

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

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

November 21, 2013
Thursday, 9:30 a.m.

The meeting was called to order at 9:41 a.m.

A quorum of both Retirement Boards was present.

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

(ERS), Dedic, Kraus, Munroe, Parker, Taylor, Wood –6.

Others present: Angela Bennett, Karen Williams, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); Attorney Paul Novak, Milberg Inc.; Andrew Gillentine, George Tarlas, Asset Consulting Group.

Karen Williams provided an update of the Tegrity/Arrivos Software implementation project. The Tegrity group has gained access to the IFAS Payroll database and has been reviewing the information to download to the Arrivos system. The Tegrity Group has requested that the Boards appoint a new project sponsor to replace Mr. Bob Rose, who retired.

Trustee St. Aubin suggested that the Police and Fire Board discuss with Tegrity the remaining time line for the project. The Police and Fire Board can negotiate with Mr. Rose to serve as the project sponsor for the Police and Fire Board. The Board can discuss how many hours would be needed to complete the project.

It was moved by Trustee Kraus and supported by Trustee Hecksel to authorize the Police and Fire chairperson to begin to negotiate with Mr. Robert Rose to serve as contract employee and bring the negotiated project back to the Board for approval.

Adopted by the following vote: 6 – 0

It was moved by Trustee Wood and supported by Trustee Parker to have Attorney Ken Lane investigate if there are any issues related to having Mr. Bob Rose serve as a contract employee of the Employees' Retirement System Board and for Attorney Lane to report back to the Board regarding his findings.

Adopted by the following vote: 6 – 0.

Joint Meeting
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November 21, 2013
Tuesday, 9:30 a.m.

Mr. Andrew Gillentine, of Asset Consulting Group reviewed the Cash Flow Withdrawal request. Karen Williams notified the Joint Boards that the City of Lansing had deposited its annual contribution to the Employees' Retirement System of \$8.6 million and the Police and Fire Retirement System of \$11 million on November 1.

Mr. George Tarlas, Asset Consulting Group recommended that the Employees' Retirement System and the Police and Fire Retirement System postpone the quarterly cash flow withdrawal and rebalance the portfolio. The City Contribution can be used for the quarterly cash flow.

The Employees' Retirement System and the Police and Fire Retirement System agreed to defer the quarterly cash flow request based upon the recommendation of Asset Consulting Group.

Mr. Andrew Gillentine reviewed the Employees' Retirement System and the Police and Fire Retirement System amended Statement of Investment Policies and Objectives. Mr. Tarlas added that language was included to allow investment in emerging markets.

It was moved by Trustee Kraus and supported by Trustee Munroe to approve the amended City of Lansing Employees' Retirement System Statement of Investment Policies and Objectives.

Adopted by the following vote: 6 – 0.

It was moves by Trustee Kraus and supported by Trustee Hecksel to approve the amended City of Lansing Police and Fire Retirement System Statement of Investment Policies and Objectives.

Adopted by the following vote: 6 – 0.

Trustee Taylor left the meeting.

Mr. George Tarlas provided an investment performance review for the City of Lansing Joint Retirement Boards for the Periods Ending September 30, 2013. Mr. Andrew Gillentine reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial portfolio.

Trustee Brad St. Aubin left the meeting.

There were no public comments.

Attorney Paul Novak provided a presentation regarding securities monitoring to the Joint Boards. Attorney Novak provided legal updates on Caterpillar and K-12. Attorney Novak discussed the Boards transition to the Veritas system for Securities Monitoring services. Attorney Novak addressed securities issues from the Board. Attorney Novak requested the Board's approval to move to the Veritas System.

Trustee Wood inquired if there were any violation or breach to the Veritas system. Attorney Novak stated that he was unaware of any violation, but he could further inquire to Veritas.

It was moved by Trustee Wood and supported by Trustee Hecksel to approve the transition to Veritas for the Police and Fire Retirement System contingent upon Milberg, Inc. 's inquiry and verification that there has been no breach of the Veritas System; Milberg, Inc. will be required to notify the Board immediately if there are any violation or breach to Veritas System in the future.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Wood and supported by Trustee Parker to approve the transition to Veritas for the Employees' Retirement System contingent upon Milberg, Inc. 's inquiry and verification that there has been no breach of the Veritas System; Milberg, Inc will be required to notify the Board immediately if there are any violation or breach to Veritas System in the future

Adopted by the following vote: 5 – 0.

There were no public comments.

The Meeting adjourned at 10:34 .m.

Minutes approved on _____

Angela Bennett, Secretary

Scott Dedic, Chairperson
Employees' Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System