

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

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

September 15, 2011
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:38 a.m.

Present: Dedic (8:50), Kraus, McCaffery, Munroe(9:20), Parker, Rose, Singleton - 7
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 Rose and supported by Trustee Parker to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of August 25, 2011 as amended.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Rose and supported by Trustee Parker to approve the Official Minutes of the Joint Police and Fire and Employees Retirement System Board Regular Meeting of August 16, 2011.

Adopted by the following vote: 5 – 0.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total active membership: 494. Total deferred: 58. Refunds made since the last regular meeting amounted to \$3,108.60. Retirement allowances paid for the month of August, 2011 amounted to \$1,683,992.56. Total retirement checks printed for the ERS System: 846. 2 death(s), Maxine Bodwin, died 8/16/2011, age 92, spouse of Exempt retiree; Jean E. Murningham, died 8/18/2011, age 88, spouse of Exempt retiree. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no public comments for items on the agenda.

Trustee Scott Dedic arrived at the meeting and presided.

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It was moved by Trustee McCaffery and supported by Trustee Parker to approve the following Requests for Regular Age and Service Retirement;

Daniel E. Abercrombie, (Police/Civilian - Teamster 580), 21 years, 3 months of service, 44 years, effective September 15, 2011. (65 points)

James L. Bancroft (Finance – UAW), 24 years, 7 months of service, age 58, effective September 19, 2011.

John H. Kloosterman (Planning – Teamster 580), 9 years, 4 months of service, age 62, effective September 16, 2011.

Charles A. Shaffer (Finance – UAW), 25 years, 7 months of service, age 58, effective September 9, 2011.

Adopted by the following vote: 6 – 0.

There were no requests for Duty Disability Retirements.

Karen Williams reported to the Employees Retirement System Board that MES Solutions has expanded and has offered the services of its list of physicians in the Southwest region. Dr. Roth belongs to the MES Solutions group.

Attorney Ken Lane opined that Dr. Roth as the medical director is the original point of contact. A referral to one of the other doctors on the MES solutions list should be come from Dr. Roth.

There were no requests for NonDuty Disability Retirements.

There were no requests for Requests for Accumulated Contributions.

Karen Williams reported that Trustee Munroe informed the Retirement Office that she would be late to the meeting.

It was moved by Trustee Rose and supported by Trustee Parker to excuse Trustee Robinson from the September Employees Retirement System Board meeting.

Adopted by the following vote: 6 – 0.

Karen Williams announced upcoming Asset Consulting Dates: September 20 will be a golf outing for Trustees who are planning to attend MAPERS.; October 26 is the rescheduled date for Trustee Training, October 26 is also the date for the interviews for the Multi-Sector Fixed Income Interviews, starting at 8:30 a.m., and December 6 -7 for the due diligence visit to Asset Consulting.

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Attorney Lane updated the Board regarding the pending Fraud Monitoring Policy. Attorney Lane discussed the \$50,000 dollar amount threshold with John Jackson in which the fraud monitoring firms would not bring litigation issues to the Board. Asset Consulting Group did not have a problem with the dollar amount. The policy was placed on pending until next month.

It was moved by Trustee Parker and supported by Trustee Rose to approve the Fraud Monitoring Policy. The Policy will supersede and replace any prior Fraud Monitoring Policy and will be placed in the Trustee Handbook.

Adopted by the following vote: 6 -0.

Attorney Ken Lane provided a legislative update for the legislation regarding Health Care in the Michigan Senate. The public act is a hybrid that would set a hard cap or allow employers to pay no more than 80%. Attorney Lane indicated that the current bill is not applicable to retirees.

Attorney Lane discussed the state legislation that minimum staffing requirements can not be done in the Ordinance.

Attorney Ken Lane updated the Board regarding the Prudential PRISSA Investment agreement. The agreement has been reviewed by legal counsel and will be executed after the chairperson's signature.

Trustee Robert Rose reviewed the interviews for the International Investment search. Trustee Parker reported that Earnest was a good complement to the current investment portfolio. The investment subcommittee recommended Earnest Partners as a replacement of Artio Global.

It was moved by Trustee Rose and supported by Trustee Parker to approve Earnest Partners as the Employees Retirement System International Investment fund manager.

Adopted by the following vote: 6 - 0

Trustee Parker reviewed the Multi-Sector Fixed Income managers that were presented by Asset Consulting Group. Trustee Rose discussed the selection of three finalists to be interviewed by the Employees Retirement System Board, October 26, 2011.

Trustee Kraus updated the Board that the Special Projects subcommittee reviewed a proposal from the pension software for the City of Lansing Retirement system. Trustee Kraus reported that there was a meeting with Jerry Ambrose, Eric Tumbarella, Dawn Polihonki and Karen Williams. Trustee Kraus explained that the group reviewed the Retirement System Project Top 5 Pricing Responses Analysis.

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Upon reviewing, the group determined that three of the companies did not meet the necessary criteria to move forward. The group suggestion was to move forward with two finalists and have demonstrations either on-site or via a web demo. Karen Williams reviewed the two finalists and her recommendation.

Trustee Munroe arrived to the meeting.

Trustee Kraus reminded members that the costs listed are preliminary. Final costs would be negotiated with the vendor. Trustee Kraus requested members who would like to attend the demonstrations. Trustee Kraus stated that she would contact Eric Tumbarella and Dawn Polihonki to set up the demonstrations.

Trustee Rob Rose recommended that the computer equipment be updated for the Retirement Office. Trustee Rose indicated that the Police and Fire System approved a not-to-exceed budget of \$2,000.

It was moved by Trustee Rose and supported by Trustee Kraus to approve a budget not-to-exceed budget of \$2,000 to attain computer workstation for the Retirement Office.

Trustee Kraus added that she believed the computer equipment had not been replaced for approximately 6 -10 years. Trustee Kraus talked with Eric Tumbarella about a budget and selecting a workstation for the Retirement Office. Trustee Kraus also reported that the Police and Fire System had a concern that if a laptop was purchased that it did not leave the City premises due to the confidential data that may be contained on the system

Adopted by the following vote: 7 - 0

Trustee Rose requested that legal counsel draft a policy regarding the use of the laptop and its information. The policy will provide direction for the Retirement Office

It was moved by Trustee Rose and supported by Trustee Parker to have legal counsel draft a policy regarding the use of the laptop computer equipment.

Adopted by the following vote: 7 - 0

Karen Williams reviewed the Investment and Securities Lending Monthly report for August 2011.

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

Adopted by the following vote: 5 -0.

The meeting adjourned at 11:01 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System