

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

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

April 18, 2013  
Tuesday, 9:15 a.m.

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2013 MAY 24 PM 3:29  
LANSING CITY CLERK

The meeting was called to order at 9:20 a.m.

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

Trustees present: (Police & Fire), Benson, Hecksel, Kraus, Oleson, St. Aubin; Wood - 6.

(ERS), Dedic, Kraus, McCaffery, Munroe, Parker, Rose, Wood - 7.

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

Trustee Rose expressed his concerns with Boomershine Consulting Group and asked that a Request for Proposals (RFP) process for the actuary began.

Trustee Wood informed the Board that she had concerns with Cheiron and preferred Boomershine Consulting Group.

It was moved by Trustee Rose to have a RFP process for actuarial services, limited to four firms.

The motion died.

It was moved by Trustee Hecksel and supported by Trustee Oleson to terminate the contract with Cheiron and hire Boomershine Consulting Group for actuarial services for the Police and Fire Retirement System, pending legal review.

Mr. Benson requested information regarding the termination provision in the contract.

Attorney Ken Lane opined that the current contract with Cheiron had a 21-day termination provision.

Adopted by the following vote: 5- 1

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It was moved by Trustee Kraus and supported by Trustee Benson to start the RFP process for actuarial services to begin within six months.

Roll Call Vote: 4 – 2  
Yes: Benson, Kraus  
No: Hecksel, Oleson, St. Aubin Wood.

The motion failed.

Ms. Angela Bennett expressed her concern and disappointment that the Retirement Board did not open up the Request for Proposals.

Trustee Munroe had concerns with Boomershine and requested that the ERS Board remain with Cheiron until the RFP process is completed.

It was moved by Trustee Parker and supported by Trustee Rose to terminate the contract with Cheiron and hire Boomershine Consulting Group for actuarial services for the Employees Retirement System, pending legal review; and for the Employees Retirement System began the RFP process within six months.

Trustee Munroe had concerns about waiting six months to begin the RFP process. Trustee Monroe expressed concern regarding the transition process and its effect on the Retirement Offices. Trustee Monroe inquired about the length of the Boomershine Contract.

Attorney Ken Lane stated that he drafts the contracts to allow for a 21-day termination period.

Adopted by the following Roll Call Vote: 5 -2  
Yes: Dedic, Kraus, Munroe, Parker, Rose  
No: McCaffery, Wood

Attorney Ken Lane will make contact with Boomershine Consulting Group to review contracts.

Trustee Wood requested that Police and Fire Retirement Board be invited to participate in the RFP process.



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Ms. Angela Bennett discussed the City Budget proposal for the Retirement Boards to reimburse the City for pension costs. Ms. Angela Bennett stated that the recommendation was for the Fiscal Year 2014. Ms. Bennett explained this proposal includes the services provided by the Retirement Staff, the Payroll staff and the accounting costs. Ms. Bennett distributed a spreadsheet to detail the costs.

Trustee Wood stated this proposal is a part of the budget process. The City cannot take the money from the Retirement System without the Board's approval.

Trustee Rose inquired to the legal counsel regarding the effect of funding an employee's position by the Retirement Boards and labor issues associated with that position. Trustee Rose asked legal counsel to determine the implications of this funding change proposal.

Trustee Wood inquired to the legal counsel regarding liability issues of the Retirement Board funding a City position.

Ms. Angela Bennett stated that the reimbursement proposal from the City is for direct costs, like payroll, accounting, and pension services.

Trustee Hecksel stated that he is not clear on the proposal. Trustee Hecksel stated that the proposal requests are for \$176, 311 for administrative costs to be split by the two Retirement systems. Trustee Hecksel inquired what would happen if the Board refused the request.

Trustee Antonia Kraus requested information how this request would be handled going forward from this point.

Attorney Ken Lane opined that he did not believe that the City was obligated to provide administrative services for the Retirement System. Attorney Lane will provide further research.

Trustee McCaffery stated that he believed that the City could assess an administrative charge to the system

Trustee Rose expressed concern on who would audit these costs presented for reimbursements.

Trustee Dedic discussed about hiring a retirement analyst and legal counsel in the past. Trustee Dedic stated the he was not comfortable using the Retirement Systems Securities Lending account to pay for these services. The account was not set up to pay these fees.

Trustee Wood inquired what would happen if the securities lending account was not available. Trustee Wood inquired if the costs would be paid from the Retirement System investments.

Attorney Ken Lane requested time to investigate the questions raised by Trustees regarding the City budget recommendations.

Trustee Hecksel inquired about what other departments are charged for services.

Angela Bennett explained the City of Lansing indirect cost program and provided a list of services within the government that is not part of the General Fund. Ms. Bennett listed the Community Development, Parking, Block Grants, and Road Funds. Angela Bennett stated that she discussed the direct costs with the actuary. Ms. Bennett stated that these costs would become a part of normal costs for the Retirement System. Ms. Bennett believed that the costs should be reviewed annually.

Trustee Benson inquired about why the City of Lansing would not be responsible for these fees, instead of charge backs to the Retirement System. Many charges within federal, city, state are based on external budgets. Trustee Benson stated that the costs have not been built into Retirement System, and questioned if the Systems had a revenue source to pay these charges.

Trustee Wood requested that the both chairs provide a letter to City Council stating that no recommendations have been made.

Trustee Rose notified the Board that Tegrit would be at the next Joint Meeting.

The Meeting adjourned at 10:22 a.m.

Minutes approved on \_\_\_\_\_

\_\_\_\_\_  
Angela Bennett, Secretary

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Scott Dedic, Chairperson  
Employees Retirement System

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Brad St. Aubin, Chairperson  
Police and Fire Retirement System