

**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

January 17, 2012  
Tuesday, 8:30 a.m.

The Board was called to order at 8:38 a.m.

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

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

It was moved by Trustee Hecksel and supported by Trustee Oleson to approve the Official Minutes of the Police and Fire Retirement Board Meeting of December 13, 2011.

Adopted by the following vote: 5 - 0

Secretary's Report.

0 new fire member(s), 1 new police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total: Active membership: 363. 0 death(s). Refunds made since the last regular meeting amounted to \$32,935.87. Retirement allowances paid for the month of December 2011 amounted to \$2,089,274.13. Total retirement checks printed for the P&F System: 671. Total retirement checks printed for both systems: 1514. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

Lori R. Baukus, Police Department, 10 years of service credits, age 55, effective January 1, 2012. (From Deferred)

William T. Cochran, Fire Department, 28 years, 11 months of service, age 58, effective January 15, 2012.

Adopted by the following vote: 5 -0.

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Karen Williams updated the Board regarding the duty disability Applicant #2011-P1213. The Retirement Office is waiting for paperwork and documents from the applicant.

There were no requests for Non Duty Disability Retirements.

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

Shirley Xiong, Lansing Police Department, \$33,310.43

Adopted by the following vote: 5 – 0.

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

Adopted by the following vote: 5 – 0.

Trustee Oleson requested permission to attend the NCPERS Annual Conference to be held in New York, May 2012.

It was moved by Trustee Wood and supported by Trustee Hecksel to allow Trustee Oleson to attend the NCPERS Annual Conference.

Adopted by the following vote: 5 – 0.

Trustee St. Aubin added item A to the Board Agenda regarding Lansing Fire Department- Early Out Incentive. Trustee St. Aubin returned to public comments for items on the agenda.

Mr. Bryan Epling provided a status update of the Lansing Fire Department Early-Out Incentive. Mr. Epling reviewed the process to implement the Early-Out Incentive and discussed the final analysis from the actuary. Mr. Epling discussed that the Memorandum of Understanding had been drafted and he believed that the Early-Out Incentive could be part of the collective bargaining. Mr. Epling informed the Board that members who left under the Incentive would forego their post-retirement benefit adjustment. Mr. Epling believed there may be some confusion regarding the Early Plan because it is still pending. Mr. Epling requested clarification on the process from Trustee Wood and Attorney Lane.

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Attorney Lane updated the Board that he was asked by the City Attorney to review the proposal submitted by Mr. Epling. Attorney Lane opined that any amendments to the system must meet the PA 314 requirements. Attorney Lane explained that there must be an actuarial analysis, which has been done. The analysis needs to be presented to the Board and provided to the City Council, 7 days before the Early-Out Incentive can be effective.

Trustee Wood reviewed the process for Early Out Incentives. In the past, the City Council has requested a recommendation from the Board. The City Council has also amended the Ordinance. The Administration must make recommendation and place the item on the agenda for action.

Trustee Oleson inquired what the next step to implement this Early-Out Incentive.

Mr. Epling stated that he has spoken to the administration and the Incentive Plan would allow laid off firefighters to return with the retirement of firefighter on a one-to-one basis.

Trustee Kraus expressed concern that firefighter who take the incentive sign an acknowledgment forgoing the post-retirement benefit adjustment.

Mr. Wade Elton requested information on the status of the use of 457 funds rollover to purchase Military Service Credit.

Attorney Ken Lane submitted the item to the City Attorney's Office for review. The current Ordinance does not allow for the 457 funds rollover for in-service purchase.

Attorney Kenneth Lane distributed and provided an overview the final draft Ordinance for Board and the clarifications suggested by the City Attorney's Office. The City Attorney's Office has completed its review. Attorney Lane will forward a copy to the Police Supervisory union. The Ordinance was placed on pending for a recommendation at next month's meeting

Attorney Lane updated the Trustee Handbooks. He distributed and reviewed the Education/Travel policy. Attorney Lane explained that there was an increase from \$3000 to \$4000 conference maximum.

Attorney Lane distributed and reviewed a legislative update for Michigan Senate Bill 797 to amend the Public Employee System Investment Act (PA 314).

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Trustee Wood requested a policy that the legal counsel will notify the Board through the chair if approached by an outside party regarding retirement items.

It was moved by Trustee Wood and supported by Trustee Hecksel for Attorney Lane to notify the Board chairperson if he is contacted by an outside party regarding items that affect the Board.

Adopted following vote: 5 – 0.

It was moved by Trustee Hecksel and supported by Trustee Oleson to recess the Retirement Board meeting to allow the Duty Disability subcommittee to meet.

Adopted by the following vote: 5 - 0

The Board recessed at 9:48 a.m.

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

Adopted by the following vote: 5 -0.

It was moved by Trustee Hecksel and supported by Trustee Oleson to restart Ms. Norton's pension benefits for 45 days to show good faith for her compliance with the Board's request to medical re-examination. The medical director has requested that Ms. Norton be evaluated by a psychiatrist prior to his examination.

Trustee St. Aubin explained that Ms. Norton's pension had been suspended for noncompliance with the Board's request. Ms. Norton moved out of state and sent a letter stating that address on file was incorrect. Trustee St. Aubin stated that it is the retiree's responsibility to maintain updated addressed.

Trustee Hecksel added because the Medical Director requested a psychiatric evaluation. The disability subcommittee did not want Ms. Norton to have to make multiple trips to Michigan to complete the exam process.

Adopted by the following vote: 5 -0.

Attorney Lane updated that Board the Franklin Templeton Multi-Sector Fixed Income paperwork is ready to be signed by the chairperson and the contract will be executed.

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Karen Williams received notification from Asset Consulting Group regarding Private Advisors. Asset Consulting Group has recommended that Board put on hold any additional investments to Private Advisors due to recently announced personnel changes within the firm. Asset Consulting will provide a memo and provide an update at the February meeting.

It was moved by Trustee Hecksel and supported by Trustee Wood to nominate and approve Trustee St. Aubin as Board chairperson and Trustee Oleson as Board vice chairperson.

Adopted by the following vote: 5 -0.

The following subcommittees were named:

|                                       |   |   |
|---------------------------------------|---|---|
| DISABILITY COMMITTEE                  | - | Hecksel, Kraus, St. Aubin                               |
| INVESTMENT COMMITTEE                  | - | Benson, Hecksel, Kraus, Oleson, Wood                    |
| EDUCATION COMMITTEE                   | - | Fabus, Oleson, St. Aubin, Wood                          |
| SPECIAL PROJECTS                      |   | Kraus, Oleson, St. Aubin, Wood<br>Ex-officio Clark Hill |
| JOINT AD HOC COMMITTEE ON HEALTH CARE | - | Benson, Fabus, Hecksel, Wood                            |

Karen Williams informed the Board of Northern Trust new products. Northern Trust has a Web Cash Movement service that would allow clients to initiate payment instructions via electronic mail. The information will be reviewed at the next meeting.

Trustee Wood updated the Board regarding the Pension Software. The subcommittee narrowed the vendors down to two finalists. Trustee Wood reviewed the fee and cost structure for the vendors to host the system. Both systems were similar in price. The subcommittee will bring a full report before the Joint Board at the February meeting.

Karen Williams informed the Board that it was time for the quarterly cash flow withdrawal. Asset Consulting Group at the November Joint Meeting recommends the Police and Fire Retirement System Take \$3.0 million from the T. Rowe Price portfolio to fund quarterly cash withdrawals. Karen Williams also informed the Board that \$10,000 was requested from Northern Trust security lending for administrative expenses.

It was moved by Trustee Oleson and supported by Trustee Hecksel to approve the quarterly cash flow withdrawal recommendation from Asset Consulting to move \$3.0 million from the T. Rowe Price to the Comerica Account. The Board also approves the requests to move \$10,000 from Northern Trust Security Lending to Comerica for administrative expenses

Adopted by the following vote: 5 -0.

Karen Williams distributed and reviewed the Investment and Securities Lending Reports for month ending December 31, 2011.

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

Adopted by the following vote: 5 – 0.

The meeting adjourned at 10:22 am.

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

\_\_\_\_\_  
Angela Bennett, Secretary  
Police & Fire Retirement System

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Brad St. Aubin, Chairperson  
Police & Fire Retirement System