

**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

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

The Board met in regular session and was called to order at 8:45 a.m.

Present: Dedic (8:55), McCaffery, Munroe, Parker, Robinson, Rose, Singleton - 7
Absent: Trustee Bernero, Kraus

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

Trustee Parker presided over the meeting.

It was moved by Trustee McCaffery and supported by Trustee Rose to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of October 20, 2011.

Adopted by the following vote: 6 – 0.

There were no public comments.

Secretary's Report. 1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 4 retired. Total active membership: 486. Total deferred: 59. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of September, 2011 amounted to \$1,686,226.47. Total retirement checks printed for the ERS System: 845. 4 death(s), Marcella Swagler, died 6/24/2011, age 93, spouse of Exempt retiree; Lola Stevens, died 8/27/2011, age 89, spouse of Exempt retiree; Joyce A. Borseth, died 9/12/2011, age 83, spouse of Exempt retiree; Fred A. Brown, died 10/7/2011, age 76, no beneficiary. Eligible domestic relations orders received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

It was moved by Trustee Robinson and supported by Trustee Rose to approve the following Requests for Regular Age and Service Retirement:

Douglas A. Chambers, (Finance/Treasury - Teamster 580), 21 years, 12 years, 9 months of service, age 63 years, effective October 22, 2011.

Adopted by the following vote: 6 – 0.

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There were no requests for Duty Disability Retirements.

There were no requests for NonDuty Disability Retirements.

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

Amy Iseler, 54-A District Court, \$5,434.91

Adopted by the following vote: 6 – 0

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

Adopted by the following vote: 6 – 0.

Trustee Rose provided an overview of MAPERS Conference. Trustee Rose discussed the workshops, pending legislation the survey of retirement systems.

Trustee Scott Dedic arrived at the meeting and presided.

Attorney Ken Lane provided a legislative update from MAPERS regarding amendments to Public Act 314. Attorney Lane also distributed a memo that discussed the Economic Vitality Incentive Program, Public Act 63 of 2011, as a replacement to the statutory revenue sharing. The legislation identified three different measures or categories that eligible cities, villages and townships need to accomplish to receive state funding under the program. A community would receive 1/3 of the maximum funding amount for each of the three categories it fulfills the specific requirements. 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.

Trustee Mark Parker reported that there were 57 MAPERS participants who responded to a survey request regarding the status of the pension funds regarding issues that include investment returns and actuarial assumptions

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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Ms. Williams stated that the Due Diligence meeting and activities are planned for December 6, 2011. Ms. Williams requested that all members who are interested in the due diligence trip contact the Retirement Office by November 3, 2011 for a head count for flight and hotel arrangements.

Karen Williams requested Board approval for membership renewals for MAPERS, IFEPB and NCPERS. The fees are: MAPERS, \$50.00; ½ IFEBP, \$377.50, ½ NCPERS, \$112.50. The IFEPB and NCPERS dues are split with the Employees Retirement System.

It was moved by Trustee McCaffery and supported by Trustee Rose to pay dues renewal for MAPERS, IFEBP and NCPERS from securities lending.

Adopted by the following vote: 7 – 0.

Karen Williams distributed and Attorney Ken Lane reviewed the update for the Travel Policy.

Attorney Ken Lane updated the Board regarding the SAS 70 Report Policy. He has contacted Mr. Eric Tumbarella, IT Department to review the technology aspects of the SAS Report. Attorney Lane will follow up with Mr. Tumbarella for a report. Attorney Lane discussed a generic memo that he has drafted regarding the Reciprocal Retirement Act that is available for distribution.

Attorney Ken Lane updated the EARNEST Investment process. Attorney Lane informed the Board that EARNEST has a contract provision that the document has to be incorporated in the Plan. Attorney Lane has reviewed this information and notified the Board that this contract will have no effect on bargaining agreements or ordinance provisions. . The agreement has been reviewed by legal counsel and will be executed after the chairperson's signature.

Karen Williams distributed information regarding the pension software demonstration. Ms. Williams met with Dawn Polihonki to set up an agenda for Wednesday, November 9 in the 3rd Floor computer room. The demos will be in the form of a webinar. Ms Williams stated that the demos will feature pension administration, the retirement calculator and web site estimator, reports and data conversions. Ms. Williams updated the Board that the external drive to back up the retirement data files has been purchased and implemented.

Trustee Rose requested that a memo be drafted to the IT Department for the Retirement System computer system to be purchased.

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

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

Adopted by the following vote: 7 -0.

The meeting adjourned at 9:40 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System