

COPY

**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

September 18, 2012
Tuesday, 8:30 a.m.

The Board was called to order at 8:37 a.m.

Present: Trustees Benson, Fabus, Hecksel, Kraus, Oleson, St. Aubin, Wood – 7.
Absent: Trustee Bernero

Others: Angela Bennett, Karen E. Williams, Finance Department; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department); Chris Lake, IAFF, Robert Rose, Trustee, Employees Retirement System Board.

It was moved by Trustee Hecksel and supported by Trustee Kraus to approve the Official Minutes of the Police and Fire Retirement Board Meeting of August 21, 2012.

Adopted by the following vote: 7- 0

Secretary's Report.

0 new fire member(s); 0 new police members, 1 reinstatement(s), 1 refund(s), 0 transfers, 1 retired. Total: Active membership: 354. 3 death(s), Gary R. Powers, Fire, died August 29, 2012, age 77, beneficiary to receive 50%; Donna Yauch, died 8/24/2012, age 86, spouse of Police retiree; Nile McClintic, Police, died, August 24, 2012, age 87, no beneficiary. Refunds made since the last regular meeting amounted to \$0.00. Retirement allowances paid for the month of August, 2012 amounted to \$2,103,783.19. Total retirement checks printed for the P&F System: 674. Total retirement checks printed for both systems: 1526. Domestic relations order received: 0 Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

Trustee Wood inquired about the number of police and fire members who were recalled from being laid-off. She asked how many of the returning members had taken contributions and reimbursed monies to the retirement system. Trustee Wood requested that Year-to-date totals for reimbursements be included in the Secretary's Report.

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It was moved by Trustee Fabus and supported by Trustee Benson to approve the following application for Regular Age & Service Retirement:

Philip Nardone, Police Department, 25 years, 1 month of service credits, age 54, effective September 8, 2012.

William Byrnes, Police Department, 25 years, 3 months of service credits, age 52, effective September 8, 2012.

Adopted by the following vote: 7 – 0.

Ms. Williams reported to the Police and Fire Retirement Board that the Retirement Office had received requested documentation from Applicant #2012-P0821 and that applicant is being scheduled to see the Medical Director.

Trustee Hecksel reported to the Police and Fire Retirement Board that the disability subcommittee met and reviewed the medical reports of Applicant #2012 – P0619, Applicant #2012 – F0620, and Applicant #2012-F621. The disability subcommittee recommends approval of duty disability for the applicants based on the medical director's recommendation.

It was moved by Trustee Hecksel and supported by Trustee Kraus to approve the duty disability retirements for Applicant #2012 – P 0619, Applicant #2012 –F0620 and Applicant #2012-F0621 based upon the Medical Director's recommendations.

Trustee Fabus asked to review the medical director's reports. The reports were reviewed by the Board and returned to the Retirement Analyst.

Adopted by the following vote: 7 -0.

There were no requests for Non Duty Disability Retirements.

Karen Williams reported that Mr. Joshua Palmer, Fire, had submitted a request for the refund of his accumulated contributions of \$38,973.01.

It was moved by Trustee Hecksel and supported by Trustee Oleson to approve the Mr. Joshua Palmer's request for the Refund of Accumulated Contribution in amount of \$38,973.01.

Adopted by the following vote: 7 – 0.

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Karen Williams, Retirement Office gave a report regarding her attendance at the MAPERS Fall Conference. Ms. Williams discussed the Administrator's Workshop topics that included duty disability issues, service credit and pension-related concerns faced by retirement offices. Ms. Williams also found the final session informative regarding Open and Closed Pension Plans. Ms. Williams indicated the handouts from the sessions could be found on the MAPERS website.

Trustee Fabus provided his MAPERS report and found that networking and learning from the experience of others were the best part of the Conference. Trustee Hecksel reported about networking and the legislative update session.

Trustee Oleson reported that he found the keynote speaker at the MAPERS Conference informative. Trustee Kraus reported that she attended the Trustee Training Seminar and was impressed by the information and discussed the Hybrid Plan sessions.

Trustee Ed Benson also found the MAPERS Conference informative. Trustee Benson inquired how presenters are selected.

Ms. Williams informed that Police and Fire Retirement Board that the NCPERS Public Service Conference was scheduled to be held October 7 – 11, 2012.

The Board discussed the EFI Recommendations for Assumption Changes. The Board requested that EFI Actuaries be available at the next meeting to address questions from the Board. Trustee Hecksel and Trustee Wood requested that EFI provide dollar amounts for the 10% suggested funding plan instead of percentage. Trustee Wood requested from the administration the amount budgeted for retirement system pensions.

Trustee Benson inquired if the Police and Fire Departments had a fitness policy. Trustee St. Aubin stated that there are facilities for the Police officers to use. Trustee Hecksel and Trustee Oleson explained the members sometimes are required to lift excessive weights and injuries are not always avoidable.

Attorney Ken Lane provided a MAPERS Report regarding the Trustee Development Seminar Information. Attorney Lane reviewed the Open Meeting Act and requirements of the Reciprocal Retirement Act.

Attorney Lane distributed and reviewed an agreement with Dewpoint to have Dawn Polihonki act as project liaison during the pension software implementation. Attorney Lane explained that the project liaison duties were revised and the amount was capped at \$11,000.

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It was moved by Trustee Kraus and supported by Trustee Oleson to approve the Dewpoint contract.

Adopted by the following vote: 7 – 0

Trustee Bob Rose of the Employees Retirement System Board updated the Police and Fire Retirement Board regarding the pension software project. Trustee Rose reported that he, the Retirement Office, Finance Department, Human Resource, and Legal counsel met with Tegrity for an initial meeting to discuss the implementation of the Arrivos system. Tegrity will provide a software demonstration for October 9, 2011. All members are invited to attend.

Attorney Ken Lane reviewed the Wasatch/Comerica Collective Trust Agreement. Attorney Lane had no objections to the agreement and that the paperwork was ready for the chair's signature. Attorney Lane indicated that the agreement does provide an option for Trustees or their designee to review the status of investment online. The Police and Fire Board discussed and declined the online option.

Trustee Hecksel reported to the Police and Fire Retirement Board that the disability subcommittee met and reviewed the medical report for Mr. Christopher Durbin. The Medical Director's reports recommended the continuation of Mr. Durbin's duty disability.

Trustee Fabus inquired about Dr. Roth's expertise regarding back injuries. Trustee Fabus inquired if the Retirement Board should meet with Dr. Roth to discuss this issue.

Trustee St. Aubin clarified that Dr. Roth has referred applicants to medical specialists in the past when he did not feel qualified to review the applicant's disability. Trustee St. Aubin asked Trustee Fabus if he would like to have Dr. Roth come to a meeting to review his qualifications.

Trustee Fabus indicated that there has been an increase in back injuries and he would like to ask Dr. Roth if the Board can provide extra assistance or provide additional information for the medical director's evaluation. He expressed concern regarding Dr. Roth's expertise in evaluating back injuries.

Attorney Lane discussed the last meeting between Dr. Roth and the Police and Retirement Board. Dr. Roth indicated that his expertise was back injuries and occupational medicine. Attorney Lane opined that there was no issue in having Dr. Roth come to a meeting at the Board's pleasure to review his qualifications.

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The Police and Fire Retirement Board discussed the Securities Monitoring settlements from Invacare. Trustee Hecksel indicated that he talked with Attorney Novak regarding the Board's dismay with the amount of settlement received by Milberg, using the Police and Fire Board as a plaintiff. However, the Board did receive a small amount that would not have otherwise been gained.

Trustee Wood indicated that these derivative actions were approved by the Board. Trustee Wood also stated that these actions do not cost the Board anything. However, the Board should inquire about the fees incurred by Milberg.

Trustee Kraus added that Milberg did inform the Board that the derivative action may not produce monetary awards for the Retirement System. However, Milberg did not indicate the potential for a large settlement for their company.

Trustee St. Aubin expressed concern regarding approving future derivative cases. The Police and Fire Board discussed knowing what questions to ask in the future regarding cases brought by the securities monitoring firms.

Attorney Ken Lane discussed that the Board was not as familiar with the derivative actions and discussed if a material gain in the stock could be measured. Attorney Lane discussed that many of the Trustees were more familiar with the punitive or fraud case actions in regards to Securities monitoring. It was moved by Trustee Hecksel and supported by Trustee Benson to submit the questions provided by the IAFF Union to EFI Actuaries for a response.

Adopted by the following vote: 7 – 0.

Karen Williams distributed and reviewed the Police Trustee Election posting. The election is for the expiring term of Trustee Brad St. Aubin, December 31, 2012. The Board reviewed the posting and provided suggested amendments.

It was moved by Trustee Wood and supported by Trustee Hecksel to approve the Police Trustee Election posting as amended.

Adopted by the following vote: 7 – 0.

Karen Williams also informed the Board that two members are needed to count and review the votes if necessary. Trustee Fabus and Trustee Kraus volunteered to serve as election officials.

Karen Williams reported to the Board that she contacted Gabriel, Roeder, & Smith regarding their letter to the Retirement System explaining Military Service Credit calculations. Ms. Williams received a response from Gabriel, Roeder and

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Smith that the company was unable to provide the requested correspondence as their document retention policy directs them to only keep information for five years of a former client.

Trustee St. Aubin suggested some members who had military service credit calculation prepared and requested the Retirement Office provide those and any additional calculations to EFI Actuaries.

Trustee Oleson requested to remove the City Reimbursement Audit item from the agenda.

Trustee Wood requested that Attorney Lane provide updated Police and Fire Retirement Ordinance for the Trustee Books and an online copy to the Retirement Office.

Karen Williams reviewed the Investment and Securities Lending Report for the month of August.

It was moved by Trustee Benson and supported by Trustee Kraus to adjourn the meeting.

Adopted by the following vote: 7 – 0

The meeting adjourned at 10:20 am.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System