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

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

February 17, 2011
Thursday, 8:30 a.m.

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

Present: Dedic, Kraus, McCaffery, Munroe, Parker, Rose, Singleton (8:41)- 6
Absent: Trustee Bernero, Robinson

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

It was moved by Trustee McCaffery and supported by Trustee Munroe to approve the Official minutes of the Employees Retirement System Regular Meeting of January 20, 2011.

Adopted by the following vote: unanimously

There were no public comments for items on the agenda.

Secretary's Report. 1 new member(s), 0 reinstatement(s), 0 refunds(s), 0 transfers, 0 retired. Total active membership: 510. Total deferred: 50. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of January, 2011 amounted to \$1,669,537. Total retirement checks printed for the ERS System: 846. 0 death(s). Domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no Requests for Regular Age and Service Retirements.

There were no requests for duty disability retirements.

Ms. Williams reported that Dr. Roth has requested direction on the application of non-duty ordinance regarding non-duty applicant E2010-1021. Attorney Lane reviewed a disability policy adopted by the Board in 1989. The existing policy indicates that once the doctor report is received, the Human Resources department would have 120 days to review a list of available jobs that the applicant can perform.

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Attorney Ken Lane provided to the Board an amended policy for duty disability that would allow the Retirement Office to contact the Human Resources prior to the doctor's report so that the available positions could be review. The Board reviewed the doctor's request and agreed that the Retirement Office should retrieve a list of available jobs that the doctor can review to determine if the applicant can perform those duties.

There were no Requests for Refunds of Accumulated Contributions.

Trustee Robert Rose provided a report of the MAPERS One Day Conference. Trustee Rose discussed the Securities Litigation and Fraud monitoring session. Trustee Rose reported that members met and talked with Gordie Howe. Trustee Rose also enjoyed the session regarding non-verbal communication. Trustee Parker found the Round Table on asset allocation informative. He reported information regarding global equities and the basket clause.

Attorney Ken Lane reviewed the state legislative that would amend Public Act 314.

Karen Williams distributed the registration material for the Spring MAPERS that will be held May 1 – 3. Ms. Williams requested that registration be completed and forwarded to the Retirement Office. Karen Williams also distributed information regarding the International Foundation Annual Conference.

It was moved by Trustee Rose and supported by Trustee McCaffery to discharge Northpointe as of March 31, 2011 and move assets to William Blair. Trustee Singleton offered a friendly amendment to extend the deadline to the end of the second quarter. The amendment was not accepted.

Trustee Dedic commented to the Board that he believed that this exercise to review the small/mid cap manager was very educational for the Board. Trustee Dedic further commented to the Board that he did not wish to release Northpointe as the small/mid cap manager at this time. Trustee Dedic inquired to John Jackson, Asset Consulting about two things that Northpointe could do better, which were downward protection and time. Trustee Dedic believed that Northpointe has responded regarding the downward protection. Trustee Dedic stated that the same strategy was in place when the Board hired Northpointe. Therefore, he would vote against the resolution to release Northpointe.

Trustee Kraus expressed concern regarding the presentation and the financial team working on the account.

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Trustee McCaffery also expressed concern regarding the presentation. He also expressed concerned that Northpointe had one investment manager who actively works on the strategy.

Adopted by the following vote: 4 – 2.

The Board agreed to table the discussion on the Experience Study suggested by Gabriel, Roeder, and Smith until after the bid process is completed.

Karen Williams reported to the Board regarding the City of Lansing Comprehensive Financial Annual Report. Budget Director Angela Bennett responded to the audit report regarding two items about the Retirement Office. The first item was the timing of the Actuary Report and the second items was the SAS 70 report. Karen Williams informed the Board that Ms. Bennett spoke in the Police and Fire meeting and stated that both items were administrative issues. Ms. Bennett stressed that the Board did not do anything incorrectly. The administrative will work in send the data needed for the actuary report to Gabriel, Roeder, and Smith in spring instead of August. Additionally, moving forward the administration will provide the Board with SAS 70 report for review.

Attorney Ken Lane opined that the Police and Fire Retirement System requested a policy regarding the SAS 70 report review and inquired if the Employees Retirement system would like the same policy.

It was moved by Trustee Parker and supported by Trustee Munroe for legal counsel to draft a policy regarding the SAS 70 report review.

Adopted by the following vote: 7 – 0

It was moved by Trustee Rose and supported by Trustee Singleton to go to into closed session to review confidential information from legal counsel.

Adopted by the following roll call vote: 7 – 0

Yeas: Dedic, Kraus, McCaffery, Munroe, Parker, Rose, Singleton

Nays: 0

The Board went into closed session at 9:19 a.m.

The Board returned from closed session at 9:33 a.m.

Trustee Kraus reported that a letter has been written to finalists for the actuary bid process review so that interviews can be scheduled.

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Mr. McCaffery inquired to the Board if the change in Actuary would affect the Retirement Software process.

Ms. Karen Williams reported to the Board that the Actuary Valuation software should not be affected with a change in Actuarial services.

Attorney Kenneth Lane updated the Board regarding Mr. John Salmons who wrote a letter to City Council regarding his desire to change his beneficiary post retirement. Attorney Lane distributed a response to Mr. Salmons regarding the issues and concerns of a change to a beneficiary post-retirement. Attorney Lane suggested that the response be forwarded to City Council.

It was moved by Trustee Rose and supported by Trustee Kraus to forward the response to Mr. John Salmons to City Council.

Adopted by the following vote; 7 – 0.

Attorney Ken Lane distributed copies of several polices for the Employees Retirement System Board. Attorney Lane also distributed a commonly asked questions document for the Board's review. The Board requested a month to review the policy. Attorney Lane updated the Board that the ERS Ordinance review was near completion from the City Attorney Office and the Council's Ways and Means committee and would be presented to City Council.

Trustee Kraus inquired about Trustee binders held by former members. Attorney Ken Lane provides up-to-date binders for new trustees.

Karen Williams distributed and discussed the Securities Lending Monthly report for January

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

Adopted by the following vote: 6 - 0

The meeting adjourned at 9:49 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System