

**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

March 21, 2013  
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:39 a.m.

Present: Dedic (8:40), Kraus, McCaffery, Munroe, Parker, Rose, Taylor (8:46), Wood – 8  
Absent: Trustee Bernero

Others: Karen E. Williams, Finance Department; Attorney Kenneth Lane, Clerk  
(representing the City Attorney's Office), Brad St. Aubin, Robert Hecksel, Police  
and Fire Retirement System.

Trustee Rose presided over the meeting.

Trustee Dedic arrived and assumed the chair.

It was moved by Trustee Kraus and supported by Trustee Wood to approve the Official Minutes of the Joint Police and Fire and the Employees Retirement System Board Regular Meeting of February 19, 2013.

Adopted by the following vote: 6 - 0

It was moved by Trustee Kraus and supported by Trustee McCaffery to approve the Official Minutes of the Employees Retirement System Board Meeting of February 21, 2013.

Adopted by the following vote: 7 - 0.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 5 retired. Total active membership: 346. Total deferred: 63. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of February 2013, amounted to \$1,775,244.92. Total retirement checks printed for the ERS System: 872. 0 death(s). 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 Rose to approve the following Request for Regular Age and Service Retirement:

Florence W. Jones (City Clerk/Teamster) -9 years, 6 months of service credits, age 62, effective March 30, 2013.

Adopted by the following vote: 7 – 0.

Applicant #2012 – E1213 medical records have been forwarded to the doctor for an appointment.

There were no requests for non- duty disability retirement.

Karen Williams reported that Mr. Cameron Davis, Finance requested a return of his accumulated contributions of \$40,139.10. Ms. Williams reported that Christopher Iannuzzi, District Court Exempt requested a return of his accumulated contributions of \$1,741.22. He was not vested.

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

Cameron Davis, Finance, Teamster 580, \$40,139.10  
Christopher Iannuzzi, District Court Exempt, \$1,741.22

Trustee Rose requested information on the process regarding accumulated contributions.

Attorney Ken Lane explained that employees who terminate their membership must complete a withdrawal form forfeiting their pension benefits. Attorney Lane also explained that employees who are re-employed with the City within five years can re-pay the accumulated contributions.

Adopted by the following vote: 7 – 0.

Karen Williams reported to the ERS Board that the following Conferences were accepting registrations: MAPERS Spring Conference, June 2-4, NCPERS Annual Conference in May, and IFEBP Annual Conference, October 20 - November.

Trustee Taylor arrived to the meeting

Trustee Dedic stated that he plans to attend MAPERS and requested permission to attend the IFEBP Annual Conference.

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It was moved by Trustee Kraus and supported by Trustee Taylor to permit the chairperson to attend the IFEBP Annual Conference.

Adopted by the following vote: 8 – 0

It was moved by Trustee Kraus and supported by Trustee Taylor to permit all members who wished to attend the IFEBP Annual Conference.

Adopted by the following vote: 8 -0

There were no public comments.

Attorney Lane updated the ERS Board regarding the status of the Ordinance. He reported that Foster Swift is drafting language to include the recent Teamster 214 contract. Public Act 314 amendments take effect in March and Attorney Lane will continue to provide and update the ERS Board with policies to comply with the amendments.

Karen Williams reported that the Police and Fire Board requested a joint meeting to discuss the actuarial services, followed by Education Training, April 18.

Trustee Wood distributed the Financial Health Team Report and requested that the Board discuss the report at the next ERS Board meeting.

Trustee Dedic reported to the ERS Board that he had Mr. George Tarlas of Asset Consulting Group give a presentation to the Financial Health Team regarding the City of Lansing Retirement System and its investments.

Trustee Dedic stated that there was a discussion comparing the City of Lansing System to the Municipal Employees Retirement System (MERS), and transferring the City of Lansing System to MERS.

Trustee Wood expressed concern that members of Financial Health Team and the public does not have a full understanding of City of Lansing Retirement Systems and the long term implications.

Trustee Rose provided an overview of the actuarial interviews of Cheiron, Inc. and Boomershine Consulting Group. Trustee Rose had concerns that the Boards were moving too soon. He expressed concerns regarding staffing with Boomershine Group. Trustee Rose requested that questions regarding the actuaries should be forward to the chair to get responses.

Trustee Munroe suggested that members review both companies' website. Trustee Munroe had concerns that staff is small and many were not accredited at Boomershine.

Trustee Wood expressed concern regarding Cheiron's performance. Trustee Wood is taking a lot of time to provide the 911 transfer valuation and there has been issues receiving actuary purchase requests in a timely manner. Trustee Wood discussed that the decision regarding the actuary should include input from both boards. Trustee Wood also expressed concern that Cheiron had the staff spread among various locations, and Boomershine had their entire staff in one location.

Trustee Parker believed that Boomershine made a powerful pitch to provide actuarial services

Trustee Kraus indicated that she had concerns regarding the Boomershine Consulting Client base. Trustee Kraus questioned how big are the clients, and if Boomershine had the back staff to support the requests from both City of Lansing system. Trustee Kraus also had concerns regarding Cheiron's performance. Trustee Kraus questioned how much of Cheiron's current performance had to do with Greg Stump's departure.

Attorney Lane indicated that Trustee Wood asked both companies if they had legal staff that monitored the state's law and had someone to review their recommendations to the Boards. Attorney Lane indicated that Boomershine's response was more realistic as they indicated that Boomershine would consult and rely on the Board's legal counsel for review of recommendations.

Trustee Rose inquired if the Retirement Board used a Request for Proposal for actuary services.

Trustee Kraus indicated that there was an RFP process to select the actuary.

Trustee Dedic had done some due diligence and concerns regarding the EFI and Cheiron transfer.

Trustee Dedic opened the floor to allow Trustee St. Aubin and Trustee Hecksel from the Police and Fire Retirement Office had any concerns that he wished to share with the Board.

Trustee St. Aubin discussed his concerns regarding EFI ownership transition plan and its merger with Cheiron due to Mr. Gregory Stump's departure.

Trustee Hecksel expressed that he preferred Mr. Greg Stump's communication style. Trustee Hecksel believed that the Boomershine staff, although smaller than Cheiron, could handle the City of Lansing's business. Trustee Hecksel indicated that the Boomershine transition plan did include Mr. Greg Stump as lead actuary and Mr. Stump will run the company.

Karen Williams reported that the Retirement Office received notification from Angela Bennett regarding the 911 transfer. Ms. Bennett stated that actuary was providing a final review of the 911 transfer and the report should be available at the next meeting.

Trustee Mark Parker provided an update for the 2013 Retirement Conference. The Retirement Conference has been scheduled for Thursday, September 14 at the Lansing Center. The Conference committee has met and plans to meet after the monthly Police and Fire Retirement meetings. The Committee distributed a budget of \$30,000 for conference. Mr. Parker requested appropriations of \$15,000 from the Employees Retirement Board for the Retirement Conference.

It was moved by Trustee Parker and supported by Trustee Rose to approve up to \$15,000 from the Employees Retirement System's administrative fund for the 2013 Retirement Conference.

Adopted by the following vote: 8 – 0.

Trustee Rose provided an update of the Pension death check software. Trustee Rose stated that the project had moved into its second stage of data gathering. Karen Williams indicated that she has begun the manual data input for the Arrivos software.

Attorney Ken Lane requested that the Board receive the final actuary valuation report and receive confirmation from the Finance Department that the full retirement contribution has been made to the Employees Retirement System.

Karen Williams distributed and reviewed the Investment and Securities Lending Report for the month ending March 31, 2013.

The meeting adjourned at 9:52 a.m.

Minutes approved on \_\_\_\_\_

\_\_\_\_\_  
Angela Bennett, Secretary  
Employees' Retirement System

\_\_\_\_\_  
Scott Dedic, Chairperson  
Employees' Retirement System