trustee Rose inquired about the future costs regarding the project manager to maintain the software.

It was moved by Trustee Rose to call the question of the vote.

Adopted by the following vote: 5 – 0

It was moved by Trustee Wood and supported by Trustee Wood to approve the costs associated with attaining and implementing a comprehensive database. These costs would be split with the Police and Fire Retirement Board and paid from the Securities Lending Account.

Adopted by the following vote: 5 – 0

Trustee Wood reported that the Police and Fire Retirement System agreed to provide a letter to City Council regarding support and consideration for Trustee Wood to continue on the Board. Trustee Wood explained that she has been on the Board five years and the letter just gives the Council additional information.

Trustee Kraus had some concerns that the Board should not get involved with sending a letter of recommendation to the Council regarding its appointment. Trustee Rose concurred with Trustee Kraus regarding a letter of endorsement.

Trustee Wood stated that she does not want to put the Board in an uncomfortable position

Trustee Rose asked to defer this issue to the next meeting.

Trustee Dedic requested to see a copy of the Police and Fire letter to the council for next meeting.

Karen Williams requested Board approval for the Quarterly Cash Flow Withdrawal and administrative expenses. Asset Consulting Group has provided a memo that \$2,000,000 should be transferred from Integrity and \$2,000,000 should be transferred from Northpointe to the Comerica account for the purposes of Quarterly Cash Flow. Also, Ms. Williams requests \$6,000 from the Securities Lending Account to Comerica for the purposes of administrative expenses.

It was moved by Trustee Wood and supported by Trustee Rose to transfer \$2,000,000 from Integrity and \$2,000,000 from Northpointe to the Comerica Account for the purposes of Quarterly cash flow as recommended by Asset Consulting Group. It is further moved to transfer \$6,000 from Northern Trust Securities Lending Account to Comerica for the purposes for administrative expenses.

Adopted by the following vote: 5 – 0.

Karen Williams distributed a draft posting for the Parks Trustee Election Vacancy. Karen Williams reported that the Parks Department had 19

Trustee Dedic explained that the City Attorney has not provided the City Council a resolution for him to resign as Parks Trustee. Trustee Wood explained that the City Council would need to vote on a resolution for Trustee Dedic to be appointed as citizen representative. Trustee Dedic would then resign as Parks Trustee.

Attorney Ken Lane opined that the Ordinance has been published and that Trustee Dedic is still eligible to be the Parks Trustee under a memo of understanding. However, Attorney Lane suggested that the posting be delayed and the dates adjusted until Trustee Dedic can resign as Parks Trustee.

Trustee Kraus suggested that the Election rules be amended to change the number of signature required for the Parks Election nominating petitions.

It was moved by Trustee Kraus and supported by Trustee Wood to modify the number of signatures required for the nominating petition, not less than 5 but no more than 7.

Adopted by the following vote: 5 - 0

It was moved by Trustee Kraus and supported by to modify the dates of the Parks Election posting by two weeks and modify election dates accordingly.

Adopted by the following vote: 5 – 0.

Attorney Ken Lane distributed suggested revisions for the Employees Retirement System Election Rules. The ERS Election rules were referred to the Special Projects Committee for consideration and review.

Karen Williams distributed from a retiree, John Salmons that was referred from the City Council. Ms. Williams explained that at the time of his retirement in 1992, Mr. Salmons was married and named his wife as pension beneficiary. Since that time, Mr. Salmons was divorced and now remarried and wishes to name the new spouse as his pension

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

November 30, 2010
Tuesday, 8:30 a.m.

Page 6

beneficiary. Ms. Williams spoke with Mr. Salmons by phone and explained that the ERS plan does not allow such a change.

Trustee Kraus suggested that the Retirement Office contact Gabriel, Roeder, Smith and Company to receive a written opinion on the effect of changing beneficiary after retirement. Trustee Kraus also suggested that a copy of Mr. Salmons' letter be forwarded to the actuary to help identify the issues.

It was moved by Trustee Wood and supported by Trustee Rose to request that Gabriel, Roeder, Smith and Company provide a written response to the Employees Retirement System regarding the effect of changing a beneficiary after retirement.

Adopted by the following vote: 5 - 0.

Trustee Kraus updated the Board regarding the Actuary Bid process. Trustee Kraus stated that the Joint committee on Special Projects met and narrowed the field to two firms that will receive interviews. The committee worked on proposed questions for the Actuary. Trustee Kraus requested that member send proposed questions to the committee. Trustee Wood also added the committee discussed having the firms give a brief educational piece.

Attorney Ken Lane reported to the Board that he is working with Attorney Jack and the City Attorney's office to complete the review of the ERS Ordinance. A

Attorney Ken Lane discussed a list of policies presented by Attorney VanOverbeke at MAPERS that retirement systems should have in place. Attorney Lane stated that the ERS Board has 12 of the 18 suggested policies. He distributed and reviewed a disability reexamination policy. Attorney Ken Lane reviewed the MAPERS suggested policies for Retirement Board. Attorney Lane discussed a Regular Age and Service Policy, FOIA Policy, Record Retention Policy, Benefit Estimate Policy and Code of Conduct (Ethics) Policy.

It was moved by Trustee Wood and supported by Trustee Rose to have legal counsel to draft the suggested policies for the Board's review.

Adopted by the following vote: 5 - 0.

Attorney Lane also reviewed pending policies: presentation policy, legal documents policy, and purchase of military time.

Attorney Lane updated the Board regarding modifications of Public Act 314 by the state legislature. The legislature has not moved on this topic.

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

Adopted by the following vote: 5 - 0

The meeting adjourned at 10:01 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees Retirement System

Scott Dedic, Chairperson
Employees Retirement System