

**COPY**

**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

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

The Board met in regular session and was called to order at 8:40 a.m.

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

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office); Gregory Stump, Karen Earley, EFI Actuaries.

It was moved by Trustee Parker and supported by Trustee Rose to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of November 17, 2011 as amended.

Adopted by the following vote: 6 - 0

It was moved by Trustee Parker and supported by Trustee Singleton to approve the Official Minutes of the Joint Employees Retirement System and Police and Fire Retirement System Board Meeting of November 17, 2011.

Adopted by the following vote: 6 - 0.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 484. Total deferred: 61. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of November, 2011 amounted to \$1,682,537.28. Total retirement checks printed for the ERS System: 843. 4 death(s). Joyce A. Borseth, died 9/12/2011, age 83, spouse of Exempt retiree, Fred Brown, died 10/7/2011, (T580 CTP - retired 9/12/1992), age 76, no beneficiary; Lawrence Havens, died 11/19/2011 (NonBargaining - retired 7/20/1984), age 84, no beneficiary; Kenneth N. Dilts, died 10/30/2011 (UAW - retired 11/14/1992), age 78, spouse to receive 100%. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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It was moved by Trustee Rose and supported by Trustee McCaffery to approve the following requests Regular Age & Service Retirements:

Michelle Reddish, Police/Civilian – Teamster 214, 21 years, 11 months or service of credits, age 48, effective December 27, 2011. (65 points, Old Plan)

John Green, Finance – Teamster 580, 12 years, 3 months or service credits, age 62, effective November 30, 2011 (Non-Duty Death, New Plan)

Adopted by the following vote: 6 – 0.

There were no requests for Duty Disability Retirements.

There were no requests for Non-Duty Disability Retirements.

There were no requests for Refunds of Accumulated Contributions.

Trustee Parker provided an overview of the MAPERS One Day Conference held December 2, 2011. The Seminar was entitled “Innovative Solutions for Challenging times. The Seminar includes issues regarding questions assumptions, trustee education, lessons from poorly run plans, fiduciary liability, active managements, implementing beneficial change.

Trustee Rose provided an overview of the due diligence visit to Asset Consulting Group, December 6 – 7. Trustee Rose informed the Board that it was very insightful to meet the support team, and view the infrastructure. The trustees met with the analysts who make recommendations for client. Trustee Rose was impressed that employees were able to express their ideas and opinions in an open forum.

Trustee Parker also included that Asset Consulting Group offered to review the investment and actuarial rate assumptions with the Board.

Trustee Singleton and Trustee Dedic concurred that the due diligence visit was very informative and encouraged that all members to attend these visits.

Gregory Stump and Karen Earley distributed and presented an overview of the Actuary valuation, ending December 31, 2010. Ms. Earley provided an actuarial background regarding pension funding. Ms. Earley discussed the prior match of data with former actuary, Gabriel, Roeder and Smith. Mr. Stump also discussed the current valuation and future funding and recommendations. Mr. Stump discussed that EFI will have more information once the Experience Study is completed. Mr. Stump discussed with the Board implementing a funding policy. He also provided a schedule for upcoming studies, valuations and meetings for the next year.

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Attorney Ken Lane reviewed the modified Travel Policy with the Board and suggested an amendment to increase the annual limit for conferences to \$6,000 per year, per Trustees. There is a still \$3000 limit per conference.

Trustee Dedic inquired if the Travel Policy could be amended or suspended with Board approval for specific conferences.

Attorney Lane opined that the Board could suspend the Travel Policy with approval of the Board.

Trustee Singleton suggested that the Travel Policy be amended to an annual limit of \$4,000 per conference due to the increase costs of travel, baggage, food at these locations.

It was moved by Trustee Singleton and supported by Trustee Rose to amend the Travel Policy annual conference limit to \$4000 per year, per conference, per trustee. The total annual limit for conferences would be \$6,000 per year.

Adopted by the following vote: 6 – 0

Attorney Ken Lane informed the Board that he will update the Trustee Book at the next meeting.

Attorney Lane discussed Trustee Liability Insurance as a fiduciary to the system. Michigan has a statute of governmental immunity that protects Trustees in the performance of their duties. Additionally, The City Council budget policy recognizes Trustees are covered by the City while performing the scope of your duties, exception include fraudulent behavior or gross negligence.

It was moved by Trustee Rose and supported by Trustee Parker to move into Executive Session to discuss an investment manager issue of Attorney-Client privilege.

Adopted by the following roll call vote: 6 – 0

Yes: Dedic, McCaffery, Munroe, Parker, Rose, Singleton

No: None

The Board went into Executive Session at 9:41 a.m.

The Board rose from closed session at 9:54 a.m.

Karen Williams reported that the Joint Committee for Special Projects will view two Pension Software demonstrations, December 20, 2011: Tegrit 9 – 11:30, Byrne 1-2:30 p.m.

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

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

Adopted by the following vote: 6 -0.

The meeting adjourned at 9:59 a.m.

Minutes approved on \_\_\_\_\_

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Jerry Ambrose, Secretary  
Employees' Retirement System

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Scott Dedic, Chairperson  
Employees' Retirement System