

**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

June 20, 2013  
Thursday, 8:30 a.m.

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The Board met in regular session and was called to order at 8:30 a.m.

Present: Dedic, Kraus, Munroe, Parker, Rose (8:32), Taylor, Wood – 7  
Absent: Trustee Bernero

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

It was moved by Trustee Kraus and supported by Trustee Wood to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of May 23, 2013.

Adopted by the following vote: 6 - 0

It was moved by Trustee Taylor and supported by Trustee Parker to approve the Official Minutes of the Joint Employees Retirement System and the Police and Fire Retirement Board Meeting of May 23, 2013.

Adopted by the following vote: 7 - 0.

Secretary=s Report. 0 new member(s), 0 reinstatement(s), 3 refund(s), 0 transfers, 3 retired. Total active membership: 328. Total deferred: 62. Refunds made since the last regular meeting amounted to \$66,259.53. Retirement allowances paid for the month of May 2013, amounted to \$1,848,925.49. Total retirement checks printed for the ERS System: 879. 3 death(s), Charles Leland (Public Service/Exempt –retired 7/15/1989), died 5/17/2013, age 85, no beneficiary; George Thompson (Parks/Exempt – retired 2/28/1981), died 5/30/2013, age 92, no beneficiary; spouse of Exempt retiree; Edith Clay, died 5/12/2013, age 89, spouse of Exempt retiree. Eligible domestic relations orders received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

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

Gary L Nobach (Public Service/Teamster) – 24 years, 10 months of service credits, age 59, effective June 1, 2013

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It was moved by Trustee Parker and supported by Trustee Rose to approve the following Request for Regular Age and Service Retirement (cont.):

Arnold Yerxa (Mayoral/Council Staff) – 9 years, 9 months of service credits, age 64, effective June 15, 2013

Gunars Liepins (Public Service/UAW) – 18 years, 5 months of service credits, age 61, effective June 15, 2013.

Tracy C. Hammond, Sr. (Public Service/UAW) -,15 years, 11 months of service credits, age 63, effective June 29, 2013.

Adopted by the following vote: 7 - 0

Karen Williams updated the Employees Retirement Board regarding the Duty Disability Retirement requests. Ms. Williams notified the Board that the medical report for Applicant #2012 -E1213 had been received and forwarded to the disability subcommittee.

It was moved by Trustee Taylor and supported by Trustee Wood to concur with the medical director's recommendation and approve the duty disability retirement of Applicant #2012-E1213.

Adopted by the following vote: 7 – 0.

Karen Williams reported that Applicant #2013-E0523 has requested a duty disability retirement. The request was referred to the disability subcommittee for review.

It was moved by Trustee Taylor and supported by Trustee Kraus to refer Applicant #2013-E0523 to the Medical Director for duty disability evaluation.

Adopted by the following vote: 7 – 0.

Karen Williams reported that Applicant#2013-E0524 has requested a non-duty disability retirement. The request was referred to the disability subcommittee for review.

Adopted by the following vote: 7 – 0.

Karen Williams reported that the following former member has requested a return of their accumulated contributions:

Erika A. Kahler, City Attorney Staff, \$6,824.47

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It was moved by Trustee Wood and supported by Trustee Munroe to approve the request for the return of accumulated contributions for Ms. Erika A. Kahler.

Adopted by the following vote: 7 – 0.

Karen Williams reported that she received notice from Trustees Howard McCaffery that he would not be at the June ERS Retirement Meeting and requested an excused absence.

It was moved by Trustee Rose and supported by Trustee Wood to excuse Trustee McCaffery from the June Retirement Board meeting.

Adopted by the following vote: 5 – 0.

Trustee Kraus provided a MAPERS Spring Conference Report. Trustee Kraus reviewed the proposed FOIA legislation. Trustee Kraus also discussed the workshop regarding defined contribution plans. Trustee Kraus also reviewed an appellate case decision regarding an employee who wanted service credits counted for a time period in which they were fired, after returning to their position with no back pay or benefits. The Court opined that the time period could not be used toward the service credit total.

Trustee Taylor discussed her attendance at the MAPERS Spring Conference. Trustee Taylor reviewed a senate bill that would amend PA 152, the health care insurance hard caps dollar amounts.

Trustee Rose provided a MAPERS Spring Conference Report. Trustee Rose attended the breakfast session where trustees can talk in small groups with actuaries, investment consultants and managers, and other service providers to defined retirement plans.

Trustee Parker discussed the information provided by the actuary and the new GASB regulations. Trustee Parker stated that the alternative investments were also covered..

Trustee Dedic added that he also discussed his MAPERS Spring Conference Report.

Karen Williams reported Spring Conference handouts were available on the MAPERS Website for review.

Attorney Ken Lane distributed the amended Public Act 314 for the Trustee Handouts. Attorney Lane distributed the Annual Report Policy, Travel Policy and Fee Disclosure for Board review.

Attorney Lane distributed a legislature update for Board review. The update discussed the FOIA amendments that include fees that can be charged, the creation of a FOIA Committee, and fine increases for violation of FOIA. Attorney Lane also discussed the legislation that would amend health insurance hard caps.,

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Attorney Ken Lane discussed legislation that would prohibit a retiree from coming back to the City under a contract. Attorney Lane reported that Foster Swift was reviewing and working on amending the Employees Retirement Ordinance.

Attorney Lane reported that he sent a letter to the son of Ms. Janet S. Lyman requesting the return of pension overpayment after her death. Mr. Lyman stated to the Retirement Office that the monies were deposited to the bank were seized for an unsecured debt. Attorney Lane had not received a response. Attorney Lane opined that the Employees Retirement System could file a claim with the estate.

It was move by Trustee Wood and supported by Trustee Rose to have legal counsel contact the bank to retrieve the overpayment. If the bank does not respond to request or return the overpayment, then the Board should file a claim with the deceased estate.

Trustee Kraus suggested that the legal counsel send a strongly worded demand letter to the Bank from the Employees Retirement Board. Trustee Kraus suggested that the letter state that the Trustee of the Estate informed the Board that the monies were seized due to an unsecured debt and that the monies are owed to the Retirement System.

Adopted by the following vote: 7 -0

Trustee Dedic informed members that the Retirement Board vendors are not allowed to make political contributions.

Attorney Ken Lane reviewed the provisions of Public Act 314 regarding consulting or service providers for the Boards that cannot make contributions to elected officials. Trustee Wood requested a list of service providers for the Retirement Boards that can be distributed to the elected officials.

Karen Williams reported that a nominating petition for the Public Service Trustee position had been received. Ms. Williams informed the Board that if only one valid petition is received by the deadline, July 3, 2013, that person would be selected as the Public Service Trustee, per election rules and past practice.

Karen Williams reviewed the Minute Master Fees for the calendar year 2012. The fees were listed as not to exceed \$3,100.

It was moved by Trustee Kraus and supported by Trustee Wood to approve the Minute Master fees for the calendar year 2012.

Adopted by the following vote: 7 - 0

Attorney Ken Lane provided an update regarding the 911 Center. Attorney Lane sent a letter to Gabriel Roeder Smith and Cheiron requesting information used to provide the valuation. Attorney Lane stated that he was contacted by GRS's attorney that stated that the City of Lansing had received all the information that was available. GRS would not provide its working papers and documents used for the calculation. Cheiron has not responded to the request.

Ms. Angela Bennett added that she contacted David Hoffman of Gabriel, Roeder, and Smith with the request for information. Ms. Bennett is waiting for his reply.

Trustee Kraus inquired if it would be beneficial to have GRS complete the valuation because the 911 employees have not had their retirement money transferred to Ingham County. Trustee Kraus stated the employees are stressed that their monies have not been transferred and are worried about their retirement.

Ms. Bennett stated that employees can retire as County employees prior to the money being received from the City of Lansing. Cheiron reviewed the 911 transfer and found some issues and discrepancies with the data. Cheiron noted that higher multipliers and base wage may have been used for the Gabriel Roeder Smith calculation. Cheiron provided a new valuation with the updated multipliers and compensation. The difference was approximately \$300,000. Ms. Bennett stated there needed to be a reconciliation of the numbers.

Trustee Kraus stated that in light of Ms. Bennett information, that the Cheiron valuation data should be used instead of the GRS valuation.

Trustee Taylor stated that the ERS Board should move forward with Boomershine Consulting Group to complete the 911 valuation.

It was moved by Trustee Wood and supported by Trustee Munroe to provide the 911 Center information to Boomershine Consulting Group for completion of the valuation.

Adopted by the following vote: 7-0

Trustee Mark Parker provided an update for Retirement Conference update. Trustee Parker requested that Board members volunteer for assignments on the day of the conference. Volunteers are needed for the registration tables and to assist vendors and speaker. Trustee Parker distributed a sign-up sheet and asked members to take September 12 off from work, if possible.

Trustee Rose also requested payment for computer programming and analysis services of \$9,540.00 for the Arrivos Pension Software system. Trustee Rose explained that a programmer had to be hired to access the information from the old Unisys Mainframe. Trustee Rose reported that City has agreed to pay for half of the invoice; the retirement boards would split the balance.

It was moved by Trustee Rose and supported by Trustee Munroe to pay for computer programming and analysis services for the Arrivos Pension Software of \$2,385.00 from the securities lending administrative account out of the monies allocated for the Dewpoint contract.

Adopted by the following vote: 7 – 0.

Trustee Wood requested to discuss the Financial Health Team Report. Trustee Parker stated that he had a study regarding MERS for members to review. Trustee Dedic stated that the Report was provided by a group to provide recommendations to City of Lansing. The group in general did not study in depth or have much experience with the City of Lansing retirement systems. The group had presentations from Asset Consulting Group and Cheiron.

Karen Williams distributed and reviewed the monthly investment report and the Securities Lending Report.

The Retirement Board requested that Asset Consulting Group come to the next meeting to discuss its concerns with Invesco.

The meeting adjourned at 9:31 a.m.

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

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Angela Bennett, Secretary  
Employees' Retirement System

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Scott Dedic, Chairperson  
Employees' Retirement System