

**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

August 16, 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 Benson, Bernero,

Others: Karen E. Williams, Finance Department; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department); Wade Elton, Paul Hood, Fire Department; Chris Lake, Bryan Epling, IAFF.

It was moved by Trustee Wood and supported by Trustee Hecksel to approve the Official Minutes of the Police and Fire Retirement Board Meeting of July 19, 2011 with corrections.

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, 3 retired. Total: Active membership: 373. 1 death(s) Duane R. Christensen, Fire, died 5/25/2011, age 81, spouse to receive 50%. Refunds made since the last regular meeting amounted to \$17,403.87. Retirement allowances paid for the month of July 2011 amounted to \$2,082,066.59. Total retirement checks printed for the P&F System: 674. Total retirement checks printed for both systems: 1520. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Fabus and supported by Trustee Hecksel to approve following application for regular age & service retirement:

Jay Trost, Police Department, 25 years of service credits, age 60, effective August 19, 2011.

Adopted by the following vote: 5 – 0.

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There were no requests for Duty Disability Retirement.

There were no requests for Non Duty Disability Retirements.

It was moved by Trustee Hecksel and supported by Trustee Oleson to approve the following request for refund of Accumulated Contributions:

Jessica M. Showers, Lansing Police Department, \$32,635.37  
Matthew Priebe, Lansing Police Department, \$16,822.55

Adopted by the following vote: 5 – 0.

It was moved by Trustee Hecksel and supported by Trustee Kraus to excuse Trustee Benson from the Police and Fire Retirement System meeting.

Adopted by the following vote: 5 – 0.

Karen Williams provided an update on Trustee Benson. She talked with him by phone. He was at home doing well and in good spirits. Trustee Oleson added that he spoke with him during a Night Owl event.

Trustee St. Aubin requested approval to attend the NCPER Conference.

It was moved by Trustee Oleson and supported by Trustee Hecksel to approve the chairperson's attendance to the NCPERS conference.

Adopted by the following vote: 5 – 0.

Karen Williams distributed hotel and registration material for regarding MAPERS Fall Conference, September 18 – 20. Karen Williams announced upcoming Asset Consulting Dates: John Jackson proposed a due diligence visit to Asset Consulting Group. Trustee Oleson suggested a two night stay instead of the quick turnaround.

Mr. Wade Elton, Lansing Fire Department spoke to the Board regarding the ability of members to buy military time with 457 funds. Mr. Elton stated that he was speaking on behalf of the fire fighter veterans and said that he had 14 names requesting clarification on if deferred compensation monies can be used. Mr. Elton stated that there were current fire personnel who have purchased time and not separated from service. Mr. Elton also spoke on behalf of fire fighter Schultz who purchased an actuary report but could not use his deferred compensation during active employment. Mr. Elton thought it was unfair not to refund the money for the actuary report.

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Trustee St. Aubin stated that the Police and Fire Retirement Board would accept money from any source as long as it done legally and appropriately. The Board does not regulate who buys time or how time is purchased. However, the City administration currently restricts the use of the deferred compensation monies for this purpose.

Trustee Oleson stated that he made a motion to refund Mr. Schultz his money. Trustee Oleson explained his position that the refund may set a precedent. The City, not the Board is responsible for administering the deferred compensation.

Trustee Hecksel stated that he would like to see the process for purchasing time streamlined for the veterans. He added that Mr. Schultz paid for a service that was rendered. Although Mr. Schultz did not use the report, the work was still done on behalf. The Board discussed the matter and decided that it was inappropriate to refund the money to Mr. Schultz from retirement plan.

Trustee Wood suggested that the Board send a letter of support to the administration to amend the retirement ordinance.

Mr. Brian Epling stated the appropriate action is to move forward with amending the Retirement Ordinance to allow for the ability of members to buy military time with 457 funds without separation of service. Mr. Epling stated that he has discussed the issue with the City Attorney and Attorney Ken Lane.

Attorney Kenneth Lane opined that the Internal Revenue Service does allow purchase of service credits with deferred compensation but does not compel plans to permit in-service purchases. The Plan would have to permit this type of purchase but the current Ordinance does not allow in-service purchases.

Trustee Wood expressed concern about the slow movement of the amended Retirement Ordinance,

Attorney Lane stated that he will urge the City Attorney to movie the Ordinance to back to City Council for review.

Trustee Kraus explained that the Deferred Compensation Plan has been amended to allow transfers out of the plan for credit purchase. However, Trustee Kraus expressed concern that the process be done correctly because the issue is with the Retirement Ordinance. Trustee Kraus stated that as chair of the Deferred Compensation Committee, she would not support any transfer that would jeopardize the tax-deferred status of the 457 plans.

Attorney Lane updated the Board regarding the Invacare and China Integrated cases. Attorney Lane distributed a resolution affirming the Fraud Monitoring firms selected by the Board, Milberg and Robbins, Geller.

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It was moved by Trustee Wood and supported by Trustee Hecksel to approve the Fraud Monitoring Procedure Policy and Affirming Resolution and that this policy will supersede any previous fraud monitoring procedure policies. The resolution will be attached to the Policy and placed in the Trustee Handbook.

Adopted by the following vote: 6 – 0,

Karen Williams updated the Board regarding Duty Disability retirees. There were two requests for conversions: Mr. Steven Mitchell and Mr. Eric Hall, effective August 1. Mr. Hall owes money to the pension system because his income verification reported that his outside income and duty disability was over the allowed amount. Mr. Hall requested that his overage be spread over six months instead of taking the money from his first check in which he converts to age and service retirement.

It was moved by Trustee Hecksel and supported by Trustee Wood to allow Mr. Hall to pay back the money owed to the retirement system in six equal installments. Trustee Hecksel accepted a friendly amendment from Trustee Kraus to the use three installments instead of six.

Adopted by the following vote: 6 -0.

Karen Williams also indicated the most of the re-exams have been scheduled with Dr. Roth. Ms. Williams informed the Board that some of disability retirees had not seen Dr. Roth before and there are no medical records in their retirement files. Ms. Williams will work with Ms. Amy Frasier, Worker's Compensation to search for the original files for these retirees.

Attorney Ken Lane requested to speak to the Board regarding a confidential legal issue.

It was moved by Trustee Wood and supported by Trustee Heckel to close session to review an attorney-client privileged legal matter.

Adopted by the following roll call vote: 6 -0.  
Yes: Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood  
No: 0

The session was closed at 9:15 a.m.

The session resumed at 9:33 a.m.

Karen Williams distributed and reviewed the Investment and Securities Lending Reports for month ending June 30, 2011.

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

Adopted by the following vote: 6 -0

The meeting adjourned at 9:38 am.

Minutes approved on \_\_\_\_\_

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Jerry Ambrose, Secretary  
Police & Fire Retirement System

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Brad St. Aubin, Chairperson  
Police & Fire Retirement System