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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

September 20, 2012
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:36 a.m.

Present: Dedic, Kraus, 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).

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 August 23, 2012.

Adopted by the following vote: 7 - 0

There were no public comments.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 381. Total deferred: 68. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of August 2012, amounted to \$1,708,883.03. Total retirement checks printed for the ERS System: 852. 0 death(s). Eligible domestic relations orders received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

It was moved by Trustee Wood and supported by Trustee McCaffery to approve the Request for Regular Age and Service Retirement:

Steven Austin, (Public Service/UAW) – 15 years, 1 month of service credits, age 61, effective September 7, 2012.

Adopted by the following vote: 8 – 0.

Karen Williams updated the Retirement Board regarding the Duty Disability applications. Ms. Williams reported that Applicant #2012-E0719 is pending, waiting for requested information.

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There were no requests for non-duty disability retirements.

There were no requests for refunds of accumulated contributions.

Karen Williams reviewed the travel expenses funds and informed trustees that the MAPERS website had handouts from the Fall Conference available online.

Karen Williams, Retirement Office gave a report regarding her attendance at the MAPERS Fall Conference. Ms. Williams discussed the Administrator's Workshop topics that included duty disability issues, service credit and pension-related concerns faced by retirement offices. Ms. Williams also found the final session informative regarding Open and Closed Pension Plans.

Trustee Rose found the opening Trustee Training Seminars beneficial. Trustee Rose attended workshops that included legislative updates, information on hybrid plans, and open and closed plans. Trustee Rose had breakfast with Greg Stump of EFI and had the opportunity to discuss actuary issues in-depth.

Trustee Kraus attended the Trustee Training Seminar and received a better understanding of the Reciprocal Retirement Act. Trustee Kraus discussed the workshop regarding Oakland County's Hybrid Plan. Trustee Kraus would like to see additional workshop on the details of implementing a hybrid plan.

Trustee Munroe provided a report of her attendance at MAPERS. She also added that the Oakland County's Hybrid Plan and the legislative workshop was informative

Trustee Taylor reported that she also attended the MAPERS Conference and would like additional information on Oakland County's Hybrid plan.

Trustee Scott Dedic provided a report of his attendance at MAPERS. Trustee Dedic discussed the results of the MAPERS Survey that asked if members would like to have a meeting in Detroit, and if the amount of Conferences for the year should be reduced. The MAPERS membership voted to not have a meeting in Detroit and maintain 2 conferences per year.

Trustee Mark Parker provided a report of his attendance at MAPERS. Trustee Parker discussed his support for Public Act 314.

Attorney Ken Lane attended the MAPERS Trustee Seminars and provided clarifications on Open Meeting Acts. Attorney Lane discussed that participation by phone, email, twitter would not meet the requirements of the Open Meetings Act. However, video conferencing can be used to meet the requirements. Attorney Ken Lane reviewed the Reciprocal Retirement Act (RRA). Attorney Lane opined that the RRA cannot be used between Employees Retirement System and the Police and Fire Retirement System.

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Ms. Angela Bennett reviewed the Teamster 214 Hybrid plan. New hires will have a 1.25% multiplier, and contribute 5% to the Retirement System. Ms. Bennett stated to supplement the reduced multiplier, a defined contribution (DC) system will be opened for new hires of Teamster 214. New Members will have 3% of their base wage contributed to the DC Plan with an employer match. Ms. Bennett confirmed that the Defined Benefit plan will not closed. The defined contribution system will also add portability for employees. There was no supplementary actuary report done for the Defined Contribution plan.

Trustee Scott Dedic inquired if there was a need for a supplementary actuary report.

Attorney Ken Lane opined that he believed any impact to the system may need a supplementary actuary report under PA 314. Attorney Lane will research and confirm this information.

The Board discussed the EFI Recommendations for the Assumption Changes Letter. Trustee Wood requested that EFI provide dollars instead of the percentage in their recommendations. Trustee Wood requested that the Administration provide the amount that was budgeted for the retirement system contribution.

Attorney Ken Lane distributed and reviewed the amendment to the ERS Credit Card Policy. Attorney Lane updated the Board regarding Senate Bill 797 that amends Public Act 314. Attorney Lane updated the Board that the ERS Ordinance is still under review and being modified by the City Attorney's Office.

It was moved by Trustee Wood and supported by Trustee Wood to approve the ERS Credit Card Policy. The Policy shall supersede all previous credit card policies and be added to the Trustee Handbook.

Adopted by the following vote: 8 – 0

Attorney Lane distributed and reviewed an agreement with Dewpoint to have Dawn Polihonki act as project liaison during the pension software implementation. Attorney Lane explained that the project liaison duties were revised and the amount was capped at \$11,000.

Trustee Bob Rose of the Employees Retirement System Board updated the Police and Fire Retirement Board regarding the pension software project. Trustee Rose reported that he, the Retirement Office, Finance Department, Human Resource, and Legal counsel met with Tegrit for an initial meeting to discuss the implementation of the Arrivos system. Tegrit will provide a software demonstration.

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It was moved by Trustee Wood and supported by Trustee Rose to approve the Dewpoint Agreement for a project liaison during the pension software implementation.

Adopted by the following vote: 8-0.

Attorney Ken Lane reviewed the Wasatch/Comerica Collective Trust Agreement. Attorney Lane had no objections to the agreement and that the paperwork was ready for the chair's signature. Attorney Lane indicated that the agreement does provide an option for Trustees or their designee to review the status of investment online. The Employees Retirement System Board discussed and declined the online option.

Ms. Angela Bennett updated the Employees Retirement System Board regarding the 911 Center Transfer. The City of Lansing and Ingham County have agreed to date the transfer for June 30, 2012. Ms. Bennett indicated that an actuarial report is being prepared by EFI for the June 30, 2012 valuation date prior to the transfer of monies.

Trustee Wood indicated that she had requested in the past that EFI prepare a valuation for the funds of the 911 employees transfer.

Trustee Mark Parker stated that he had preliminary plans to have a Retirement Conference next summer. Trustee Parker wanted to have the Conference in conjunction with the Tegrity implementation.

Trustee Munroe suggested that the Retirement Conference be later in the fall when more of the Tegrity project will be complete.

Karen Williams provided and reviewed the Investment and Securities Lending Report for the month of August, 2012.

The meeting adjourned at 9:37 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Robert Rose, Vice Chairperson
Employees' Retirement System