

**OFFICIAL PROCEEDINGS OF THE BOARD OF
TRUSTEES
CITY OF LANSING
POLICE AND FIRE RETIREMENT SYSTEM**

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

March 16, 2010
Tuesday, 8:30 a.m.

The Board met in regular session and was called to order at 8:38 a.m.

Present: Trustees Benson (8:45), Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood – 7.

Absent: Trustee Bernero

Others: Karen E. Williams, Jerry Ambrose, Finance Department; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department); John Jackson, Asset Consulting Group.

It was moved by Trustee Kraus and supported by Trustee Hecksel to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of March 16, 2010.

Adopted by the following vote: 7 – 0.

Mr. Ambrose reported to the Board that the administration will be announcing the 2010 Retirement Incentive. Mr. Ambrose provided an overview of the Incentive. The program is cost neutral and is aimed at employees who are either already eligible to retire or close to retirement. Mr. Ambrose outlined the provisions of the incentive: no health care premium share, purchase of service credits, buy-back of furlough days. Mr. Ambrose also reviewed a suggestion to extend the number of years that an employee can purchase from 3 to 5 years of service credit.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total: Active membership: 467. 3 death(s). Robert P. Moon, Fire, died 2/17/2010, age 80, no surviving beneficiary; Daryl Zuk, Police, died 2/28/2010, age 59, spouse to receive 50%; Ruth Wojtysiak, Police, died 3/3/2010, spouse of retiree. Refunds made since the last regular meeting amounted to \$ 0.00. Retirement allowances paid for the month of February, 2010 amounted to \$1,853,346.40. Total retirement checks printed for the P&F System: 639. Total retirement checks printed for both systems: 1440. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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It was moved by Trustee Fabus and supported by Trustee Hecksel to approve the application for Regular Age and Service Retirement:

Mark Alley, Police Department, 25 year of service, age, effective March 13, 2010. (Purchased 11 months of universal buy-in time)

Adopted by the following vote: 7 – 0.

It was moved by Trustee Fabus and supported by Trustee Hecksel to approve the application for Regular Age and Service Retirement:

Mary Stevens, Police Department, 25 years of service, age 47, effective March 20, 2010.

Adopted by the following vote: 7 – 0.

Karen Williams reported that applicant 2009-F1020's was seen by Dr. Roth who will send a report with his initial findings and referral recommendation.

There were no requests for Non Duty Disability Retirements.

There were no requests for Refund of Accumulated Contributions.

Karen Williams distributed information regarding MAPERS Spring Conference at Soaring Eagle in Mt. Pleasant, Michigan, May 23 – May 25. Ms. Williams also informed the Board of the Asset Consulting Group Michigan Trustee Educational Forum, April 14, 2010. The Board also discussed members attending the NCPERS Conference, October 9 - 14, 2010.

The accounting department informed the Retirement Office that generally taxes for meals will not be reimbursed. Jerry Ambrose stated that he will talk with Tom Korkoske. Mr. Ambrose explained that the IRS has a general rule that government does not pay taxes, but it may not be practical. Mr. Ambrose believes that reimbursement could be worked out with accounting.

Trustee St. Aubin expressed his opinion that no member of the Police and Fire Retirement Board should go to the International Foundation Meeting held in Hawaii this year. Trustee St. Aubin explained due to the tight economy and media scrutiny, trustees should not travel outside of the continental United States. The Board discussed Trustee St. Aubin's request and agreed with his opinion.

Trustee Oleson and Trustee Hecksel requested permission to attend this year's NCPERS conference.

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It was moved by Trustee Oleson and supported by Trustee Hecksel to permit two or more members to attend the NCPERS conference in the fall.

Adopted by the following vote: 7 – 0.

Trustee Hecksel also announce the Michigan Trustee Education Forum presented by Asset Consulting Group in Lansing, April 14, 2009.

The subcommittee on Special Projects agreed to meet at prior to the next meeting to provide a final review of the Actuary Bid request for proposals.

It was moved by Trustee Hecksel and supported by Trustee Oleson to proceed forward with setting up interviews.

Adopted by the following vote: 7 – 0.

The Joint Committee on Fraud Monitoring/Securities Litigation agreed to meet April 28th at 9:00 a.m. to set up interviews for firms. Attorney Lane will send out letters of invitation.

Attorney Ken Lane provided an update on HB 5323. The bill was sent to the House Appropriations Committee. Attorney Ken Lane also distributed information to update the Trustee Handbook.

Gabriel, Roeder, Smith and Company reviewed the 2008 Actuarial Valuation for the City of Lansing Police and Fire Retirement System at the February meeting. Attorney Ken Lane explained that it was the Board policy and in the Ordinance that the Police and Fire Retirement Board accept the actuary report each year.

It was moved by Trustee Oleson and supported by Trustee Hecksel to receive the 2008 Actuarial Valuation for the City for Lansing Police and Fire Retirement System.

Adopted by the following vote: 7 - 0.

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Karen Williams distributed the annual city contribution report. The city made excess contributions to the retirement system and requested that the overage be returned. Thomas Korkoske provided the following information and requested a return of the excess contributions.

Police and Fire Contribution 11/12/2009		\$7,133,603.00
Actuarial Recommended Contribution	\$7,179,360.00	
Less: FY 2009 excess contribution	<u>- 388,608.00</u>	
		6,790,757.00
Excess Contributions P & F Retirement System 11/12/2009		342,846.00

It was moved by Trustee Hecksel and supported by Trustee Fabus to return the excess contributions of \$342,846 to the City. A friendly amendment was offered by Trustee Wood that we refer express the contributions as an overage or excess contributions rather than amount owed to the City. A friendly amendment was offered by Trustee Kraus that the Police and Fire Retirement Board recognize the City contribution.

Trustee Kraus reviewed the how the excess contributions were determined.

Adopted by the following board: 7 – 0.

Mr. John Jackson provided an update of the Private Advisory Investment. Due to a recent termination of 20% owner and researcher from Private Advisors, a payment settlement or litigation may be possible. Asset Consulting Group recommended that the Police and Fire Retirement System delay its decision to fund the investment at this time.

Trustee Oleson recommended that the Board reconsider its options if Private Advisors has not settled with the former owner. Mr. John Jackson reviewed the Board's option and stated that the issue be reviewed in three months.

It was moved by Trustee Hecksel and supported by Trustee Oleson to suspend funding the Private Advisor investment at this time until the July meeting. If Asset Consulting Group's recommendation has not changes, the Board will reconsider and review its options.

Adopted by the following vote 7- 0.

John Jackson reviewed the March Investment report.

The meeting adjourned at 9:25 am.

Minutes approved on _____

Jerry Ambrose, Secretary
Police & Fire Retirement System

Brad St. Aubin Chairperson
Police & Fire Retirement