

**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 15, 2013
Tuesday, 9:30 a.m.

The Board was called to order at 10:04 a.m.

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

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department); Gregory Stump, Boomershine, Rbert Rose, Employees Retirement System Board.

It was moved by Trustee Hecksel and supported by Trustee Fabus to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of December 18, 2012.

Adopted by the following vote: 6 – 0.

Trustee St. Aubin requested that the Board hear an update from Trustee Robert Rose.

Trustee Rose updated the Police and Fire Board regarding the progress of the pension software project. Trustee Rose informed the Board that the project is entering stage 2, where data will be extracted from the City's mainframe. Trustee Rose informed the Board that he will meet with the Project subcommittee regarding the addition of the death check project.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total: Active membership: 347. 1 death(s), Benedict S. Novello, Fire, died 12/14/2012, age 85, beneficiary to receive 50%. Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the retirement system year-to-date amount to \$0.00. Retirement allowances paid for the month of December, 2012 amounted to \$2,119,191.95. Total retirement checks printed for the P&F System: 674. Total retirement checks printed for both systems: 1533. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

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

Matthew E. Kostrzewski, Fire Department, 25 years of service credits, age 48, Effective January 15, 2013.

David Gates, Fire Department, 25 years of service credits, age 56, effective January 18, 2013.

Adopted by the following vote: 6 -0.

Karen Williams reported that the Retirement Office received two disability requests for the same applicant, #2013-P0115. The applicant requested a Duty Disability retirement. The applicant's department head submitted a request for nonduty disability.

Trustee St. Aubin contacted the Retirement Analyst to inquire if the Retirement Board had a previous applicant that had two different requests for disability. Ms. Williams indicated that there was a previous applicant that had been sent to the Medical Director with similar requests for a duty and non-duty disability.

Attorney Ken Lane opined that the Non-Duty Disability request from the Department arrived before the Duty Disability. The NonDuty Disability request had started the process first and the Board should proceed with the NonDuty request. Attorney Lane opined that the Medical Director has provided the Retirement Board with his opinion whether the duty disability or non-duty disability is appropriate. Attorney Lane reviewed the disability application policy.

Trustee Kraus asked for clarification whether the Board was sending the non-duty request.

It was moved by Trustee Hecksel and supported by Trustee Wood that the Medical Director receive both requests, based on past practice and as advised by legal counsel. Trustee Kraus offered a friendly amendment that was accepted by Trustee Hecksel to specify that the applicant is referred to the Medical Director as a nonduty disability request.

Trustee Benson questioned whether the medical director should be the arbitrator of whether the applicant's disability is duty or non-duty.

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Attorney Ken Lane offered that the Medical Director has in the past provided an opinion whether a disability is duty or non-duty. However, the final decision lies with the Retirement Board.

Trustee Benson expressed concern that Medical Director not the Board is making the determination of duty or non-duty. Trustee Benson stated that he believed the Board should make a determination prior to sending the request to the Medical Director. Trustee Benson inquired if the Board should delay the application until the worker's compensation case is settled.

Trustee Wood believed that the Medical Director would be able to provide a determination based upon the information that he receives regarding the application.

Adopted by the following vote: 5 -1

Karen Williams reported to the Board that Mr. Drew Macon, Lansing Police Department had request a request for his accumulated contributions of \$47,299.68. Mr. Macon requested that his monies be rolled over to his new employer.

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

Drew Macon, Lansing Police Department, \$47,299.68

Trustee Hecksel clarified that the vote was only to release the money. The rollover was the responsibility of the former member.

Adopted by the following vote: 6 – 0.

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

Adopted by the following vote: 6 – 0.

Karen Williams updated the Board regarding the Retirement Conference. Mr. Mark Parker has established a date of September 12, 2013. Mr. Parker has plans to pattern the conference after the 2008 Retirement Conference. The morning session and health screenings were for retirees and the evening sessions were for current employees.

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It was moved by Trustee Wood and supported by Trustee Kraus to nominate and elect Brad St. Aubin as chair and Robert Oleson as vice chairperson.

Adopted by the following vote: 6 - 0

The following subcommittees were approved for the Police and Fire Retirement System for 2013:

Disability Committee: Fabus, Hecksel, Kraus, St. Aubin

Investment Committee: Benson, Fabus, Hecksel, Kraus and Oleson

Education Committee: Fabus, Oleson, St. Aubin, Wood

Special Projects: Kraus, Oleson, St. Aubin, Wood

Joint Ad Hoc Committee On Health Care: Benson, Oleson, Wood

Attorney Ken Lane informed the Police and Fire Retirement Board that the Military Service Purchase policy has been reviewed by the City Attorney's Office and the policy has been drafted for the Retirement Ordinance.

Trustee Hecksel inquired to Mr. Greg Stump the difference between the costs of military time versus universal buy-in of time.

Mr. Stump provided an overview of the calculation of the military service time described in the Police and Fire Retirement Board policy.

It was moved by Trustee Wood and supported by Trustee Hecksel to accept the military service time purchase policy.

Trustee Kraus clarified that a member who purchases universal time would not receive health care for the amount of time purchased.

Adopted by the following vote: 6 -0.

Trustee Wood requested that the draft be completed by the City Attorney's Office so that he could be moved to City Council.

Attorney Ken Lane informed the Police and Fire Board that he reviewed the contract and termination provisions with EFI. He stated that the Board could terminate the contract with EFI by letter.

Trustee Hecksel asked what would be the process to terminate the contract.

Mr. Greg Stump left the meeting.

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Trustee Wood inquired if the Board could ask for information from Mr. Greg Stump's new firm. Trustee Wood inquired if the Board was required to go through the RFP process again.

Attorney Ken Lane opined that the Board did not need to go through the RFP process.

It was moved by Trustee Wood and supported by Trustee Kraus to have Mr. Greg Stump provide a presentation on his new company because there has been a change in leadership at EFI and its merger with a new company. Trustee Kraus offered a friendly amendment that was accepted by Trustee Wood that the decision regarding the actuary should be done in concert with the Employees Retirement System.

Trustee Kraus expressed concern that the Police and Fire Board also work with the City concerning any decision to change actuary.

Trustee Wood stated that the intent of her motion was only to request information

Adopted by following vote: 6 – 0.

Trustee Wood reviewed the amendments to the Open Meeting Act to place the meeting schedule on the website and the new rules on posting meeting notices. The 18 hour regulations are only for business hours.

Attorney Ken Lane will provide a review of the changes of Public Act 314 and what is required for the website.

Karen Williams provided a sample of the new Asset Consulting Group streamlined quarterly reports.

It was moved by Trustee Fabus and supported by Trustee Hecksel to accept the modification to the Asset Consulting Group quarterly reports.

Adopted by the following vote: 6 -0.

Karen Williams distributed a memo from Asset Consulting Group recommending that no action be taken regarding changes to Northern Trust Security Lending account. Northern Trust was modifying the Securities Lending Program regarding the way non-cash collateral is held for participants.

It was moved by Trustee Hecksel and supported by Trustee Wood to accept the recommendation from Asset Consulting Group regarding changes to Northern Trust Security Lending account.

Adopted by the following vote: 6 – 0.

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

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

Adopted by the following vote: 6 -0

The meeting adjourned at 11:20 am.

Minutes approved on _____

Brad St. Aubin, Chairperson
Police & Fire Retirement System

Angela Bennett, Secretary
Police & Fire Retirement System