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

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

June 21, 2012
Tuesday, 8:30 a.m.

The meeting was called to order at 8:39 a.m.

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

Trustees present: (ERS), Dedic, Kraus, McCaffery, Munroe, (8:51), Parker, Rose, Taylor, Wood – 8.
(Police & Fire), Benson, Fabus, Hecksel, Kraus, St. Aubin, Wood – 6.

Other presents: Karen Williams; Angela Bennett, Finance; Attorney Kenneth Lane, Clark Hill Law Office (representing the City Attorney's Office).

Trustee Wood reviewed that the Finance Department sent a reimbursement request for retirement expenses to the Police and Fire System for \$4.2 million. The request was discussed in the meeting and approved. Trustee Wood expressed concerns regarding what the expenses were and for how long a period these expenses covered. Trustee Wood expressed concern that expenses may not have been paid over multiple years. Trustee Wood requested an explanation of the expenses from the Finance Department.

Ms. Angela Bennett explained that the Police and Fire Reimbursement included only fiscal year 2012 expenses. The expenses included approximately \$800,000 in investment managers' fees, and the remainder for federal income tax withholding, state withholding and health care premium sharing. Ms. Williams added that other expenses for the actuary, medical director and investment consultant are also paid from the Retirement System.

Ms. Angela Bennett explained that the Retirement System pays the net premium pension for retirees each month. The City pays withholding, health care premium, manager investment and requests reimbursement on annual basis.

Trustee Rose requested an explanation of why the total expenses are not reimbursed on a quarterly basis when the Joint Boards approves its cash flow withdrawals. Trustee Rose asked if there was an accounting rule that required annual reimbursement instead of more frequent reimbursement.

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Ms. Angela Bennett explained that the annual reimbursement has been done in the past. The Retirement System has only reimbursed the net pay monthly. Ms. Bennett explained that due to administrative and internal control issues have been why the reimbursement has been annual in the past. Ms. Bennett stated that she is willing to review more frequent reimbursements of expenses.

Trustee Wood stated that she does not remember approving this annual reimbursement in the past. Trustee Wood indicated that the gross amount for the retiree check should come out of the Retirement System on a monthly basis.

Ms. Bennett indicated that the last reimbursement was made in April 2011.

Trustee Fabus expressed concern that there was no accounting of expenses provided the Police and Fire Retirement Board for the reimbursement requests.

Ms. Bennett explained that going forward those detailed expenses can be made available to the Boards.

Trustee McCaffery requested information regarding administrative charges for the Retirement Board.

Ms. Bennett explained that there are no administrative charges to the Retirement Board for staffing. Staff for the Board is supplied by the City.

Trustee Rose requested a listing of the fees to be made available for the Boards to acknowledge.

Trustee Dedic stated that he was not comfortable transferring monies for reimbursement without a detailed listing of expenses. Trustee Dedic requested a report of the expenses

It was moved by Trustee Hecksel and supported by Trustee Fabus to suspend payment of the reimbursement to the City until the Police and Fire Board has time to review an itemized list of the request and is comfortable with the accounting. Trustee Hecksel amended his motion that the approval of the reimbursement transfer be contingent upon receipt of an itemized accounting of the request by June 25, 2012 and Police and Fire Board review and approval.

Trustee St. Aubin expressed concern that the request was made in so late in the fiscal year.

Attorney Ken Lane suggested that the reimbursement would be contingent on receipt of the report by a date certain.

Trustee St. Aubin requested that if information is forwarded to him, can he distribute it to members for review.

Attorney Lane explained that the report would go to members for review; if members had issues they would direct their concerns to the chair. There would be no debate or discussion. If there are concerns, the transfer will not occur. The Chair could determine if there needs to be a meeting to address the concerns.

Adopted by following following vote: 6 – 0

It was moved by Trustee Rose and supported Trustee Munroe to request an itemized report for Employees Retirement System for the reimbursement request for retirement expenses. It was further moved that the Employees Retirement System meet Monday to approve the transfer of monies. Trustee Dedic offered a friendly amendment that was accepted for the report to go to Trustee Rose for distribution to Trustees.

Adopted by the following roll call vote: 6 -0

Trustee Rose set the Monday meeting at 12noon, June 25, 2012.

Trustee Wood requested that the Boards have a discussion in the next month's meetings regarding how expenses are paid.

The meeting adjourned at 9:35 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Scott Dedic, Chairperson
Employees Retirement System

Brad St. Aubin, Chairperson
Fire and Police Retirement System