

**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 16, 2016
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:35 a.m.

Present: Dedic, Good (8:39), Kraus, Munroe, D. Parker, M. Parker, Riley, Wood. – 8

Absent: Trustee Bernero

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

Trustee Munroe left the meeting.

It was moved by Trustee Mark Parker and supported by Trustee Wood to approve the Official Minutes of the Employees' Retirement System Board Meeting of May 12, 2016.

Adopted by the following vote: 5 - 0

It was moved by Trustee Mark Parker and supported by Trustee Kraus to approve the Official Minutes of the Joint Minutes of the Employees' Retirement System and Police and Fire Retirement Board Meeting of May 12, 2016.

Adopted by the following vote: 5 – 0

There were no public comments.

Secretary's Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total active membership: 328. Total deferred: 71. 1 death(s) Charles Bauer, (retired 1/15/2002/ Police-Civilian), died 5/9/2016, no beneficiary. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of May 2016, amounted to \$1,904,597.15. Total retirement checks printed for the ERS System: 914. Total Retirement checks printed for both systems: 1636. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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It was moved by Trustee Dedic and supported by Trustee Mark Parker to approve the following requests for Regular Age and Service retirements:

Paul H. Dykema, (Public Service/Teamster), 25 years, 4 months of service credits, age 63, effective July 1, 2016.

Craig R. Anderson (Police-Civilian/Teamster), 14 years, 3 months of service credits, age 58, effective July 7, 2016.

Brian L. Kelley (Police-Civilian/Teamster 243), 17 years, 8 months of service credits, age 50, effective July 7, 2016. (Employee has 11 years, 7 months of prior service and purchase of 5 years of service credits)

Virginia Crump (Public Service/UAW), 24 years, 5 months of service credits, age 58, effective July 13, 2016.

Adopted by the following vote: 6 - 0

Karen Williams reported that Applicant #2016-E0317 has seen the Medical Director and the Disability Subcommittee was waiting from the medical report.

There were no requests for Non-Duty Disability Retirement.

There were no requests for Refund of Accumulated Contributions.

Trustee Mark Parker gave his oral report for his attendance at the MAPERS Spring Conference. He discussed the actuary workshop that discussed the move toward closed amortization periods of 10 -20 years. Trustee Parker also spoke with Invesco regarding global policy.

Trustee Dedic provided his oral report for his attendance at NCPERS Annual Conference. He discussed the workshop that detailed Brexit, and session on fuel and gas and political projects. Trustee Dedic discussed workshops that detailed bonds in down markets for unfunded liability. He reviewed a case study of Oklahoma pension system.

Attorney Ken Lane provided a MAPERS legislative update of HB 5438 that would provide a definition of base pay that would not include items such as vacation, overtime to improve their Final Average Compensation; HB 4199 that would eliminate severance pay for employees that voluntary quits; SB 892 that would modify PA 314 to broaden the definition of private equity to include intrastate securities; and SB 275 that would affect public school employees and would not allow union leave to be eligible to count for service credit.

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Trustee Dennis Parker reported that he attended the MAPERS workshops that discussed technology, investing, fuel, distribution of natural resources, vacant infrastructure, and a case study on Nike stock and Footlocker.

Trustee Riley discussed her MAPERS Conference attendance. She attended the new trustee session and the senior housing investment workshop.

Attorney Ken Lane reported that the Retirement Ordinance is under review with the City Attorney's Office. Attorney Lane distributed the frequently asked questions. He has updated the multipliers and requested Board review for additional amendments.

Karen E. Williams reported that the Retirement System received a Northern Trust Securities Lending Settlement in the amount of \$23,218.40.

Karen E. Williams provided a Retirement Board Trustee Election update. The Retirement Office has received one nomination. Past practice and policy indicates that if there is only one nomination, that nominee is confirmed by the Retirement Board.

Karen E. Williams requested dates for the due diligence visit to Asset Consulting Group in the fall.

Attorney Lane indicated that the IRS code is being reviewed and may be amended to provide a safe harbor for retirees as contract employees. The safe harbors would include the following retirees:

Age 60 with five years of service

Age 55 with 10 year of service

Age + service that equal 80 or more

Any age and 25 years of service.

Trustee Mark Parker requested the retiree contracts to review the numbers of member affected.

Trustee Riley indicated that she would check with the Office of the City Attorney regarding the release of the contract information to the Employees Retirement System Board.

Trustee Wood requested that Attorney Ken Lane contact the Office of the City Attorney and find out what needs to be done for the Board to receive and review the contracts.

Karen Williams provided the Monthly Investment Report and Securities Lending report for the month of May 2016.

Trustee Wood inquired where the money from the Northern Trust Settlement would be deposited.

Karen Williams indicated that checks that are received by the Retirement System are generally deposited in the Comerica account.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to adjourn the meeting.

Adopted by the following vote: 7 – 0.

The meeting adjourned at 9:11 a.m.

Minutes approved on _____

*Angela Bennett, Secretary
Employees Retirement System*

*Dennis R. Parker, Chairperson
Employees' Retirement System*