

**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 18, 2013
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:33 a.m.

Present: Dedic, Kraus, McCaffery, Munroe, Parker, Rose, Taylor; Wood – 8
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 Taylor to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of June 20, 2013.

Adopted by the following vote: 8 - 0

Secretary=s Report. 5 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers; 4 retired. Total active membership: 327. Total deferred: 62. Refunds made since the last regular meeting amounted to \$6,824.47. Retirement allowances paid for the month of June 2013, amounted to \$1,790,120.04. Total retirement checks printed for the ERS System: 878. 3 death(s), Robert Hutchins, (District Court/Teamster – retired 8/15/1985), died 4/12/2013, age 89, no beneficiary; Dane E. Bandy, (Parks/Teamster – retired 10/17/1992), died 6/12/2013, age 68, beneficiary to receive 100%; LaVern E. Sperry (Parks/Teamster – retired 11/21/1987), died 6/27/2013, age 80, Beneficiary to receive 100%. Eligible domestic relations orders received: 2. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

There were no requests for Regular Age & Service Retirement.

Karen Williams reported that Applicant #2013-E0523 has requested a duty disability retirement. The request was pending waiting for requested documentation.

Karen Williams reported that Applicant#2013-E0524 has requested a non-duty disability retirement. The request was pending waiting for requested documentation.

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

Tara Jewell, FOP 911, \$27,982.61

Colin Karmarsky, FOP 911, \$6706.74

Laura Walker, Teamster, \$16,884.35 (Deferred)

It was moved by Trustee Wood and supported by Trustee Munroe to approve the request for the return of accumulated contributions for Ms. Tara Jewell with the understanding that the refund severs any responsibility from the City of Lansing Employees Retirement System to provide any benefit regardless if she is currently employed at the County.

Trustee Wood requested information regarding when Ms. Jewell left Ingham County. The Retirement Office did not have a date for separation from Ingham County. Ms. Jewell separated from the City of Lansing and transferred to the county in June 2012. Trustee Wood expressed concern how the return of accumulated contributions would affect the transfer of funds to Ingham County.

Attorney Lane opined that as an active City employee cannot request their contributions. Once an employee separates from City employment, the employee can take their contributions. Attorney Lane stated that

Ms. Angela Bennett stated that at the time, employees had the opportunity to retire from the City, or take their contributions, or leave their contributions and transfer to the county.

Adopted by the following vote: 8 – 0.

It was moved by Trustee Wood and supported by Trustee Munroe to approve the request for the return of accumulated contributions for Mr. Colin Karmarsky with the understanding that the refund severs any responsibility from the City of Lansing Employees Retirement System to provide any benefit regardless if she is currently employed at the County.

Adopted by the following vote: 8 – 0.

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

Adopted by the following vote: 8 – 0.

Karen Williams distributed registration material for the 2013 Fall Conference, scheduled for September 22-24 in Grand Rapids, Michigan.

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The ERS Ordinance Status, Legislative and Policy updates were moved to next month meeting agenda.

Karen Williams distributed election results and reported that there was one nominating petition returned for the Public Service Trustee Election. Mr. Robert Rose was declared the winner of the election and will serve as the Public Service Trustee for the term ending June 30, 2017.

It was moved by Trustee Wood and supported by Trustee Taylor to accept the certified election results for Robert Rose as the Public Service Trustee.

Adopted by the following vote: 8 -0

Ms. Williams distributed a recommendation letter from Boomershine Consulting Group, Inc. that outlined issues regarding the Plan's definitions of actuarial equivalence. The agenda item was moved to next month's meeting.

Ms. Haley Rives, Asset Consulting Group provided an overview of the City of Lansing Employees Retirement System Invesco International Equity fund manager. Ms. Rives discussed that the global equity team experienced a large number of departure and organization changes. Ms. Rives discussed the performance results for the international equity strategy. Asset Consulting Group recommended that the City of Lansing Employees Retirement System began an International Equity fund manager search.

It was moved by Trustee Kraus and supported by Trustee Munroe to begin a manager search to replace INVESCO.

Adopted by the following vote: 8 - 0.

Ms. Haley Rives reviewed the monthly investment report for the month ending June 2013. Trustee Wood requested that quarterly cash flows activity be added to the monthly investment report.

Ms. Williams provided an update on Cheiron Actuarial services. Ms. Williams informed the ERS Board that Cheiron has requesting that the pending Eligible Domestic Relations Orders be approved and calculated by the new actuary. Ms. Williams informed legal counsel and Chairperson Dedic regarding the request and asked for the monies back that were paid for the services. Ms. Williams was waiting for the checks so that Boomershine can complete the EDRO requests.

Ms. Angela Bennett updated the ERS Board regarding the 911 Center transfer. Ms. Bennett informed the Board that Gabriel, Roeder, Smith was able to confirm the assumptions that were used in the valuation. Ms. Bennett has forwarded this information to Boomershine Consulting Group so that Greg Stump can confirm and update the 911 transfer valuation. Ingham County has requested that MERS have a valuation done for the 911 transfer. Ms. Bennett stated that progress is being made.

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Trustee Mark Parker provided an update for Retirement Conference update. Trustee Parker reported that registration material for the conference was mailed out to all retirees. Karen Williams added that employees will be notified by City Wide Email, department postings and employee online.

Trustee Rose updated the ERS Board that the Arrivos Pension Software system is moving forward. Trustee Rose reported that Attorney Ken Lane will review the death check contract.

Attorney Ken Lane reported that City Budget recommendation regarding pension reimbursement and its legal issues is under review.

Trustee Wood reported that Mr. Howard McCaffery had been reappointed to the ERS Board.

Karen Williams distributed and reviewed the Securities Lending Report for the month of June 2013.

The meeting adjourned at 9:40 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System