

CITY OF LANSING
JOINT POLICE & FIRE RETIREMENT SYSTEM
and
EMPLOYEES RETIREMENT SYSTEM
MINUTES

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

February 19, 2013
Tuesday, 9:30 a.m.

The meeting was called to order at 9:39 a.m.

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

Trustees present: (Police & Fire), Benson, Fabus, Hecksel, Kraus, St. Aubin, Oleson, Wood - 7.
(ERS), Dedic, Kraus, Munroe, McCaffery, Parker, Rose, Taylor, Wood - 8.
Other presents: Angela Bennett, Karen Williams, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); Cliff Kalish, Patrick Quinn, William Blair.

Mr. Cliff Kalish provided an overview of the William Blair organization. Mr. Patrick Quinn provided an Investment philosophy and process presentation. Mr. Quinn discussed the investment performance and the portfolio strategy.

Mr. George Tarlas, Asset Consulting Group provided a Year-End Performance Review of the Police and Fire Retirement System and Employees Retirement System investment portfolios. Mr. Tarlas discussed the global economy and its impact on investments. He provided an analysis of the equities, fixed income and real estate assets.

Mr. George Tarlas reviewed the TRowe Price Investment guidelines and amendments that include Investment objectives, strategies, unauthorized investments and restrictions and Performance Benchmarks. Mr. Tarlas requested that the Police and Fire System and the Employees Retirement System accept the new guidelines for TRowe Price.

It was moved by Trustee Wood and supported by Trustee Hecksel to accept the TRowe Price Investment guidelines as amended for the Police and Fire Retirement System, contingent upon approval by legal counsel.

Adopted by the following vote: 6 - 0

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

February 19, 2013
Tuesday, 8:30 a.m.

Page 2

It was moved by Trustee Wood and supported by Trustee Parker to accept the TRowe Price Investment Guidelines as amended for the Employees Retirement System, contingent upon legal counsel approval.

Adopted by the following vote: 8 – 0.

Mr. George Tarlas reviewed the Quarterly Cash Flow Withdrawal Requests. The Employees Retirement System Board and the Police and Fire Board agreed to \$10,000 for quarterly cash flow withdrawals for administrative expenses.

It was moved by Trustee Hecksel and supported by Trustee Benson to approve quarterly cash flow withdrawal of \$3.5 million from the Integrity portfolio and \$3.5 million from the William Blair portfolio as recommended by Asset Consulting Group, and \$10,000 from the Northern Trust Securities Lending account to the Comerica account for Police and Fire Retirement System administrative expenses.

Adopted by the following vote: 6 – 0.

Trustee Hecksel requested an educational meeting with George Tarlas to discuss investment options available with the passage of amendments to Public Act 314.

It was moved Trustee Parker and supported by Trustee Rose to approve quarterly cash flow withdrawal of \$3 million from the Integrity portfolio and \$3 million from the William Blair portfolio as recommended by Asset Consulting Group, and \$10,000 from the Northern Trust Securities Lending account to the Comerica account for Employees Retirement System administrative expenses.

Adopted by the following vote: 8 – 0.

Trustee Robert Rose provided an update of the Tegrity Software implementation. Trustee Rose discussed the manual data load and discussed death check services proposal to the pension system software. Trustee Rose reported that the Tegrity Software committee will review the death check proposals and provide a recommendation at the next Board meeting.

Trustee Rose discussed the Dewpoint Contract extension for Dawn Polihonki as the project coordinator for the software implementation. Trustee Rose requested an extension of \$30,000 for the professional services agreement and that the costs are shared by the Employees Retirement System and the Police and Fire Retirement System.

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

February 19, 2013
Tuesday, 8:30 a.m.

Page 3

It was moved by Trustee Wood and supported by Trustee Kraus that the Employees Retirement System approve the Dewpoint contract extension for \$15,000 and that the costs be paid from the Security Lending Administrative funds.

Adopted by the following vote: 8-0

It was moved by Trustee Wood and supported by Trustee Hecksel that the Police and Fire Retirement System approve the Dewpoint contract extension for \$15,000 and that the costs be paid from the Security Lending administrative funds.

Adopted by the following vote: 6 – 0.

Trustee Mark Parker updated the Joint Boards regarding the Retirement Conference for 2013. Trustee Parker reported that the contract had been signed for the Lansing Center for September 14, 2013. Trustee Parker stated that the subcommittee will begin meeting to discuss the selection of speakers, health screenings, and conference budget.

The Joint Board discussed the merger between EFI and Cheiron. Trustees expressed concerns about the new structure of the merged company and that this company is different from the one hired by the Boards. Trustees also expressed concerns that Mr. Greg Stump, one of their primary actuary had left EFI. Attorney Ken Lane reviewed the contract provisions for termination of actuarial services.

The Joint Boards discussed having presentations by both companies, Cheiron and Mr. Greg Stump's new company, Boomershine Consulting Group. The Joint Board discussed having 45 minute presentations with an additional 15 minutes for questions. Trustee Wood stated requested that the presentations be held before March 31, before the City budget process and meetings begin.

The Meeting adjourned at 11:43 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Scott Dedic, Chairperson
Employees Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System