

COPY

**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

November 9, 2010
Tuesday, 8:30 a.m.

The Board met in special session and was called to order at 8:35 a.m.

Present: Trustees Fabus, Hecksel, Oleson, St. Aubin, Wood – 5.
Absent: Trustee Benson, Bernero, Kraus

Others: Karen E. Williams, Finance Department; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department); Mr. Richard Warner.

It was moved by Trustee Wood and supported by Trustee Hecksel to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of October 19, 2010 with amendments.

Adopted by the following vote: 5 – 0.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total: Active membership: 443. 2 death(s). Danny E. King, Police, died 10/24/2010, age 57, beneficiary to receive 50%; Kenneth Ruppert, Police, died 10/26/2010, age 63, spouse to receive 50%. Refunds made since the last regular meeting amounted to \$ 0.00. Retirement allowances paid for the month of October, 2010 amounted to \$1,967,307.47. Total retirement checks printed for the P&F System: 661. Total retirement checks printed for both systems: 1505. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

Trustee St. Aubin requested that if trustees are aware of retiree deaths, please forward that information to the retirement office.

There were no applications for Regular Age & Service Retirement.

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Karen Williams updated the Board regarding the requests for duty disability. Ms. Williams informed the Board that the Case #2010-F0422 applicant has been rescheduled for his testing referred by Dr. Margolis for evaluation.

Case #2010-F1019 applicant has been contacted by the Retirement Office. The applicant is gathering his information requested by the Board to be referred to Dr. Roth.

Karen Williams informed the Board regarding Case #2010-F1109 who has requested a duty disability retirement. Case #2010-F1109 was referred to the disability subcommittee.

Karen Williams informed the Board regarding Case #2010-F1110 who has requested a duty disability retirement. Case #2010-F1110 was referred to the disability subcommittee.

It was moved by Trustee Hecksel and supported by Trustee Oleson to recess to Board meeting so that the Disability subcommittee could meet regarding Case #2010-F1109 and Case #2010-F1110.

Adopted by the following vote: 5 – 0.

The Board recessed at 8:46 a.m.

It was moved by Trustee Hecksel and supported by Trustee Oleson to resume the Board meeting.

Adopted by the following vote: 5 – 0.

The Board resumed at 9:03 a.m.

It was moved by Trustee Hecksel and supported by Trustee Oleson for applicant 2010 – F1109 be referred to Dr. Roth following past practice requiring that all necessary paperwork be provided to the Retirement Office.

Adopted by the following vote: 5 – 0

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It was moved by Trustee Hecksel and supported by Trustee Oleson to refer applicant 2010-F1110 to provide a report from Dr. John Baker from Sparrow Hospital and any new information to the Retirement Office to be forwarded to Dr. Roth for his review.

Adopted by the following vote: 5 – 0.

There were no requests for Non Duty Disability Retirement.

There were no requests for Refund of Accumulated Contributions.

It was moved by Trustee Oleson and supported by Trustee Hecksel to excuse Trustee Benson from the meeting.

Trustee Wood explained that Trustee Kraus' position on the Board did not require an excuse.

Karen Williams notified the Board that Trustee Benson had called the Retirement Office and asked for an excused absence.

Adopted by the following vote: 5 – 0.

Mr. Richard Warner requested clarification regarding the disability subcommittee's request.

Trustee Wood inquired if the Board needs to make an amendment to Trustee Hecksel motion regarding applicant #2010-F1110 to send to the medical director, if requested. Trustee Wood inquired if the minutes should reflect the Board would refer to the applicant to the doctor.

Trustee St. Aubin clarified that past practice dictates that Dr. Roth would contact the Retirement Office if he wishes to see an applicant. Karen Williams would contact the disability subcommittee for approval to refer the applicant to the doctor.

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Mr. Ken Lane updated the Board regarding the purchase of Military Time policy.

It was moved by Trustee Oleson and supported by Trustee Wood to reimburse Mr. Carlyle Schultz for his actuary fee.

Trustee Oleson indicated that Mr. Schultz was under the assumption that he could purchase his military time with his 457 funds. Because he cannot use these funds in-service, his fee should be returned to him.

Trustee Hecksel discussed that he understood and was sympathetic with Mr. Schultz. However, Mr. Schultz paid for a service and did receive his actuarial evaluation.

Trustee St. Aubin discussed that it was a dangerous precedent to refund monies using retirement system funds to the applicant who purchased an evaluation, but could not use it.

Trustee Fabus inquired to the Retirement Office if Mr. Schultz was ever told that he could not purchase military time with 457 funds.

Karen Williams indicated that she informed Mr. Schultz that he could not purchase military time with his 457 funds while in-service. Mr. Schultz indicated that he believed that he could purchase based on past practice. Ms. Williams instructed Mr. Schultz to talk with Allen VanGorder of ING to verify this practice. Mr. VanGorder contacted the 457 Committee chairperson who contacted legal counsel. The City Attorney Office indicated the Police and Fire Retirement System Plan does not allow the purchase of military time with 457 funds while in-service.

Trustee Oleson withdrew his motion.

Trustee Wood requested that information regarding the purchase of Military Time be disseminated for the membership.

Trustee Fabus requested that the information be included with the Trustee Book material to be uploaded to the web site.

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It was moved by Trustee Wood and moved by Trustee Hecksel to approve the Purchase of Military Time Policy.

Adopted by the following vote: 5 – 0

Ms. Williams indicated that there was an error on Ms. Hillary income verification form. Ms. Hillary inadvertently included her disability retirement monies with her earned income, which together exceeded the allowable amount for 2009. Ms. Hillary completed a corrected form.

It was moved by Trustee Wood and supported by Trustee Fabus to approve Mrs. Hillary's adjustment back to her normal pension amount.

Adopted by the following vote: 5 - 0.

Ms. Williams distributed the 2011 Meeting Schedule. The Police and Fire Board amended the schedule to November 8, 2010 and December 13, 2010. The Board approved the meetings.

Attorney Ken Lane reviewed the MAPERS suggested polices for Retirement Board. Attorney Lane discussed a Regular Age and Service Policy, FOIA Policy, Record Retention Policy, Benefit Estimate Policy and Code of Conduct (Ethics) Policy.

Attorney Ken Lane would review the City's Ethic Policy and research other such policies for the Board to consider in establishing its own policy.

Trustee Oleson reported to the Board that the Joint Committee on Special Projects has met and scored the Actuary Bid packages. The subcommittee will meet on November 23, 2010 to review the packages to narrow the list for interviews.

Karen Williams reported to the Board a memo from Mr. Jerry Ambrose indicating the Mr. Thomas Fabus was re-elected to the position of Police Trustee, for the term ending December 30, 2010.

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Ms. Karen Williams informed the Board that she has scheduled a meeting with Eric Tumbarella to discuss project manager suggestions and migrating information from the old payroll system. Karen Williams has contacted several pension software companies who provide comprehensive system. Companies would like to see a proposal prior to providing a quote.

The Police and Fire Board would like to move forward with pension software for the system and website and would also split the cost with the Employees Retirement System.

Trustee Oleson updated the Board regarding the Due Diligence visit to New York. Trustee Oleson would book the flight and the Retirement Office will schedule the hotel. Asset Consulting Group has prepared an agenda for the visit for December 7 and December 8, 2010.

Trustee Fabus reviewed the Police and Fire Booklet. Attorney Ken Lane made amendments to the booklet. Trustee Wood made a recommendation that this information be uploaded on the intranet as a resource, once the amendments have been made.

Ms. Williams distributed and supported the Securities Lending Report for October.

Attorney Ken Lane requested permission to attend the Due Diligence visit to New York.

Trustee Wood requested an update regarding the Police and Fire Retirement Ordinance. Attorney Ken Lane stated that he would check with the City Attorney's Office

It was moved by Trustee Oleson and supported by Trustee Hecksel to allow Attorney Ken Lane to attend the Due Diligence visit to New York and pay his expenses from the securities lending account.

Adopted by the following vote. 5 – 0.

It was moved by Trustee Oleson and supported by Trustee Hecksel to adjourn the Police and Fire Retirement Meeting.

Adopted by the following vote: 5 – 0.

It was requested by Trustee Wood to the Chairperson to provide a letter of support for her reappointment to the Board as city council representative. Trustee St. Aubin requested Attorney Ken Lane to draft the letter.

The meeting adjourned at 10:16 am.

Minutes approved on _____

Jerry Ambrose, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System