

**CITY OF LANSING
POLICE & FIRE and ERS RETIREMENT SYSTEM
JOINT BOARD
OFFICIAL MINUTES**

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

February 15, 2011
Thursday, 9:30 a.m.

The meeting was called to order at 9:46 a.m.

A quorum of the Police and Fire Retirement System Board and the Employees Retirement System Board was present.

Trustees present: (ERS), Dedic (11:01 a.m), Kraus, Munroe, McCaffery, Parker, Rose – 6.

(Police & Fire), Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood – 6.

Other presents: John Jackson, Asset Consulting Group, Inc. (ACG); Karen Williams; Eric Tumbarella, Finance; Attorney Kenneth Lane, Clark Hill Law Office (representing the City Attorney's Office);

Mr. Eric Tumbarella provided an overview of the Pension Administration Software Project. Mr. Tumbarella reviewed the results of the Request for Information mailed to targeted vendors on behalf of the Retirement Board. The Boards discussed the selection of vendors, hosted systems and non-hosted systems, liability, conversion costs and start costs for a comprehensive retirement software solution. Mr. Tumbarella reviewed the next steps for the projects, sending out a Request for Proposal for vendors..

It was moved by Trustee Wood and supported by Trustee Hecksel for the Police and Fire Retirement Board to distribute a Request for Proposals to vendors for Comprehensive Pension Administration software.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Rose and supported by Trustee Munroe for the Employees Retirement Board to distribute a Request for Proposals to vendors for Comprehensive Pension Administration software.

Adopted by the following vote: 6 – 0.

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CITY OF LANSING

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February 15, 2011
Tuesday, 9:30 a.m.

It was moved Trustee Wood and supported by Trustee Hecksel for the Police and Fire Retirement Board to go into closed session to discuss attorney-client privileged information

Adopted by the following roll call vote: 6 – 0
Yeas: Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood
Nays: 0

It was moved by Trustee Kraus and supported by Trustee Rose for the Employees Retirement System Board to go into closed session to discuss attorney-client privileged information.

Adopted by the following roll call vote: 5 - 0
Yeas: Kraus, Munroe, McCaffery, Parker, Rose
Nays: 0

The Board resumed session at 10:48 a.m.

Mr. John Jackson, Asset Consulting Group provided an overview of Northpointe Investment. Mr. Jackson provided an in-depth review of NorthPointe Capital and its concerns with the performance. Mr. Jackson discussed the firm details, investment strategy and provided a recommendation to the Police and Fire Retirement System and the Employees Retirement System to replace NorthPointe.

The Police and Fire Retirement System Board have agreed to replace its Small Cap/SMid manager and hire William Blair Investment firm.

The Employees Retirement System agreed to postpone its discussion until their Board meeting, Thursday, February 17, 2011.

Mr. John Jackson provided a year-end performance review of the Employees Retirement System and the Police and Fire Retirement System investment portfolios. Mr. Jackson discussed the Market Environment and provided an executive summary of the Investment Reports presented to the Boards. Mr. Jackson provided an equity analysis, fixed analysis and real estate analysis of the retirement portfolios.

Mr. John Jackson distributed a memo from Asset Consulting Group and reviewed the Quarterly Cash Flow Recommendation to provide \$3,000,000 to the Police and Fire Retirement System Board.

It was moved by Trustee Hecksel and supported Trustee Wood to redeem \$3,000,000 from Northpointe Investments for Quarterly Cash Flow to the Comerica account, based on the written recommendation from Asset Consulting Group.

Adopted by the following vote: 5 - 0.

It was moved by Trustee Hecksel and supported by Trustee Wood to redeem \$15,000 from Northern Trust Security Lending to Comerica for administrative expenses.

Adopted by the following vote: 5 - 0.

Mr. John Jackson distributed a memo from Asset Consulting Group and reviewed the Quarterly Cash Flow Recommendation to provide \$2,000,000 to the Employees Retirement System Board.

It was moved by Trustee Kraus and supported Trustee Rose to redeem \$2,000,000 from Northern Trust Investments for Quarterly Cash Flow to the Comerica account, based on the written recommendation from Asset Consulting Group.

Adopted by the following vote: 6 - 0.

It was moved by Trustee Kraus and supported by Trustee Rose to redeem \$15,000 from Northern Trust Security Lending to Comerica for administrative expenses.

Adopted by the following vote: 6 - 0.

Mr. John Jackson reviewed the Northern Trust Fraud Monitoring fee that was effective January 2011

The meeting adjourned at 12:15 a.m.

Minutes approved on _____

Jerry Ambrose, Secretary

Scott Dedic, Chairperson
Employees Retirement System

Brad St. Aubin, Chairperson
Fire and Police Retirement System