

**OFFICIAL PROCEEDINGS OF THE BOARD OF
TRUSTEES
CITY OF LANSING
EMPLOYEES RETIREMENT SYSTEM -Amended**

Regular Meeting
City Council Conference Room
10th Floor, City Hall
Lansing, MI

October 17, 2013
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:34 a.m.

Present: Dedic, Kraus, McCaffery, Parker, Rose, Taylor, Wood – 7
Absent: Trustee Bernero, Munroe

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 McCaffery to approve the Official Joint Minutes of the Employees Retirement System Board Regular Meeting of September 19, 2013, as amended.

Adopted by the following vote: 7 – 0

There were no public comments.

Secretary=s Report. 4 new member(s), 0 reinstatement(s), 2 refund(s), 0 transfers, 3 retired. Total active membership: 324. Total deferred: 59. 2 death(s), Naomi J. Case, (NonBargaining, retired 8/14/1980), died 9/19/2013, age 85, no beneficiary; Elwin Fulkerson (NonBargaining, retired 7/25/1981), died 9/26/2013, age 87, beneficiary to receive 50%. Refunds made since the last regular meeting amounted to \$104,987.21. Retirement allowances paid for the month of September 2013, amounted to \$1,912,488.66. Total retirement checks printed for the ERS System: 883. 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:

Jeffrey L. Mills (Finance/UAW) – 20 years, 5 months of service credits, age 61, effective October 1, 2013.

Adopted by the following vote: 7-0

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

John Busley (Public Service/Teamster) – 17 years, 6 months of service credits, age 58, effective October 25, 2013.

Adopted by the following vote: 7 - 0

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

Edgar Loring (Public Service/UAW) – 25 years, 2 months of service credits, age 52, effective November 1, 2013. ¹

Adopted by the following vote: 7 - 0

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

Robert J. Rose (Public Service/Teamster) – 26 years, 7 months of service credits, age 55, effective November 15, 2013.

Adopted by the following vote: 6 - 0

Karen Williams notified the Employees Retirement System Board that Mr. Richard D. Stoudt rescinded his retirement application that was approved at the September meeting.

It was moved by Trustee Wood and supported by Trustee Parker to rescind the retirement application of Mr. Richard D. Stoudt and that the September meeting minutes are amended with a footnote.

Adopted by the following vote: 7 - 0

Karen Williams reported that Applicant #2013-E0523 was scheduled to see the medical director.

Karen Williams reported that Applicant #2013-E0524 was scheduled to see the medical director.

¹ Mr. Edgar Loring rescinded his retirement application for November 1, 2013 and resubmitted the application of November 15, 2013

Karen Williams reported that Applicant #2013-E1017 has applied for Non-Duty disability retirement.

Applicant #2013-E1017 was referred to the disability subcommittee.

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

Shane Silsby, Planning/NonBargaining (Deferred), \$20,311.32

It was moved by Trustee Wood and supported by Trustee Parker to approve the request for the return of accumulated contributions for Mr. Shane Silsby.

Adopted by the following vote: 7 – 0.

Karen Williams reported that she had received requests from Trustee Carol Munroe to be excused from the ERS October Meeting.

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

Adopted by the following vote: 7 -0.

Trustee Taylor attended the MAPERS Fall Conference Reports. Trustee Taylor informed the ERS Board that there were a variety of workshops on the Affordable Care Act and legislative updates.

Trustee Dedic reported that he also attended the MAPERS Fall Conference Reports. Trustee Dedic concurred with Trustee Taylor regarding the information provided regarding the Affordable Care act.

Karen Williams reported that annual membership dues for the following organizations: MAPERS, \$100; NCPERS, \$250; and IFEBP, \$810 (split between ERS and Police and Fire Retirement Boards)

It was moved by Trustee Wood and supported by Trustee Taylor to approve payment for the MAPERS annual membership of \$100, and the IFEBP annual membership of \$405, and the fee would be paid from the Securities Lending Administrative account.

Adopted by the following vote: 7 – 0

Attorney Ken Lane distributed an updated EDRO policy for approval regarding the use of the Plan's funding assumptions for the purposes of Actuarial Equivalence in EDRO calculations. This policy was recommended by the Board's Actuary and would result in

smaller adjustments to the member's or alternate payee's benefits.

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It was moved by Trustee Wood and supported by Trustee Kraus to approve the updated EDRO Payment and Calculation Policy and that this policy shall be placed in the Trustee Handbook.

Adopted by the following vote: 7 -0

Attorney Lane distributed an updated Investment Policy and a Vendor Fee Disclosure Policy.

Attorney Lane updated Board that Attorney Paul Novak will attend to the November Joint Meeting to discuss Milberg's request that the City of Lansing Retirement Board use the VERITAS system.

Attorney Lane informed the ERS Board regarding a former member who was now a member of the Police and Fire Retirement System. This former member was a Parks police officer, under the Employees Retirement System. When the Parks Police division was eliminated in 1992, the former member froze her six years of service and transferred to the Lansing Police Department under a written agreement with the City. The former member was not vested and has been a Lansing Police Officer since her transfer. At the time, the member was informed that she could use the Reciprocal Retirement Act for both systems. Attorney Lane will research an equitable way to return the accumulated contributions from the Employees Retirement System.

Trustee Kraus indicated another former retired member had a similar inquiry regarding the accumulated contributions

Attorney Lane notified the ERS Board that Foster Swift was close to completing the Teamster 214 language to the Ordinance.

Karen Williams distributed a posting an election to fill the remaining term for Robert Rose's position as Public Service Trustee on the Employees Retirement System Board. Trustee Rose's term would expire June 30, 2017. Ms. Williams reviewed dates for the return of nominating petitions, dates for the primary and general elections.

It was moved by Trustee Wood and supported by Trustee Kraus to approve the Public Service Trustee position for the Employees Retirement System Board.

Adopted by the following vote: 7 - 0

Karen Williams reported that ERS Board generally reviews and accepts the Northern Trust Custodian Bank SAS 70 Report each year.

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The ERS Board will review the report and discuss at the December meeting. Trustee Dedic referred the SAS 70 report to pending.

Ms. Angela Bennett provided an update of the 911 Center Dispatch Transfer to Ingham County. Ms. Bennett informed the Board that there has not been an agreement regarding the amount to be transferred based upon the actuarial valuation of December 31, 2011. During the process, the Joint Board had an actuarial experience study. The actuarial assumption changes recommended by the Boards Actuary were approved for the actuarial valuation of December 31, 2011. Ingham County has concern regarding the effect on the assumption changes on the transfer amount.

Ms. Bennett discussed the details and the calculation to be used for the 911 Center Dispatch Transfer agreement with the ERS Board. Ingham County requested that Ms. Bennett ask the Board to approve the transfer of retirement funds based the actuarial valuation of December 31, 2011 without the assumption changes. Ms. Bennett recommended that the ERS Board used the approved Actuarial valuation that would include the assumption changes.

Trustee Wood reviewed the process regarding the transfer of retirement funds. Trustee Wood stated that the ERS Board would make a recommendation to the City Council approval. Trustee Wood expressed concern that the funding transferred by consistent with the recommendation for the Board's Actuary.

Attorney Lane stated that Public Act 314 requires that before any official transfer is made, a supplemental actuarial report must be received by the Board's Actuary.

Trustee Kraus discussed the problems with the initial valuation from the former Board actuary. Trustee Kraus stated that as a fiduciary, her primary focus was the Employees Retirement System. Trustee Kraus strongly supported that the ERS Board concur with the amount consistent with its actuarial report and experience study.

It was moved by Trustee Kraus and supported by Trustee Wood that the Employees Retirement Board not accept any 911 Dispatch Transfer amount to Ingham County that is not consistent with the ERS Board's actuarial valuation report or does not include the Board's actuarial experience study.

Adopted by the following vote: 7 - 0

Karen Williams distributed financial report regarding the Retirement Conference. Ms. Williams reviewed the budget and final expenses. Mr. Parker provided tabulated

results of the conference surveys.

Trustee Rose provided an update of the Tegrity Pension Software project. Trustee Rose stated that he will meet with Angela Bennett, Dewpoint, Tegrity and the Board Chairpersons to discuss the transition to another Board Project Sponsor due to Trustee Rose's retirement.

Karen Williams notified the Employees Retirement System that Mr. George Tarlas will come to the November meeting to discuss the International Value Search from Asset Consulting Group.

Karen Williams informed the ERS Board that the Wasatch Investment fund would like a wire authorization form completed for money transfer. The Board agreed that Trustee Kraus and Randy Endsley, accounting manager, would provide authorizations for money transfer from Wasatch.

Karen Williams reviewed the Monthly Investment and Securities Lending Report for the period ending September 30, 2013.

The meeting adjourned at 9:19 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees' Retirement System

Scott Dedic, Chairperson
Employees' Retirement System