

**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 18, 2014
Tuesday, 8:30 a.m.

The Board was called to order at 8:33 a.m.

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

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

It was moved by Trustee Hecksel and supported by Trustee Oleson to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of February 18, 2014.

Adopted by the following vote: 5 – 0

It was moved by Trustee Hecksel and supported by Trustee Fabus to approve the Official Joint Minutes of the Police and Fire Retirement System and the Employees' Retirement System Board Meeting of February 18, 2014.

Adopted by the following vote: 5 – 0

There were no public comments.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 1 retired. Total: Active membership: 329. 0 death(s). Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of February 2014 amounted to \$2,249,085.32. Total retirement checks printed for the P&F System: 696. Total retirement checks printed for both systems: 1587. 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 Fabus and supported by Trustee Kraus to approve the following application for regular age and service retirement:

Noel Garcia, Jr., Police Department, 25 years of service credit, age 47, effective March 4, 2014. (with the purchase of 5 months of service credits

Adopted by the following vote: 5 - 0

Karen Williams reported that applicant #2013-F1217 had submitted the documentation requested by the disability subcommittee. The information was forwarded to the medical director for scheduling.

There were no requests for Non Duty Disability Retirement.

There were no requests for Refunds of Accumulated Contributions.

Trustee St. Aubin reported that Trustee Benson and Trustee Wood requested to be excused from the Board meeting.

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

Adopted by the following vote: 5 - 0.

Karen Williams provided an update of the Arrivos Pension Software implementation. Tegrit has requested approval to implement the hosting agreement upon completion of Phase 2 of the project. Tegrit believes going live will save money and time and provide benefits in implementing the City's death audit and increasing the effectiveness of user testing.

The Police and Fire Retirement Board approved the request by Tegrit to implement the hosting agreement.

Ms. Williams discussed the MAPERS Spring Conference, scheduled for May 18-20, 2014. Ms. Williams informed the trustees that the deadline for early registration would be April 18, 2014.

Attorney Ken Lane discussed the Unfunded Accrued Liability Plan portion of the Michigan's EVIP program. Attorney Lane described that to receive revenue sharing from the State of Michigan Department, the City will need to certify for the Michigan Department of Treasury by June 1, 2014 that there is an Unfunded Accrued Liability Plan.

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The Unfunded Accrued Liability Plan will include a description of previous actions taken, estimated cost savings, description of how previous actions were implemented and maintained and a listing of additional steps that could be taken. Attorney Ken Lane stressed the importance of having a timely actuarial valuation.

Attorney Ken Lane discussed the Police and Fire Retirement Board Travel Policy. Public Act 314 requires that the Board review the policy each year. A motion will need to be passed each year with the budgeted amounts.

Trustee Fabus requested legal counsel to find out what other Boards are allocating for per diem. Trustee Fabus stated that at some conference locations the food costs are much higher than the amounts allocated by the City's policy. Attorney Lane can check to see what standards are available.

Karen Williams reported that Retirement Boards at its joint meeting discussed a due diligence trip to Asset Consulting Group, May 7-9. The Police and Fire Board suggested May 5- 7. Ms. Williams will report this information at the Employees Retirement Board to finalize dates.

Karen Williams reported that a memo from Ms. Angela Bennett was received for the Police and Fire Retirement System. The memo detailed the FY 2014 Police and Fire Pension Contribution stating: On March 5, 2014, \$248,857 was transferred by the City to the Police and Fire Retirement System for the balance of the FY 2014 contribution. That amount, combined with the \$11,000,000 amount contributed November 1, equals the FY 2014 actuarial valuation-calculated contribution amount of \$11,248,857.

It was moved by Trustee Hecksel and supported by Trustee Kraus to recognize the FY 2104 Police & Fire Pension Contribution balance.

Adopted by the following vote: 5 – 0.

Trustee Kraus discussed amendments to the quarterly expenses report that would include a year-to-date total. Karen Williams requested that members review the report and provide suggestions and changes to Trustee Kraus.

Karen Williams reviewed the Monthly Investment Report and Security Lending Reports.

Karen Williams reviewed the Asset Consulting Group memo with recommendations for the quarterly cash flow withdrawals. Asset Consulting Group recommended the Board redeem \$3,000,000 from the Northern Trust S& P 500 Index portfolio and redeem \$3,700,000 from the TRowe Price portfolio.

It was moved by Trustee Hecksel and supported by Trustee Oleson to approve the Asset Consulting Group recommendation to withdraw \$3,000,000 from the Northern Trust S & P 500 Index portfolio, withdraw \$3,700,000 from the TRowe Price portfolio for quarterly cash flow expense, and withdraw \$50,000 from Northern Trust Security Lending for administrative expenses.

Adopted by the following vote: 5 - 0

Karen Williams informed the Retirement Board that the authorized signers list had not been updated in a few years. This list is often requested by investment manager. Ms. Williams inquired if the Board would like to make any changes to the list. Attorney Ken Lane reported that the Employees' Retirement System Board recently hired a new investment manager that requested an authorized signer list. Attorney Lane thought it would be a good idea to update both retirement systems list of authorized signers.

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

Adopted by the following vote: 5 - 0

The meeting adjourned at 9:07 am.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System