

**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

May 14, 2015
Thursday, 10:00 a.m.

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The Board met in regular session and was called to order at 10:18 a.m.

Present: Kraus, McCaffery, D. Parker, M. Parker, Wood – 5
Absent: Trustee Bernero, Dedic, McIntyre, Munroe

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

It was moved by Trustee McCaffery and supported by Trustee Mark Parker to approve the Official Minutes of the Employees' Retirement System Board Regular Meeting of April 23, 2015.

Adopted by the following vote: 5 - 0

There were no public comments.

Secretary's Report. 1 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 5 retired. Total active membership: 296. Total deferred: 67. 1 death(s), Myrtis L. Smith, (Human Resources/Teamster, retired 10/20/1990), died April 19, 2015, no surviving beneficiary. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of April 2015, amounted to \$1,901,782.92. Total retirement checks printed for the ERS System: 913. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

Teresa Frassetto (Transportation/Teamster), 22 years, 8 months of service credits, age 60, effective June 1, 2015.

Antonia Kraus (Finance/Exec. Mngt), 25 years, 10 months of service credits, age 51, effective June 6, 2015.

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It was moved by Trustee Wood and supported by Trustee Kraus to approve the following requests for Regular Age & Service Retirement (cont.):

Mark Stanley (Public Service/UAW), 20 years, 4 months of service credits, age 58, effective June 13, 2015

Adopted by the following vote: 5 - 0

There were no requests for duty disability retirements.

Ms. Williams reported that the Medical Director contacted the Retirement Office and requested additional documents from Applicant #2014 – E0619. Ms. Williams contacted the applicant with the Medical Director's request. The applicant has been unable to provide the requested data.

Attorney Ken Lane recommended that the Retirement Office send a letter notifying the applicant that if there is no response to the request for additional material by 60 days, the application would be considered withdrawn.

There were no requests for refunds of accumulated contributions

Karen Williams reported that Trustee Munroe indicated that she would not be able to attend the May Meeting due to illness. Trustee Dedic also requested to be excused from the May Meeting

The Employees Retirement System Board noted that Trustee McIntyre is an ex-officio member that does not need to be excused.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to excuse Trustee Munroe from the Employees Retirement System Board May meeting.

Adopted by the following vote: 5 - 0

It was moved by Trustee Wood and supported by Trustee Mark Parker to excuse Scott Dedic from the Employees Retirement System Board May meeting.

Adopted by the following vote: 5 -0

Trustee Dennis Parker provided an oral report for his attendance at the NCPERS Annual Conference. Trustee Parker detailed the New London firefighters that went to the defined contribution in 1996. After some financial difficulties and other problems encountered by firefighters within the defined contribution plan, the union has recently bought in to the State of Connecticut pension system. Other issues that include a code of conduct for service providers, public pension systems, actuarial data. Trustee Parkers stated that Trustee McIntyre would provide a report at the next meeting.

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Karen Williams reminded members that MAPERS Spring Conference that will be held in May 17-19, 2015. Members who wished to attend should contact the Retirement Office to register.

Attorney Lane did not have a Retirement Ordinance update.

Trustee Wood requested that the City Attorney and Attorney Roberts be available at the next meeting to provide a status on the Ordinance delay.

Attorney Ken Lane discussed a letter from a former employee that requested a refund of accumulated contribution after the five year period. The Board directed legal counsel to send the former employee a letter regarding the denial of the request. Legal counsel has not received a response.

Attorney Lane also discussed an amended election policy that takes into account the re-organization of City Departments. Attorney Lane can provide a draft at the next meeting.

Karen Williams reported to the Employees Retirement System that the authorized signers need to be updated with the retirement of the City Treasurer.

It was moved by Trustee Mark Parker and supported by Trustee McCaffery to have Trustee Carol Wood as an authorized signer for the City of Lansing Employees Retirement System investment on a temporary basis to replace Antonia Kraus.

Adopted by the following vote: 5 - 0

Mr. George Tarlas provided an overview of Equity/Long Short Discussion. Mr. Tarlas explained that the City of Lansing Employees' Retirement System (ERS) Board modified its strategic allocation in December to include a 10% target to equity long/short.

Mr. Tarlas discussed the pros and cons between two recommended fund of funds candidate manager, Private Advisor and ABS and the direct hedge investment program. Mr. Tarlas reviewed the implementation option.

Trustee Mark Parker requested that ERS Board consider a direct investment customized portfolio with Asset Consulting Group as the investment manager. Trustee Mark Parker discussed the lower fees, performance and transparency.

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Trustee Kraus expressed concern that a termination of ACG as its direct hedge investment manager may affect the relationship with ACG. Trustee Kraus expressed that she would not support the direct investment with ACG as our manager and consultant.

Attorney Lane noted that the Police and Fire Retirement Board has a current contract in place with Private Advisors.

It was moved by Trustee Kraus and supported by Trustee McCaffery to select Private Advisors as its Equity Long/Short Investment manager.

Adopted by the following vote: 5 - 0

Ms. Williams presented the Quarterly Expenses Report and Securities Lending Report for the month of April 2015.

It was moved by Trustee Wood and supported by Trustee Mark Parker to adjourn the Employees Retirement System Board meeting.

Adopted by the following vote: 5 – 0.

The meeting adjourned at 9:23 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees Retirement System

Dennis R. Parker, Chairperson
Employees' Retirement System