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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

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

The Board met in regular session and was called to order at 8:38 a.m.

Present: Kraus (8:39), McCaffery, Munroe, Parker, Rose, Taylor, Wood - 7
Absent: Trustee Bernero, Dedic

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

Trustee Rose presided.

It was moved by Trustee Wood and supported by Trustee Parker to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of July 19, 2012.

Adopted by the following vote: 7 - 0

There were no public comments.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 2 refund(s), 0 transfers, 3 retired. Total active membership: 386. Total deferred: 67. Refunds made since the last regular meeting amounted to \$7,129.65. Retirement allowances paid for the month of July 2012, amounted to \$1,726,690.35. Total retirement checks printed for the ERS System: 858. 2 death(s). Ann L. Brooks, died 7/13/2012, (Parks/Exempt, retired 3/1/1977), age 88, no beneficiary; Julius Scott, died 7/31/2012, (Parks/UAW, retired 3/1/1991), age 86, beneficiary to receive 50%. Eligible domestic relations orders received: 1. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no requests for Regular Age & Service Retirement.

Karen Williams updated the Retirement Board regarding the Duty Disability applications. Ms. Williams reported that the medical report for Applicant #2012-E0419 and Applicant #2012-E0517 had been received from the Medical Director. Ms. Williams reported that Applicant #2012-E0719 is pending, waiting for requested information.

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It was moved by Trustee Wood and supported by Trustee Parker to recess the Retirement Board meeting to allow the disability subcommittee to meet regarding duty disability applicants.

Adopted by the following vote: 7 – 0.

The Board meeting recessed 8:42.

The Board meeting resumed at 8:58 a.m.

Trustee Taylor reported to the Board that the disability subcommittee met and recommended that the Board concur with the Medical Director's Report to deny duty disability for Applicant #2012-E0419 and Applicant #2012-E0719. Trustee Taylor stated that Applicant #2012-E0719 can reapply for non duty disability.

It was moved by Trustee Kraus and supported by Trustee Wood to deny the duty disability retirement of Applicant #2012-E-0419 and Applicant #2012-E0719 based on the Medical Director's reports and the recommendations of the disability subcommittee.

Adopted by the following vote: 7 -0

There were no requests for non-duty disability retirement.

There were no requests for refunds of accumulated contributions.

It was moved by Trustee Kraus and supported by Trustee Taylor to excuse Trustee Scott Dedic from the Employees Retirement Board's August Meeting.

Adopted by the following vote: 7 – 0.

Karen Williams requested permission to attend the MAPERS Fall Conference.

It was moved by Trustee Kraus and supported by Trustee Munroe to allow Karen Williams permission to attend the MAPERS Fall Conference and that the cost would be split between the Employees Retirement System and the Police and Fire Retirement System. Trustee Wood offered a friendly amendment that Ms. Williams provide a MAPERS Fall Conference Report.

Adopted by the following vote: 7 – 0.

Trustee Rose suggested that members review the EFI letter detailing recommendations for assumption changes and submit questions to Scott Dedic through the retirement office. Those questions would be provided to the actuary for response.

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Attorney Ken Lane reported to the ERS Board that the Police and Fire Board received a similar letter from EFI. Trustees were asked to forward questions for EFI through the chair. Attorney Lane also reported that IAFF union provided a list of questions and requested it to be forwarded to the actuary through the chairperson.

Trustee Rose inquired if the Board needs to meet jointly to review and/or make a determination regarding EFI assumptions.

Attorney Lane stated that the Boards did not need to meet jointly to determine their decisions on the EFI recommendations.

Trustee Parker requested that EFI provide proposed dollar amounts rather than percentages regarding their recommendations impact for the Board's review. Trustee Rose suggested that questions be sent for the actuary within the next two weeks.

Attorney Lane provided an update on the ERS Ordinance. Attorney Lane stated that the recent legal counsel opinions provided to the Board are being incorporated into the Ordinance.

Attorney Lane updated the Board that SB 797 to amend PA 314 is moving forward. Attorney Lane also reviewed with the Board the EVIP Revenue Sharing legislation and how it impacts employee compensation.

Attorney Lane informed the Board that he received a request from the chairperson through the Retirement Office to amend the Credit Card Policy to allow other trustees have a credit card. The current policy only allows the chair and vice chair to have a Board credit card.

Trustee Wood suggested that the Retirement Office keep the cards issued to Trustees until there is a conference or need for travel.

Attorney Kraus expressed concern that Retirement Office would have additional responsibility to review all the credit card statements, receipts and authorize payments. Attorney Kraus stated that she used her personal credit card at conferences and was reimbursed.

Trustee Munroe suggested that credit card limit be raised for the Retirement Office Board credit cards. Members could then go to the Retirement Office to make travel arrangements.

It was moved by Trustee McCaffery and supported by Trustee Wood to maintain the current Credit Card Policy. Trustee Wood made a friendly amendment that a member may submit a written request for a credit card to the Board for approval.

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Trustee Wood expressed concern that when members arrive at a hotel, they are asked for a credit card. Trustee Wood expressed that everyone may not have access to a credit card.

Trustee Taylor stated that she has used her procurement card for Board travel expenses and the funds are transferred from the appropriate account to pay those expenses.

The Board discussed whether the City procurement card can be used for Retirement Board travel. Trustee Wood stated that she understands the use of the card for trustees who are required by Ordinance to be on the Retirement Board.

Adopted by the following vote: 7 – 0.

Ms. Angela Bennett updated the Employees Retirement System Board regarding the 911 Center Transfer. The City of Lansing and Ingham County are negotiating a date for the transfer, so the market values can be determined. Ms. Bennett indicated that EFI has reviewed the Gabriel Roeder and Smith report, and are waiting on market values.

Attorney Ken Lane opined that under the state legislation, the Employees Retirement Board would need to review the Actuarial supplemental Report at least seven days before a transfer of funds.

Trustee Mark Parker has contacted Trustee Rob Oleson of the Police and Fire Retirement System to discuss possible dates for a Retirement Conference.

Karen Williams reviewed the Quarterly Operating Expenses and Securities Lending report for the period ending June 2012.

Trustee Rose suggested that members review the Quarterly Operating Expenses Report and provide their recommendations to the retirement office.

The meeting adjourned at 9:38 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Robert Rose, Vice Chairperson
Employees' Retirement System