

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

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

February 16, 2015
Tuesday, 9:15 a.m.

The meeting was called to order at 9:29 a.m.

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

Trustees present: (ERS), Dedic, Good, Kraus, Munroe, D. Parker, M. Parker, Riley, Wood – 8.
(Police & Fire), Fabus, Good, Oleson, Rose, St. Aubin, Wohlfert, Wood 7.

Others present: Karen E. Williams, Angela Bennett, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); George Tarlas, Asset Consulting Group; Todd Rittenhouse, Mondrian; Patmon Malcom, Pavel Sokolov, Earnest Partner.

Attorney Ken Lane reviewed his legal opinion regarding contract employees for Human Resources Director Riley. He explained that the previous HR Director was reviewing with department to make certain the contract employees hired are compliant with IRS Rules. The Board discussed sending a letter from both boards to City Council and the Mayor reiterating the legal opinion.

Mr. Todd Rittenhouse presented the Mondrian investment performance review of the Police and Fire Retirement System portfolio. He discussed the company organization, investment philosophy and performance for the last quarter. He discussed investment portfolios performance results for 2015, investment strategy a review of the portfolio holdings.

Mr. Patmon Malcom and Mr. Pavel Sokolov presented an Earnest Partner investment performance review of the Employees Retirement System portfolio. Mr. Malcom provided an overview of the equity markets and international portfolio review. He discussed emerging and developed markets and the portfolios holdings. Mr. Sokolov discussed stock selection rationale, performance measurements and sector weighting. Mr. Sokolov reviewed the investment process and investment strategy.

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The Joint Retirement System Board discussed September dates to a due diligence visit to Asset Consulting Group in St. Louis. The Joint Boards also discussed due diligence visit to see California to visit Western Asset and Franklin Templeton. The Joint Board also discussed dates to a spring educational session for the trustees in May to discuss commodities and private equity.

Mr. George Tarlas of Asset Consulting Group reviewed the 2015 Year in Review Report.. Mr. Tarlas discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending December 31, 2015. Mr. Tarlas also reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial. Mr. Tarlas reviewed the January monthly financial report and indicated that the portfolios have performed well due to its diversification. He recommended further diversification and planned to discuss options during trustee education sessions.

The Joint Boards request direction from Asset Consulting Group regarding excess monies in the Comerica account used to pay pension. With the addition of the City's annual contribution, both accounts for the Police and Fire Retirement System and the Employees Retirement System have more cash available than needed for quarterly pension payments. The Boards requested recommendation from Asset Consulting Group regarding investment options.

The Joint Boards also discussed contacting Comerica regarding account options that could offer some interest for the excess cash reserves. Trustee Good stated that she would contact Comerica and report back to the Boards.

There were no public comments.

It was moved by Trustee Fabus and supported by Trustee Wohlfert to adjourn the meeting.

Adopted by the following vote: 7 - 0

The meeting adjourned at 11:55 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System