

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

COPY

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

February 23, 2012
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:37 a.m.

Present: Dedic, Kraus, McCaffery, Munroe, Parker, Rose, Taylor (8:45 am), Wood - 8
Absent: Trustee Bernero

Others: Angela Bennett, Karen E. Williams, Finance Department; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office); Mr. William Fuller, Public Service.

It was moved by Trustee Parker and supported by Trustee Singleton to approve the Official minutes of the Employees Retirement System Regular Meeting of January 19, 2012.

Adopted by the following vote: 8 - 0

Mr. William Fuller addressed the Board regarding the calculation for his retirement. Mr. Fuller transferred from the UAW union to the Teamster union and believes there should be one calculation of Final Average Compensation for all of his years of service over both unions.

Attorney Ken Lane reported to the Board that legal counsel, labor relations and the retirement office met regarding the issue of pension calculations when an employee transfers between two unions. Labor relations reviewed the matter and issued an interpretation that upon a review of the collective bargaining, that there are two calculations, one for the former union and one for the present union. Attorney Lane opined that the collective bargaining agreements supersede the Retirement Ordinance. Attorney Lane also informed the Board that the City Attorney's Office is working with Human Resources reviewing a list of commonly asked questions regarding service credits issues.

The Board reviewed the request and informed Mr. Fuller that the issue is a matter for collective bargaining.

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Secretary's Report. 1 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 3 retired. Total active membership: 477. Total deferred: 61. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of January 2012, amounted to \$1,692,885.08. Total retirement checks printed for the ERS System: 844. 1 death(s). Frances J. Corr, died 1/7/2012, age 89, spouse of Exempt member. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

Walter Norris, Jr., Housing – Executive, 8 years, 7 months of service credits, age 66, effective, February 1, 2012 (From Deferred)

Kelly Baylis, Finance – Teamster 580, 21 years of service credits, age 45, effective February 17, 2012. (65 points, old plan)

Julie M. Mannino, Parks – Teamster 580, 21 years, 7 months of service credits, age 51, effective February 24, 2012. (65 points, old plan)

Adopted by the following vote: 8 – 0.

There were no requests for Duty Disability Retirements.

There were no requests for NonDuty Disability Retirements.

The Retirement Office reported 2 requests for Refund of Accumulated Contributions for Kristy Cipolla (FOP 911), \$8,012.51, and Sara Lynn Wilkinson (District Court Teamster), \$3,758.12. Ms. Cipolla and Ms. Wilkinson were not vested.

It was moved by Trustee Wood and supported by Trustee McCaffery to approve the Requests of Accumulated Contributions for Mr. Kristy Cipolla and Ms. Sara Wilkinson.

Adopted by the following vote: 8 – 0.

Trustee Mark Parker provided an overview of the One Day MAPERS Seminar Report. Trustee Parker reported to the Board that the seminar discussed equity alternative investment such as real estate, commodities, and infrastructure. Trustee Parker informed the Board that seminar materials were available on the MAPERS website.

Karen Williams reported to the ERS Board that John Jackson would like to have the annual Trustee Training in April. The Board suggested April 19th, following the Employees Retirement System Board.

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Karen Williams distributed information regarding the NCPERS Annual Conference, May 5-10. Ms. Williams requested that interested trustees should contact the Retirement Office to be registered for the Conference.

Trustee Dedic requested permission to attend the NCPERS Annual Conference.

It was moved by Trustee Rose and supported by Trustee Parker to approve Trustee Dedic's request to attend the NCPERS Annual Conference.

Adopted by the following vote: 8 – 0.

Ms. Williams also announced that John Jackson suggested a due diligence visit to some of the New York based investment firms. Ms. Williams will inform Mr. Jackson regarding the trustees that are attending NCPERS after the March meeting.

Attorney Ken Lane updated the Board regarding the status of the ERS Ordinance. Attorney Lane stated that the City Attorney's Office and Human Resources are reviewing the Ordinance to make sure that the current collective bargaining is included. Attorney Lane reviewed the amendment for Outside Legal Counsel policy for the Police and Fire Retirement System. The amendment would recognize confidentiality that legal counsel must adhere to, but require legal counsel to inform the Chair regarding issues that concern the Board. Attorney Lane inquired if the ERS Board would be interested in a similar policy.

It was moved by Trustee Wood and supported by Trustee Munroe for legal counsel to draft an amendment to the Outside Legal Counsel that would require legal counsel to inform the Chair regarding issues that concern the Employees Retirement System Board.

Adopted by the following vote: 8 – 0.

Attorney Lane updated the Board regarding the Economic Vitality Incentive Program (EVIP) legislature that has been offered by the Michigan Legislature. Attorney Lane reviewed the amendments to the Employee Compensation section of the statute. Clark Hill reviewed the Act and Attorney Lane informed the Board that the amendments to Defined Benefit pension plans would apply to new hires.

Mrs. Bennett concurred with Attorney Lane's assessment of the EVIP and that the program would serve as a replacement for the current statutory revenue sharing.

It was moved by Trustee Wood and supported by Trustee Taylor to nominate and affirm Trustee Scott Dedic as chairperson and Trustee Antonia Kraus as vice chairperson.

Trustee Kraus did not accept the nomination. Trustee Kraus requested that newer members be provided the opportunity to serve.

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Trustee Wood withdrew her motion.

It was moved by Trustee Kraus and supported by Trustee Parker to nominate and approve the selection of Trustee Scott Dedic as chairperson and Trustee Robert Rose and vice chairperson.

Adopted by the following vote: 7- 0.

Trustee Dedic thanked Trustee Kraus for her service as vice chair.

Karen Williams requested that the Board re-affirm Trustee Kraus as the authorized signatory for cash flow and investment firms.

Adopted by the following vote: 7 – 0.

Trustee Dedic requested that members submit the subcommittee membership requests to the Retirement Office and the chair will form the final lists.

Trustee Kraus suggested additional research of retirement calculations for members who transferred from UAW to Teamsters.

Karen Williams distributed the actuary reports for 2010. Mr. Gregory Stump, EFI will attend the March Board meeting to review and preview the 2011 report.

Trustee Wood inquired to the Board if an actuary report had been prepared regarding the 911 Center employees transfer to Ingham County.

Mrs. Bennett informed the Board that a preliminary valuation was done in 2009, but since that time the Board has changed actuarial firms. The Finance Department is in the process of obtaining an updated valuation from the same firm that prepared the original valuation.

Trustee Wood inquired about the timeline of the report and if the Experience Study had been completed.

Trustee Dedic referred the 911 Center Transfer to pending.

Ms. Williams informed the Board that she had communicated with the actuary regarding the completion of the Experience Study. The Retirement Office is finalizing requested information for the Actuary.

Karen Williams announced there will be a Pension Software Meeting at March 1, 2012.

Karen Williams distributed and reviewed the Securities Lending Monthly report for January 2012.

The meeting adjourned at 9:30 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System