

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 22, 2013
Thursday, 8:30 a.m.

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

Present: Dedic, Munroe, Parker, Rose, Taylor (9:11), Wood – 5
Absent: Trustee Bernero, Kraus, McCaffery, Taylor

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

It was moved by Trustee Parker and supported by Trustee Munroe to approve the
Official Minutes of the Employees Retirement System Board Regular Meeting of July 8,
2013.

There were no public comments

Adopted by the following vote: 5 - 0

Secretary's Report. 2 new member(s), 0 reinstatement(s), 3 refund(s),
transfers, 0 retired. Total active membership: 326. Total deferred: 61. Refunds
made since the last regular meeting amounted to \$51,573.70. Retirement
allowances paid for the month of July 2013, amounted to \$1,836,764.51. Total
retirement checks printed for the ERS System: 880. 2 death(s), Betty J.
Bywater, died 7/23/2013, age 89, spouse of Teamster retiree; Alta M. Hufnagel,
died 8/4/2013, age 90, spouse of Executive Plan retiree. Eligible domestic
relations orders received: 0. Domestic relations orders pending: 2. Eligible
domestic relations orders certified: 0.

It was moved by Trustee Wood and supported by Trustee Parker to approve the
following Regular Age & Service Retirement:

Phillip Wilson (Public Service/UAW) – 23 years, 6 months of service credits, age
58, effective 8/17/2013. (with purchase of five years of universal buy in of
service credits)

Adopted by the following vote: 5 – 0.

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Karen Williams reported that Applicant #2013-E0523 has submitted his documentation and medical records waiver and authorization. The applicant will be scheduled to see the medical director.

Karen Williams reported that Applicant#2013-E0524 has submitted his documentation and medical records waiver and authorization. The applicant will be scheduled to see the medical director.

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

Michael Schuyler, Police/Civilian \$9,367.03

It was moved by Trustee Wood and supported by Trustee Parker to approve the request for the return of accumulated contributions for Ms. Michael Schuyler.

Adopted by the following vote: 5 – 0.

Karen Williams stated that she received requests from Trustee Kraus, Trustee McCaffery to be excused from the ERS August Meeting.

It was moved by Trustee Wood and supported by Trustee Parker to excused Trustee McCaffery from the Employees Retirement System August Meeting..

Trustee Wood noted that Trustee Kraus and Trustee Taylor are not required to be excused because they are ex-officio members

Adopted by the following vote: 5 -0.

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

Attorney Ken Lane reviewed the following policies for the Employees Retirement System Board: Annual Report Policy, Travel Policy and Fee Disclosure Policy.

It was moved by Trustee Wood and supported by Trustee Rose to approve the Annual Report Policy, and that it will supersede any prior annual report policy and that it shall be added to the Employees Retirement System Trustee Book.

Adopted by the following vote: 5 - 0

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It was moved by Trustee Wood and supported by Trustee Parker to approve the Travel Policy, and that it will supersede any prior travel policy and that it shall be added to the Employees Retirement System Trustee Book.

Adopted by the following vote: 5 -0

It was moved by Trustee Wood and supported by Trustee Parker to approve the Fee Disclosure, and that it will supersede any prior fee disclosure policy and that it shall be added to the Employees Retirement System Trustee Book.

Adopted by the following vote: 5 - 0

Trustee Wood provided an overview of the Dedicated Emerging Market Manager Selection of Wells Berkeley Street. Trustee Wood explained that the Joint Boards had an unique opportunity to be an initial investor in this new comingled fund. The fees would be reduced for initial investor and would provide a significant savings of fees over the life of the investment.

Trustee Rose agreed that the selection of Wells Berkeley Street would provide an unique opportunity for the ERS Board to be an initial investor in this fund. Trustee Rose explained that Asset Consulting Group had reviewed the companies and suggested a 2% allocation. The recommendation to the Joint Boards was based upon the stringent selection criteria, as has been done in previous investment searches.

It was moved by Trustee Wood and supported by Trustee Rose to conditionally hire Wells Berkeley with an allocation of 2% to be recommended by Asset Consulting Group contingent upon the following criteria: the contract must receive a review from legal counsel, the Board must receive written memo from Asset Consulting Group memorializing the discussion and recommendation, and the Board must be able to interview with Wells Berkeley.

Adopted by the following vote 5 – 0.

The International Value search was moved to pending.

Trustee Mark Parker provided an update for Retirement Conference update. Trustee Parker reported that registration confirmation would be mailed out to approximately 360 retirees and employees.

Trustee Rose, Employees Retirement System requested extension approval of the Dewpoint Contract for the Tegrity software project to not exceed \$15,000 per Retirement Board through June 30, 2014.

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It was moved by Trustee Rose and supported by Trustee Wood to approve the Dewpoint Contract extension not to exceed \$15,000 through June 30, 2014.

Adopted by the following vote: 5 - 0.

Attorney Ken Lane provided an overview of the City of Detroit bankruptcy. Attorney Lane reviewed the State Constitution regarding the vested rights of retirement pensions and the implications of federal bankruptcy on the State Constitution provision.

Karen Williams distributed and reviewed the Quarterly Expenses Report for the quarter ending June 2013.

Karen Williams distributed a cash flow recommendation memo from Asset Consulting Group for quarterly cash flows. Asset Consulting Group recommendation redemption of \$3,000,000 from the Northern Trust S & P 500 Index portfolio and redemption of \$3,000,000 from the T. Rowe Price portfolio.

It was moved by Trustee Parker and supported by Trustee Taylor to approve quarterly cash flows of \$6,000,000 as recommended by Asset Consulting Group

Adopted by the following vote: 6 - 0.

Karen Williams recommended \$10,000 from the Northern Trust Account Securities Lending Account be transferred to the Comerica account for Employees Retirement System quarterly expenses.

It was moved by Trustee Wood and supported by Trustee Parker to approve the quarterly cash flow for administrative expenses of \$10,000 from the Northern Trust Securities Lending Account.

Adopted by the following vote: 6 - 0

The meeting adjourned at 9:19 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System