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**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

March 20, 2012  
Tuesday, 8:30 a.m.

The Board was called to order at 8:46 a.m.

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

Others: Angela Bennett, Karen E. Williams, Finance Department; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department); Gregory Stump, EFI Actuaries; Chris Lake, IAFF.

It was moved by Trustee Hecksel and supported by Trustee Fabus to approve the Official Minutes of the Police and Fire Retirement Board Meeting of February 21, 2012 as amended.

Adopted by the following vote: 6 - 0

It was moved by Trustee Fabus and supported by Trustee Oleson to approve the Official Joint Minutes of the Police and Fire Retirement Board and the Employees Retirement System Board Meeting of February 21, 2012 as amended.

Adopted by the following vote: 6 - 0

Mr. Chris Lake, IAFF, addressed the Board regarding military service credit calculations. Mr. Lake stated that he believes legislation allows military service credit purchases to be calculated at a more favorable rate than universal time. Mr. Lake stated that member had a calculation done recently and the cost was very expensive similar to universal time. Mr. Lake requested that the Board review the legislation regarding the calculation of military service credit purchases.

**Secretary's Report.**

0 new fire member(s), 0 new police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total: Active membership: 358. 0 death(s). Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of February 2012 amounted to \$2,121,687.53. Total retirement checks printed for the P&F System: 672. Total retirement checks printed for both systems: 1516. Domestic relations order received: 0 Domestic relations orders pending: 1. Eligible domestic relations orders certified: 1.

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

Lisa M. Phillips, Police Department, 25 years of service credit, age 49, effective March 15, 2012.

Adopted by the following vote: 6 -0.

Karen Williams updated the Board regarding the duty disability Applicant #2011-P1213. The Retirement Office received the Medical Director report and it was submitted to the disability subcommittee for review.

It was moved by Trustee Fabus and supported by Trustee Hecksel to move into closed session to review applicants' medical reports.

Adopted by the following roll call vote: 6 - 0  
Yes: Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood

Session was closed at 8:56 a.m.

Session resumed at 9:03 a.m.

It was moved by Trustee Kraus and supported by Trustee Fabus to concur with the Medical Director's report and approve the duty disability of Ms. Teresa Eisfelder.

Adopted by the following vote: 6 – 0.

Ms. Williams reported that the Retirement Office has received a request for Non Duty Disability Retirement from Applicant #2012-F0320.

It was moved by Trustee Hecksel and supported by Trustee Oleson to send Applicant #2012-F0320 to the Medical Director for review for Non-Duty Disability.

Adopted by the following vote: 6 – 0.

Trustee Wood requested to move into closed session to review confidential litigation issues with legal counsel.

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It was moved by Trustee Wood and supported by Trustee Oleson to discuss a potential litigation issues with legal counsel.

Adopted by the following roll call vote: 6 – 0  
Yes: Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood

Session closed at 9:08 a.m.

Session resumed at 9:13 a.m.

Ms. Williams reported that Mr. Johnathan Hallet of the Police Department has requested a refund of his accumulated contributions of \$23,746.27. Mr. Hallett was not vested and submitted a request form.

It was moved by Trustee Fabus and supported by Trustee Wood to approve the request for Refund of Accumulated Contributions for Mr. Johnathan Hallett, Police of \$23,746.27.

Adopted by the following vote: 6 -0.

Ms. Williams reported that Trustee Benson contacted the Retirement Office and stated that he would not be able to attend the meeting due to illness.

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

Adopted by the following vote: 6 – 0.

Karen Williams announced to the Board that the Asset Consulting Group will provide Trustee Training, April 19, 2012.

The NCPERS Annual Conference is scheduled to be held in New York, May 5-10. John Jackson of Asset Consulting Group has recommended a due diligence visit to local Investment managers, May 7 for trustees planning to attend the Annual Conference.

The MAPERS Spring Conference is scheduled for May 20 – 22, 2012.



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Mr. Greg Stump, EFI Actuaries provided a review of the 12/31/2010 report. Mr. Stump provided a definition and purpose of Asset Smoothing, and its parameters. Mr. Stump reviewed the Police and Fire System's Economic Assumption regarding inflation, salary increases and investment returns. Mr. Stump updated the Retirement Board regarding the Experience Study, the valuation as of 12/31/2011, new assumption recommendations and the impact of changes in assumption or other policy components.

Trustee Wood requested that legal counsel review the plan provisions listed in the Actuary report.

Ms. Bennett inquired if the Experience Study should be delayed due to the PA152, the State of Michigan EVIP (Economic Vitality Incentive Program).

Mr. Stump stated that Experience Study will not be affected by the PA 152. Mr. Stump stated that a benefit study may need to be completed if there will be proposed changes to retirement benefits.

Attorney Ken Lane reviewed the Repayment of Refunded Accumulated Contribution Policy. Attorney Lane explained that the policy would allow a six-month payment plan. The Board discussed the policy and determined that it is the member's responsibility to initiate payment.

Trustee Kraus expressed concern that there remain a limited time frame in the policy to repay the system. Trustee Kraus expressed to the Board that if there is no time frame, it would harm the system.

Trustee Oleson requested Mr. Chris Lake, IAFF to respond to his inquiry regarding if the repayment of refunded accumulated contributions should be done through collective bargaining.

Mr. Chris Lake, IAFF, stated that he believed that the repayment provisions are not specific in the Police and Fire Retirement Ordinance as in the Employees Retirement System Ordinance. Mr. Lake believed that the item should be done through collective bargaining.

Attorney Ken Lane opined that a policy can be enacted and used for clarification for instances where there is grey area regarding a subject.

Trustee Wood suggested that the policy language could be submitted and included in the draft Police and Retirement Ordinance and the Board could also adopt the policy, to cover the issue until the Ordinance is approved.

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It was moved by Trustee Wood and supported by Trustee Oleson to submit the policy language to be included in the draft Police and Fire Retirement Ordinance, and that the Repayment of Refunded Accumulated Contribution Policy be adopted. The Policy will replace and supercede all other repayment of Refunded Accumulated contribution policies and be placed in the Trustee Handbook.

Adopted by the following vote: 6 – 0.

Attorney Ken Lane updated the Board regarding Draft Police and Fire Retirement Ordinance. The Draft Ordinance is being reviewed by the unions.

Trustee Hecksel updated the Board regarding duty disability retirees that will be scheduled for re-examinations. The following members were selected for review: Stephen Barnes, LaMarr Bowers, Christopher Durbin, John Lindsey, Cris Morrison, Luis Negron, Robert Vargas.

Trustee Hecksel also reported that the disability subcommittee received the medical report regarding Mr. Frank Lain. The disability subcommittee recommends concurrence with the Medical report to continue duty disability status.

It was moved by Trustee Hecksel and supported by Trustee Oleson to concur with the Medical Director's report and continue duty disability for Mr. Frank Lain.

Adopted by the following vote: 6 – 0.

Trustee St. Aubin reported to the Board that Dr. Roth is reviewing additional information forwarded to him by the subcommittee regarding Mr. Young. Dr. Roth will have a report available for next month's meeting.

The Board discussed inquiries regarding differences between the calculation of military and air time.

Attorney Ken Lane informed the Board that the Retirement Office had contacted him regarding if there was beneficial treatment for the calculation of military time. Attorney Lane reviewed the IRS Code and did not find information regarding differences. Attorney Lane was requested by the Board to review the state of Michigan HB 5055 and report at next month's meeting.

Mr. Greg Stump stated that he will review the previous military service calculations with Gabriel, Roeder and Smith.

Mr. Daniel Hamel, Fire retiree, distributed his medical report and addressed the Board regarding his concerns with the Fire Department. Mr. Hamel feels that he



has been harassed by fire department members regarding his duty disability retirement. Mr. Hamel works with his local volunteer fire department. He states that he had permanent restrictions placed on him by the City's medical doctors. Mr. Hamel is willing to be re-evaluated by the Board's medical director.

Trustee Hecksel stated that the Police and Fire Retirement Board received information regarding Mr. Hamel's work with his local fire department. Trustee Hecksel informed the Board that Mr. Hamel will be sent to be medical director

Trustee Kraus informed Mr. Hamel that the Police and Fire Retirement Board recently received Mr. Hamel's information, and that this meeting was the first opportunity for the Board to address Mr. Hamel's concerns.

Mr. Chris Lake, IAFF, addressed the Board regarding a member who is currently receiving a duty disability retirement. Mr. Lake discussed subpoenaed records that the union received due to a settlement case. Mr. Lake informed the Board that the duty disability retiree was approved for Duty Disability in 2006. The duty disability retiree was sent to be re-evaluated per the Board review's policy and the Police and Fire Retirement Ordinance. Mr. Lake believes that the medical director does not have the ability to change a duty designation to the non-duty. Mr. Lake believes that medical director can only determine if the retiree is incapacitated.

Mr. Brian Epling, IAFF, provided additional information regarding the duty disability retiree. Mr. Epling believes that a change from a duty disability to non-duty disability would violate collective bargaining and the Police and Fire Retirement Ordinance. Mr. Epling stated that the duty disability retiree never requested a duty disability. Mr. Epling stated that there would be litigation the duty disability member's retirement was changed to non-duty.

Trustee Benson stated that he believes that the Board will review the information and has always been fair. Trustee Benson expressed his concern that the presentation ended with a threat.

Trustee Hecksel requested that the subpoenaed information regarding the member's duty disability retirement be forwarded to the retirement office. The retirement office will send the information to the Medical Director for his review.

Mr. Benson was excused to leave the meeting

Attorney Ken Lane distributed and reviewed the Police and Fire Outside Legal Counsel Policy.

It was moved by Trustee Wood and supported by Trustee Hecksel to approve the Police and Fire Retirement Board Outside Legal Counsel Policy. This policy shall supersede any previous policy and be placed in the Trustee Handbook.

Adopted by the following vote: 6 – 0

Attorney Lane stated that Police and Fire Retirement Ordinance have been provided to the unions represented in the Ordinance. The City Attorney's Office is waiting for the review of the Ordinance by the unions.

Karen Williams reported that the Duty Disability income verifications were mailed out. The verifications are due April 30, 2012.

Trustee Hecksel reported that the Disability subcommittee reviewed the medical director's report for Ms. Brenda Odom. The subcommittee has recommended that concurrence with the medical director for Ms. Odom to remain on duty disability.

It was moved by Trustee Hecksel and supported by Trustee Kraus to concur with Dr. Roth's recommendation for retirant Brenda Odom to remain on duty disability.

Adopted by the following vote: 6 - 0

Trustee St. Aubin moved the Northern Trust updates item to the Joint Meeting for discussion.

Mr. John Jackson updated the Police and Fire Retirement Board 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.

Trustee Wood distributed the management letter response to the City of Lansing audit for review by the Police and Fire Retirement Board. The Board inquired to the Retirement Office when the information for the Actuary report was provided to EFI.

Ms. Karen Williams informed the Board that the Retirement Office provided membership data to the new actuary in September. The finance department provided financial data in October and November.

Trustee St. Aubin moved the Pension software report to the Joint Meeting for discussion.

Karen Williams distributed and reviewed the Investment and Securities Lending Reports for month ending January 31, 2012.

Attorney Lane informed the Board that the Employees Retirement System Ordinance provides a specific time frame for accumulated contributions to be paid back to the retirement system. The Police and Fire Retirement System Ordinance does not provide that provision. Attorney Lane inquired if the Police and Fire Board would like a policy developed to establish a similar time frame to re pay retirement contributions.

Trustee Wood inquired about the legality of a Board policy versus the Police and Fire Retirement Ordinance. Attorney Lane opined that when an issue is not defined in the Ordinance, a policy adopted by the Board will be binding. The Board instructed Attorney Lane to proceed with drafting a Board policy regarding the repayment of retirement contributions.

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

Adopted by the following vote: 6 – 0.

The meeting adjourned at 9:15 am.

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

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Angela Bennett, Secretary  
Police & Fire Retirement System

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Brad St. Aubin, Chairperson  
Police & Fire Retirement System