

**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

May 15, 2014
Thursday, 9:15 a.m.

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The meeting was called to order at 9:21 a.m.

A quorum of the Employees Retirement Board was present.

Trustees present: (Police & Fire), Fabus, Hecksel, Oleson, Wood – 4.
(ERS), Dedic, Munroe, McCaffery, D. Parker, M. Parker, Taylor –6.

Others present: Karen Williams, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); Ronnie Amici, Travis Carr, Western Asset Management; Haley Rives, Asset Consulting Group.

Ms. Haley Rives, Asset Consulting Group, provided an overview of the Western Asset Management Company for the joint retirement boards.

Ms. Ronnie Amici, Public Funds Client Service, provided an organizational update, discussed the investment philosophy and the investment objectives at Western Asset Management Company. Mr. Travis Carr, Product Specialist provided a review of the Employees Retirement System and the Police and Fire Retirement System portfolios investment results. Mr. Carr also provided a market review and portfolio review.

Ms. Rives reviewed the Employees Retirement System quarterly cash flow request. Asset Consulting Group recommendation was to redeem \$2,750,000 from the MD Sass portfolio and \$2,750,000 from the Western Asset portfolio that was currently overweight to fixed income.

The Retirement Board discussed transferring \$50,000 from the Northern Trust securities lending to Comerica for the Board's administrative expenses.

It was moved by Trustee Mark Parker and supported by Trustee Taylor to redeem \$5,500,000 for quarterly cash flow needs as outlined by Asset Consulting group, \$2,750,00 from MD Sass and \$2,750,000 from Western Asset, and to redeem \$50,000 from Northern Trust securities lending account for administrative expenses.

Adopted by the following vote: 6 -0.

Ms. Rives discussed the KCG Commission Recapture program and amendments that were made regarding trades through Merrill Lynch. KCG requested board approval of its amendments. Asset Consulting Group recommended Board agreement.

Ms. Rives reported that Munder Capital/Integrity investment fund had been acquired by Victory Capital. Ms. Rives recommended that the retirement boards address the request the assign the investment to Victory Capital at its June meetings. Asset Consulting Group will provide a written recommendation.

Ms. Rives discussed the proposed due diligence visit to Asset Consulting Group for June 9-11. Trustees requested that alternative dates be provided in October, to allow more trustees to attend. The proposed dates were October 1-3 and October 8 -10.

Ms. Rives explained that Northern Trust Securities Lending Collateral Pool made a cash distribution to both Board's accounts.

Ms. Haley Rives of Asset Consulting Group reviewed the Quarterly Performance reports for the 1st quarter of 2014. Ms. Rives discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending March 31, 2014. Mr. Rives reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial portfolio.

There were no public comments.

The Meeting adjourned at 10:59 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Scott Dedic, Chairperson
Employees' Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System