

**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 8, 2011
Tuesday, 8:30 a.m.

The Board was called to order at 8:36 a.m.

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

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

It was moved by Trustee Oleson and supported by Trustee Hecksel to approve the Official Minutes of the Police and Fire Retirement Board Meeting of October 2011.

Adopted by the following vote: 5 - 0

There were no public comments for items on the agenda.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 3 refund(s), 0 transfers, 1 retired. Total: Active membership: 360. 3 death(s). Joyce Borseth, died 9/12/2011, age 83, spouse of Police retiree; Margaret Schineman, died 9/20/2011, age 84, spouse of Fire retiree; Rita Dennany, died 9/22/2011, age 79, spouse of Fire retiree. Refunds made since the last regular meeting amounted to \$35,819.27. Retirement allowances paid for the month of October 2011 amounted to \$2,115,242.56. Total retirement checks printed for the P&F System: 675. Total retirement checks printed for both systems: 1521. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no requests for Regular Age and Service Retirement.

There were no requests for Duty Disability Retirement.

There were no requests for Non Duty Disability Retirements.

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

Luke Mardigian, Lansing Police Department, \$21,711.60

Adopted by the following vote: 5 – 0.

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

Adopted by the following vote: 5 – 0.

Trustee Hecksel provided his IFEBP Annual Conference Report. He discussed the opening speaker, Lou Holtz and futurist spoke about upcoming trends. He attended sessions at the Conference that includes workshops for new trustees. He stated that it was a very good conference and good networking opportunity.

Trustee Oleson also attended the IFEBP Annual Conference and discussed his comparison of the City of Lansing Police and Fire System and other systems around the country. Trustee Oleson informed the Board that the Police and Fire system is on the cutting edge of having a well-diversified mix of investments. He informed the Board that commodities are the new investment trend.

Trustee Antonia Kraus provided a review of the sessions that she attended at the IFEBP. Trustee Kraus informed the Board that she attended workshop where it was suggested that Board track the managers that are terminated. Trustee Kraus discussed expanding the asset allocation due to the global economy. Traditional asset mix should be reviewed to possibly include investments such as commodities, private advisors and hedge funds.

Trustee Fabus discussed seminars regarding the changing role in governments, and the globalization of economies, and a discussion of the defined contribution versus defined benefit plans.

Maggie Murphy, Fire Station Captain, addressed the Board regarding assistance and direction for firefighter Josh Palmer. Captain Murphy informed the Board that Mr. Palmer is in serious pain and can not perform the duties as a firefighter. Captain Murphy stated that Mr. Palmer is currently on light duty.

Trustee Hecksel stated that he encouraged Captain Maggie Murphy to come to the meeting to address the Board. Trustee Hecksel stated that although the Board has compassion for Mr. Palmer, the Board must represent the entire membership and follow the recommendations of the Medical Director and legal counsel.

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Captain Maggie Murphy inquired if the medical doctor stated that Mr. Palmer can return to work.

Trustee St. Aubin stated that it was not appropriate for the Board to speak on behalf of Mr. Palmer and what was included within his report.

Attorney Ken Lane opined that in accordance with HIPPA law, it is not appropriate to discuss Mr. Palmer's medical report. Attorney Lane also reviewed the Ordinance that the Board can only concur with the Medical report.

Captain Maggie Murphy suggested having a three doctor review panel and requested direction regarding what can be done for Mr. Palmer.

Attorney Ken Lane opined that Mr. Palmer could re-apply or the ordinance would need to be modified to allow other alternatives.

Trustee Hecksel stated that he believes there is frustration because the Medical Director makes the determination and that there is no appeal process. Trustee Hecksel stated that he is confident in Dr. Roth's ability.

Trustee Kraus explained that it is not appropriate for the Board to make decision regarding Mr. Palmer without an active disability application before the Board. Human Resources would be the appropriate department to discuss alternatives regarding Mr. Palmer. Mr. Palmer or the Fire Chief can re-submit a request for a disability evaluation.

Trustee St. Aubin suggested amendments to the travel policy to set a dollar limit and to allow members to attend more than one out-of-state conference. Trustee St. Aubin stated that the members of the Board are expected to stay updated with the current education, legislation and investment options. There are various conferences that provide different educational opportunities and members are forced to choose bring between these conferences. Additionally, the costs of out-of-state travel have become more expensive.

Trustee Oleson informed the Board that education is so important to performing due diligence.

Trustee Kraus suggested raising the current dollar limit due to the increased costs of out-of-state travel.

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It was moved by Trustee Kraus and supported to Trustee Oleson to amend the Police and Fire Board Travel Policy to allow \$5,000 per individual, per calendar year for out-of-state conference.

Trustee Oleson inquired if the Board would still have the ability to approve food and travel expenses that exceed the dollar amounts within the policy.

Attorney Ken Lane opined that the Board has the ability to suspend the policy to approve certain food and/or travel expenses.

Adopted by the following vote: 5 - 0

Karen Williams reported that there was one remaining duty disability retiree whose information was not located by Human Resources. Another duty disability retiree has questioned why a re-evaluation is required since the retiree has been on duty disability for more than five years. Ms. Williams drafted a letter to the retiree regarding the current board policy. Attorney Ken Lane reviewed the letter and it will be signed by the chairperson and mailed to the retiree.

Trustee Oleson inquired if the pension can be suspended if the retiree does not comply. Attorney Lane opined that the Board does have the ability to suspend the pension if the retiree does not comply with Board's request in accordance with the Ordinance.

Karen Williams updated the Board regarding the Fire Trustee election. The Retirement Office received one nominating petition from Trustee Robert Oleson. The nominating petition was verified by the Retirement Office and sent to the Secretary of the Board for certification of results. The certification will be brought before the Board for review and approval next meeting.

Karen Williams distributed a memo from Asset Consulting Group with a recommendation for the Multi-Sector allocation. The Board made a selection for Franklin Templeton Global Multi-Sector Plus strategy in investment subcommittee.

Karen Williams received notification from Angela Bennett, Finance Deputy Director and reported to the Board that on October 31, 2011, the City Contribution was made to the Retirement System. The Contribution was \$8,310,000 minus \$500,000 of the budgeted amount pending results of the actuarial valuation, so as not to over contribute in a volatile stock market.

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Karen Williams announced that the Pension Software Demo was scheduled for November 9. Ms. Kraus notified the Board that BenXL requested withdrawal from consideration due to their current work load. Ms. Kraus recommended that the Board review the Byrne demo and decide if the Board wished to proceed with adding an additional vendor.

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

The meeting adjourned at 9:46 am.

Minutes approved on _____

Jerry Ambrose, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System