

**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 20, 2011
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:35 a.m.

Present: Trustees Dedic, McCaffery, Munroe (9:20 a.m.), Parker, Robinson, Singleton – 6.

Absent: Trustee Bernero, Kraus, Rose

Others: Karen E. Williams, Finance Department; Attorney Jack Roberts, Attorney Kenneth Lane, Clark Hill Law Office (representing the Law Department); Brad Armstrong, Gabriel, Roeder, Smith and Company; Carol Wood, City Council.

Ms. Williams distributed a posting from the Secretary of the Board to confirm the election of Carol Munroe as the new Parks Department Trustee. Ms. Williams reported that there was one valid nominating petition submitted to the Retirement Office.

It was moved by Trustee McCaffery and supported by Trustee Singleton to certify the election of Carol Munroe as the new Parks Department Trustee.

Adopted by the following vote: 5 – 0.

Trustee Munroe was excused to get sworn in by the City Clerk.

It was moved by Trustee McCaffery supported by Trustee Singleton to approve the Official Minutes of the Employees Retirement System Regular Meeting of December 16, 2011.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Robinson and supported by Trustee Parker to approve the Regular Age & Service Retirement:

Lois J. Hill (Police/Civilian – Teamster 580), 14 years, 4 months, age 58, effective January 1, 2011 (From Deferred)

Approved by the following vote: 5 – 0.

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It was moved by Trustee Parker and supported by Trustee Singleton to approve the following request for Refund of Accumulated Contributions:

Francesca Hernandez, UAW, Public Service \$3,677.92

Adopted by the following vote: 5 - 0

Ms. Williams reported to the Board that Trustee Rose requested an excuse from the Employees Retirement System meeting.

It was moved by Trustee Parker and supported by Trustee Singleton to excuse Trustee Rose from the Employees Retirement System Board meeting of January 20, 2011.

Adopted by the following vote: 5 - 0.

Trustee Dedic requested permission to attend the Annual International Foundation of Employees Benefit Conference in November.

It was moved by Trustee Singleton and supported by Trustee Robinson to allow the Chairperson to attend the Annual International Foundation Employees Benefit Conference in November.

Adopted by the following vote: 5 - 0

It was moved by Trustee Robinson and supported by Trustee Singleton to grant permission for Trustees who would like to attend the Annual International Foundation Employees Benefit Conference in November.

Adopted by the following vote: 5 - 0.

Ms. Williams updated the Board on Case #2010E-1021. The non-duty disability applicant was seen and evaluated by the Board's Medical Director. The Medical Director requested clarification of the Employees Retirement System Ordinance's section regarding granting non-duty disability. The Retirement Office sent the Medical Director's request to the disability subcommittee for direction. Trustee Kraus requested that legal counsel review the Medical Director's inquiry and the Medical Director hold his report until the legal interpretation was given to the Board.

Attorney Kenneth Lane opined that under the Employees Retirement System the Ordinance, you must be totally incapacitated in the employment of the City. The Ordinance is broadly written.

Attorney Jack Roberts asked and was granted permission to address the Board regarding Case #2010E-1021. Attorney Roberts reported to the Board that he reviewed the Medical Director's request and spoke with Attorney Ken Lane and Human Resources. Attorney Roberts stated the Human Resources stated the all the collective bargaining Contracts have a Humanitarian Clause for employees that become disabled, generally the "reasonable accommodations" provision. Attorney Roberts stated that the Board may need to interface with Human Resources to determine if there is another job available for a disability applicant within the City.

Trustee Singleton stated that a disability applicant who wanted reasonable accommodations could request this from the City. Trustee Singleton reported that by law, the City has an administrative internal process to meet the request. However, the request could not come from the Medical Director.

Attorney Lane stated that the issue as defined by the Attorney Roberts, is that the Medical Director has the Ordinance's broad definition to evaluated disability status. As an example, the Medical Director may state that an applicant may not be able to do a labor position, but the applicant could perform another duty within the City and therefore is not considered disabled by the Retirement Ordinance. The disability applicant cannot be forced to take a reasonable accommodation and the Board would have to concur with the Medical Director and deny the request to grant a disability retirement.

Attorney Roberts suggested that the Board should determine how it would like the Medical Director to interface with Human Resources for disability evaluations.

Trustee Singleton stated that an applicant could go to the treating physician and his diagnosis could conflict with the evaluating Medical Director. Trustee Singleton stated that an applicant if he chooses should go through the internal process first before the Medical Director can make an evaluation.

Trustee Dedic inquired if an applicant can be evaluated for disability based on the specific position that have at the City. This, if a mechanic cannot perform his duties as a mechanic, is the applicant qualified for disability. Trustee Dedic inquired if the Ordinance can be amended on this section through collective bargaining or through City Council.

Attorney Roberts reported to the Trustees that the Board cannot require an applicant to request reasonable accommodations.

Trustee Dedic requested what actions can be taken.

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Attorney Roberts requested if the Board would allow the Medical Director could talk with Human Resources regarding the issue.

Trustee Munroe returned to the meeting and inquired if an applicant who would like to work could be placed in another bargaining unit, if a suitable position can be found.

Trustee Dedic requested that the matter be placed on pending and that the Medical Director should contact the Human Resources Director regarding the applicant.

Attorney Jack Roberts also reported to the Board that he is preparing a response to Mr. John Salmons, who requested an Ordinance amendment that would allow a retiree to change his beneficiary post retirement.

There were no public comments for items on the Agenda.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 509. Total deferred: 50. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of December, 2010 amounted to \$1,656,996.98. Total retirement checks printed for the ERS System: 843. 1 death(s) Sandra T. Unrue, died 12/29/2010, (T580 CTP – retired 1/30/1991, age 76, beneficiary to receive 100%. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no Requests for Duty Disability Retirement.

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

Mr. Brad Armstrong, Gabriel, Roeder, Smith and Company presented City of Lansing Employees' Retirement System Actuarial Valuation Report, December 31, 2009. Mr. Brad Armstrong provided an overview of the Ordinance and the purpose of the actuary report for new trustees.

Mr. Armstrong discussed the valuation results, the summary of benefits provisions and valuation, financial principles, and disclosures required by the Governmental Accounting Standards Board. Mr. Armstrong reviewed the computed City contributions to the Employees Retirement System and percentages of payroll. He also reviewed the Schedule of Employer Contributions and projects of future contributions.

Ms. Carol Wood inquired about the Board's five-year smoothing schedule. Mr. Armstrong discussed the five year smoothing schedule for financial reporting.

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It was moved by Trustee Robinson and supported by Trustee Parker to receive the Employees Retirement System Actuarial Report, December 31, 2009

Adopted by the following vote: 6 -0.

Mr. Armstrong also the discussed with the Board the preparation of an updated Actuarial Experience Study for the Employees Retirement System Board.

Mr. Armstrong also informed the Board that Gabriel, Roeder, Smith and Company does provide and host pension software.

Trustee Parker inquired regarding the factors used to calculate purchase of time. Mr. Armstrong provided an explanation of some of the factors used when calculating credited service time purchases.

Ms. Williams updated the Board that the Investment Subcommittee met regarding the Small/SMid Cap Manager Search. The subcommittee decided to meet jointly Tuesday, February 8, 2011 to interview managers. Ms. Williams will distribute an agenda when she receives the manager list and interview times from Asset Consulting Group.

Ms. Williams updated the Board regarding Pension Software. The Project manager prepared a Request for Information that was mailed to companies to get basic information on services and fees. The Project Manager will provide and analysis of the RFI that are due February 2, 2011 and would give a range of fees to the Board. The Project manager will also begin to prepare a Request for Proposal.

The Joint Committee on Special Projects, Actuary Bid Process is pending.

Attorney Kenneth Lane reported that Employees Retirement System Ordinance has been sent to the City Council for review.

Ms Williams reviewed the Investment and Securities Lending Monthly report for December.

The meeting adjourned at 10:39 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees Retirement System

Scott Dedic, Chairperson
Employees Retirement System