

**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

April 19, 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 (8:47), McCaffery, Munroe, Parker, Rose, Taylor, Wood - 8
Absent: Trustee Bernero

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

It was moved by Trustee Rose and supported by Trustee Taylor to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of March 22, 2012.

Adopted by the following vote: 7 - 0

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 469. Total deferred: 63. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of March 2012, amounted to \$1,679,067.53. Total retirement checks printed for the ERS System: 846. 3 death(s). Edwin P. Brown, died 3/9/2012, (Exempt – retired 8/1/1976), age 98, no beneficiary; Vickie L. Bell, died 3/14/2012, (T580 – retired 9/16/1992), age 63, no surviving beneficiary; Joycelyn Humes-Gorman, died 3/5/2012 (T580 –retired 3/15/2003), age 55, beneficiary to receive 50% . Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

Mary Moore, Parks – UAW, 12 years, 8 months of service credits, age 59, effective, April 1, 2012.

Terry L. Ulrich – UAW, 18 years of service credits, age 65, effective April 15, 2012.

James R. Elliott, Public Service -- UAW, 23 years, 4 months of service credits, age 58, effective April 21, 2012.

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It was moved by Trustee Wood and supported by Trustee Taylor to approve the following Requests for Regular Age and Service Retirement: (continued)

Victor Rose, Public Service – Exempt, 6 years, 9 months of service credits, age 56, effective April 21, 2012 (Reciprocal Retirement Service of 28 years, 4 months)

Bruce O. Gaukel, Police/911 – Teamster 214, 26 years, 5 months of service, age 46, effective April 21, 2012 (Old Plan -65 points)

Trustee Parker requested information regarding the Reciprocal Retirement service and how it is applied for Mr. Rose to receive a City of Lansing pension.

Ms. Williams reviewed the Reciprocal Retirement Act and explained that an eligible employee may combine credited service with a preceding reciprocal retirement system to qualify for an age and service retirement. The City of Lansing pension would only be calculated using credited service earned from the City of Lansing.

Attorney Ken Lane inquired if Mr. Rose worked for the City of Lansing Police and Fire Retirement System. Ms. Williams indicated that the employee did not previously work for the City of Lansing.

Adopted by the following vote: 8 – 0.

Ms. Karen Williams reported to the Employees Retirement System Board that Applicant #2012 – E0419 has applied for a duty disability.

It was moved by Trustee Kraus and supported by Trustee Munroe to refer Applicant #2012-E0419 to the disability subcommittee.

Adopted by the following vote: 8 - 0

There were no requests for Non-Duty Disability retirement.

There were no requests for Refund of Accumulated Contribution.

Karen Williams reviewed the Travel and Expense Reports. Ms. Williams informed the ERS Board that the Payable Department will be constructing a fillable report specifically for the Retirement Boards. Ms. Williams requested suggestions for the fillable report.

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Karen Williams reviewed the Due Diligence schedule for Trustees who were attending The NCPERS Annual Conference is scheduled to be held in New York, May 5-10. Conferees will join Mr. John Jackson of Asset Consulting Group to visit to local Investment managers, May 7.

Karen Williams announced that the deadline for the MAPERS Spring Conference was April 24, 2012. The MAPERS Spring Conference is scheduled for May 20 – 22, 2012.

Attorney Ken Lane updated the Board regarding the status of the ERS Ordinance. Attorney Lane stated that the City Attorney's Office is reviewing the Retirement Ordinance.

Attorney Lane explained that Trustee Rose noticed that the policy specifically referred to Gabriel, Roeder and Smith as actuary and requested the policy be updated to reflect a change in actuaries and fees. Attorney Lane distributed and reviewed a modified version of Eligible Domestic Relations Order Payment Policy that would not need to be amended for changes in actuaries or fees.

It was moved by Trustee Wood and supported by Trustee Rose to approve the Eligible Domestic Relations Order (EDRO) Payment Policy amendment. The new EDRO payment Policy will supersede all other outside legal counsel policies and the policy will be added to the Trustee Book.

Adopted by the following vote: 8 – 0.

Attorney Lane updated the ERS Board regarding the status of the ERS Retirement Ordinance. The ERS Ordinance is under review by the City Attorney's Office. Attorney Lane explained that there were unique retirement questions that have arisen regarding members who have 65 point rule who transfer different bargaining units under the new plan. The City Attorney's Office is working with Human Resources to provide some opinions regarding these questions.

Attorney Lane updated the Board that he met with Karen Williams of the Retirement Office to review the plan provisions in the Actuary Report. Attorney Lane informed the Board that there were minor changes to the plan provisions. Karen Williams contacted the EFI Actuaries with the amendments.

Ms. Williams requested direction from the Employees Retirement System regarding the continuation of Minute Master by Gabriel, Roeder and Smith(GRS). The fee range for the calendar year \$1,850 to \$2,650.

Trustee Kraus expressed that Minute Master is a separate and distinct product offered by GRS that provides a searchable database of the Board's minutes. Trustee Kraus suggested keeping the Minute Master Service until the Pension Software system is in place and the Board determines if the software is capable of maintaining minutes.

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It was moved by Trustee Kraus and supported by Trustee Wood to approve the continuation of Minute Master for the fee of \$1,850.

Adopted by the following vote: 8 -0

Trustee Rose updated the ERS Board regarding the status of the Pension Software project. Trustee Rose informed the Board that at the Joint Board Meeting in May, trustees need to review the use of a project manager and scope of service for the Pension Software implementation at the Joint Board Meeting in May and to review the Tegrit Contract for signature.

Attorney Lane updated the Board regarding the Pension Software contract. Attorney Lane reviewed the proposed contract with Eric Tumbarella, Information Technology and Karen Williams. Tegrit has requested an amendment to the start date for implementation. Tegrit Technologies stated that they would like to have 30 days after the contract is signed to assemble the project team.

Karen Williams updated the Board regarding the 911 Center Transfer. Ms. Williams stated that Ingham County had requested additional information from the Retirement Office.

Trustee Wood inquired if the City had prepared an actuarial report. Trustee Wood also inquired if the Report was being prepared by the Retirement Board's actuary, EFI. Ms. Williams will check on the status of the report with Angela Bennett.

Trustee Rose informed that he was approached by a member concerning the EDRO fee. The member questioned why he needed to pay a fee for his EDRO calculation. It is the member's responsibility to pay the actuarial fee of determining what benefit is attributable to each party of a divorce. The retirement plan does not pay the actuary fee. In reviewing the policy with Karen Williams, he discovered that EDRO payment policy needed to be amended.

Attorney Ken Lane reviewed with the ERS Board that members can request and are provided with a sample EDRO approved by the Board for implementation.

Karen Williams reviewed the Securities Lending Monthly report for March 2012. Mr. John Jackson, Asset Consulting Group reviewed the Investment Report for March 2012.

The meeting adjourned at 9:15 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System