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**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

July 19, 2012
Thursday, 8:30 a.m.

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

Present: Dedic (8:55 am), Kraus, Munroe, Parker, Rose, Taylor, Wood - 7
Absent: Trustee Bernero

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

It was moved by Trustee Kraus and supported by Trustee Parker to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of June 21, 2012.

Adopted by the following vote: 6 - 0

It was moved by Trustee Parker and supported by Trustee Munroe to approve the Official Minutes of the ERS and Police and Fire Retirement System Joint Board Official Meeting of June 21, 2012.

Adopted by the following vote: 6 - 0.

It was moved by Trustee Kraus and supported by Trustee Wood to approve the Official Minutes of the Employees Retirement System Board Special Meeting of June 25, 2012.

Adopted by the following vote: 6 - 0.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 3 refund(s), 0 transfers, 5 retired. Total active membership: 392. Total deferred: 67. Refunds made since the last regular meeting amounted to \$72,365.48. Retirement allowances paid for the month of June 2012, amounted to \$1,781,173.10. Total retirement checks printed for the ERS System: 855. 3 death(s). George E. Weeks, died 6/17/2012, (Public Service/Exempt, retired 5/22/1982), age 85, spouse to receive 100%, Alice VanDyke, died 7/8/2012, age 81, spouse of Exempt retiree; Evelyn M. Dryer, died 7/12/2012, (Public Service/T580 CTP, retired 1/5/1993), age 75, no beneficiary. 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 Wood and supported by Trustee Munroe to approve the following Request for Regular Age and Service Retirement:

Kate Barrier, (Planning/Teamster 580 – 17 years of service, 6 months of service, age 61, effective July 7, 2012.

Clifford Ansley, Public Service/UAW – 17 years, 4 months of service, age 64, effective July 14, 2012.

Tammy Sjolund, Law/ Teamster 214 – 23 years, 7 months of service, age 45, effective June 17, 2012. (Old Plan – 65 points, Purchased 1.5 years of service for a total of 25 years of service).

Adopted by the following vote: 7 - 0

Karen Williams reported to the ERS Board that the Retirement Office has received a request for duty disability from Applicant # 2012 – E0719. The request was referred to the disability subcommittee.

Karen Williams reported to the ERS Board that Applicant # 2012-E0419 and Applicant # 2012-E0517 have been scheduled to see the Medical Director.

There were no requests for Non-Duty Disability retirement.

Karen Williams reported to the ERS Board that there were 2 requests for Refunds of Accumulated Contributions: Mr. Dustin Belill and Mr. Matthew Priebe. The members were not vested and submitted the appropriate request forms..

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

Dustin Belill, FOP 911, \$3,866.90

Matthew Priebe, FOP 911, \$3,262.75

Adopted by the following vote: 7 – 0.

It was moved by Trustee Rose and supported by Trustee Parker to excuse Mr. Howard McCaffery from the Employees Retirement System Meeting of July 19, 2012.

Adopted by the following vote: 7 – 0.

Karen Williams reminded members that the MAPERS Fall Conference was scheduled for September 9 – 11, 2012.

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Mr. Greg Stump and Ms. Karen Earley, EFI Actuaries called into the Employees Retirement System Board to discuss the actuarial recommendations for assumption changes. Mr. Stump has recommended several changes in assumptions and methods in the finalized Experience Study. Mr. Stump discussed the implementation of a 10% per year increase in contribution rates over the next five years.

Trustee Kraus indicated that the contribution and funding policy issue was discussed in the Police and Fire Retirement System Board meeting and that EFI was providing a letter for Board's review regarding implications of various funding strategies. The Employees Retirement System Board requested a similar letter for review.

Trustee Wood indicated that the Board should vote to receive the Experience Study report.

It was moved by Trustee Wood and supported by Trustee Taylor for the Employees Retirement System Board to receive the finalized Experience Study provided by EFI Actuaries.

Adopted by the following vote: 7 – 0.

Trustee Rose indicated that he received a sample Quarterly Operating Expenses Report from the Retirement Office and would like to adopt the report as a policy. The Board discussed having notification of all the expenses paid from the Employees Retirement System for the previous quarter.

It was moved by Trustee Rose and supported by Trustee Munroe to adopt the Quarterly Operating Expense Report and have a policy to review the operating expenses. Trustee Wood offered a friendly amendment that was accepted that the expenses and payroll liabilities reported and paid are gross instead of net.

Adopted by the following vote: 7 – 0.

Attorney Lane explained that the recent retirement eligibility analysis prepared by legal counsel that were reviewed at the last meeting are being incorporated into the amended Employees Retirement Ordinance. Attorney Lane updated the ERS Board regarding Public Act 314.

Trustee Scott Dedic referred the Retirement Conference to the Education subcommittee to discuss possible dates. Trustee Wood indicated to the Board that the Retirement Conference is usually held jointly with the Police and Fire Retirement Board. Trustee Dedic requested that Trustee Parker, the subcommittee chair contact the Police and Fire Retirement Board.

Karen E. Williams announced that the Emerging Markets Investment meeting will be held July 25, 2012. Mr. George Tarlas of Asset Consulting Group will bring in finalists for the Joint Boards to interview.

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Ms. Williams reported that as of June 29, 2012, the 911 Center employees have terminated from the City of Lansing. Members had options to transfer to the Ingham County retirement system, take their accumulated contributions from the ERS retirement, or retire, if eligible.

Trustee Wood requested that she would like notification from Angela Bennett that no money has been transferred from the Employees Retirement System and will not be transferred until the Board has an opportunity to review the EFI Actuary Report.

Attorney Ken Lane opined that under state law the ERS Retirement Board must review the supplemental actuary report, seven days before the transfer is made.

Attorney Lane updated the Retirement Board regarding Pension Software contract. Attorney Lane requested direction from the Board regarding Tegrit wanting to set up a meeting to review project details. Trustee Rose will make contact with Tegrit and coordinate the project.

Karen Williams reviewed the Investment and Securities Lending Monthly report for June 2012.

Trustee Terri Taylor inquired if Asset Consulting Group should be present to give the Investment reports and answer questions. Trustee Taylor inquired if reviewing the monthly report was a part of the Asset Consulting Group. Trustee Dedic stated that if the Board requested it, Asset Consulting Group would attend the monthly meeting

Trustee Kraus indicated that she requested bullet points for Karen Williams to speak from when reviewing the Monthly Report.

The meeting adjourned at 9:21 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System