

**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

February 15, 2011
Tuesday, 8:30 a.m.

The Board was called to order at 8:30 a.m.

Present: Trustees Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood – 6.
Absent: Trustee Bernero, Benson

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

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 January 21, 2011.

Adopted by the following vote: 6 – 0.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total: Active membership: 442. 0 death(s). Refunds made since the last regular meeting amounted to \$12,803.69. Retirement allowances paid for the month of January, 2011 amounted to \$1,976,446.83. Total retirement checks printed for the P&F System: 658. Total retirement checks printed for both systems: 1503. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

February 15, 2011
Tuesday, 8:30 a.m.

Page Two

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

Kim A. Halverson, Police Department, 25 years of service credits, age 49, effective February 15, 2011.

Larry S. Klaus, Police Department, 25 years of service credits, age 48, effective February 15, 2011

Adopted by the following vote: 6 - 0

It was moved by Trustee Hecksel and supported by Trustee Oleson to have a short recess to allow the disability subcommittee to meet to review the Medical Director report.

Adopted by the following vote: 6 - 0

The Board recessed at 8:34 a.m.

It was moved by Trustee Hecksel and supported by Trustee Oleson to rise from the recess.

Adopted by the following vote : 6 - 0

Trustee Kraus reported that the subcommittee had met and recommended to concur with the Medical Doctor's report to deny the duty disability application of Case #2010-F0422.

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

February 15, 2011
Tuesday, 8:30 a.m.

Page Three

It was moved by Trustee Wood and supported by Trustee Hecksel to move to closed session to review the Medical Director reports of the duty disability applicants.

Adopted by the following roll call vote:

Yeas: Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood

Nays: 0

The Board recessed session at 8:50 a.m.

The Board resumed session at 8:57 a.m.

It was moved by Trustee Kraus and supported by Trustee Hecksel to concur with the Medical Director's report and deny the duty disability application of Case #2010-F0422. Further, the Medical Director has recommended further treatment and the Board will refer the report to City of Lansing Human Resources.

Adopted by the following vote: 6 - 0

Case #2010-F1019 applicant has submitted his documentation to the Board and the Medical Director has it for review. The Medical Director's office will schedule an appointment for evaluation.

Attorney Ken Lane reported to the Board that the applicant #2010-F1110 was denied a duty disability in August. The applicant came forward the Board with new information for review. As a courtesy and consistent with past practice, the Board forwarded the information to the Medical Director. The Medical Director submitted an addendum to the Board that stated the new information does not change his original decision to deny duty disability. A new application was not file. The Retirement Office assigned a new case number to protect the applicant's confidentiality. The Board is not required to take action on this case. The Board voted in August.

The Retirement Office is waiting for the Medical Director's report for Case #2010-F1109.

There were no requests for Non Duty Disability Retirement.

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

February 15, 2011
Tuesday, 8:30 a.m.

Page Four

There were no requests for Refund of Accumulated Contribution.

It was moved by Trustee Wood and supported by Trustee Hecksel to exclude Trustee Benson from the February Official Police and Fire Retirement Meeting.

Adopted by the following vote: 6 – 0.

Trustee St. Aubin returned to Public Comments to allow Mr. James Squire and Mr. Richard Warner the opportunity to address the Board.

Mr. Squire expressed his concern that the duty disability application process is too slow. He asked the Board if they could contact the Medical doctors to expedite duty disability matters. Mr. Squire believed the process could be more efficient. Mr. Squire stated that he has struggled to continue to work and requested consideration for his condition. He believed that the medical doctors did not acknowledge his concerns. Mr. Squire requested a copy of his Medical Reports.

Mr. Richard Warner expressed his opinion that he did not agree with the Medical Directors decisions. Mr. Warner asked who had liability for him if he returns to work. He requested a copy of the Medical Report and asked if he needed to submit a Freedom of Information Act to receive the report.

Attorney Kenneth Lane opined that Mr. Warner did need to request that report via the Freedom of Information Act.

Trustee St. Aubin moved to Other Business to allow Ms. Angela Bennett, Budget Director the opportunity to address the Board regarding the City of Lansing Comprehensive Financial Annual Report.

Ms. Angela Bennett reported to the Board that she responded to questions in the management letter raised by the auditors who prepared the Annual Report.

Attorney Kenneth Lane opined that he reviewed the management letter that Trustee Wood forwarded to him. Attorney Lane contacted Rehmann Group for an explanation. However, the auditors did not respond to his request.

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

February 15, 2011
Tuesday, 8:30 a.m.

Page Five

Trustee Wood inquired to Ms. Bennett about the two issues addressed in the management letter: the timing of the actuary report and the SAS 70 letter. Trustee Wood wanted it reflected in the record that the issues were not items that the Board was responsible for completing.

Ms. Bennett responded both items were administrative issues. Ms. Bennett stressed that the Board did not do anything incorrectly. Ms. Bennett reported that moving forward the Finance Department would submit the SAS 70 letter to the Board for review.

Ms. Bennett also responded that the administration was working to have the data sent to the Actuary sooner in the year. In the previous years, the data was not submitted to the actuary until early fall. The Finance Department is working to move up the data submission so that the actuarial evaluation come be completed at an earlier date.

Trustee Wood requested a policy regarding the review of the SAS 70 letter.

Trustee Oleson reported on the MAPERS One Day Seminar. Trustee Oleson requested a status report on the MAPERS Survey. Ms. Williams forwarded to MAPERS an actuary report and year-end financial reports for the Police and Fire Retirement System. Trustee Oleson discussed legislative updates and be compliant with MAPERS in sending letters to legislators regarding important issues. Trustee Oleson stated that MAPERS is working hard on public retirement systems.

Attorney Kenneth Lane distributed and reviewed a legislative update of Public Act 314. Attorney Lane reviewed the sessions offered at the MAPERS One Day Session. Attorney Lane discussed the mock round-table regarding securities monitoring and PA 314 issues. Attorney Lane also discussed sessions regarding asset allocation.

Trustee Hecksel discussed the lunch session regarding non-verbal communication.

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

February 15, 2011
Tuesday, 8:30 a.m.

Page Six

Trustee St. Aubin placed the Policy and Ordinance updates on pending until next month.

It was moved by Trustee Wood and supported by Trustee Kraus to replace Northpointe with William Blair as the money manager for the Small/SMid Cap Investment Manager as recommended by Asset Consulting Group and contingent upon legal review of the contract.

Adopted by the following vote: 6 – 0

Trustee St. Aubin reported that he received a statement from Private Advisor and the year-end yield was 7.75%.

Trustee Hecksel inquired regarding in-service withdrawal from deferred compensation 457 to purchase Military time credits.

Attorney Ken Lane responded that the IRS does allow in-service withdrawals from 457 plans to purchase service credits. However, the Police and Fire Retirement allowance does not allow these purchases. The matter is a collective bargaining issue.

Trustee Hecksel inquired regarding Mr. Jerome Tolbert request for service credits. He stated that other members had similar situation. The Board agreed that Board does not have the authority to award service credits for time he did not work or modify arbitration agreements.

Trustee Carol Wood stated that she has completed the letter to be used for the finalist of the Actuary Bid Process.

Ms. Williams distributed the Investment and Securities Lending Report for December 2010.

Attorney Kenneth Lane opined that trustees have no liability for applicants who are denied duty disability. Per the Ordinance, the Board concurs with the Medical Director's report.

Trustee Wood asked legal counsel to draft a memo to be included in next month minutes that state the Retirement Board is not responsible for issues that were brought up in the management letter, and to describe what the Board will be asked to do moving forward regarding SAS 70 letter..

It was moved by Trustee Oleson and supported by Trustee Hecksel to adjourn the Police and Fire Retirement Meeting of February 15, 2011.

Adopted by the following vote: 7 – 0.

The meeting adjourned at 9:28 am.

Minutes approved on _____

Jerry Ambrose, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System