

**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

April 15, 2014
Tuesday, 8:30 a.m.

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The Board was called to order at 8:35 a.m.

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

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 Wood to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of March 18, 2014.

Adopted by the following vote: 6 – 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: 328. 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 March 2014 amounted to \$2,264,253.90. Total retirement checks printed for the P&F System: 699. Total retirement checks printed for both systems: 1591. Domestic relations order received: 0 Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no applications for regular age and service retirement.

Karen Williams reported that applicant #2013-F1217 had submitted the documentation requested by the disability subcommittee. The applicant has been scheduled for to see the medical director.

There were no requests for Non-Duty Disability Retirement.

There were no requests for Refunds of Accumulated Contributions.

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Trustee St. Aubin reported that Trustee Fabus requested to be excused from the April Board meeting.

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

Adopted by the following vote: 6 – 0.

Karen Williams provided an update of the Arrivos Pension Software implementation. Tegrit will suspend work on the project for approximately 11 weeks due to resource constraints. Tegrit will set up User Testing in June, when the data goes live. Tegrit will provide an updated timeline and resume work on calculators in July. Ms. Williams reported that she has reviewed the PBI death check site.

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.

Karen Williams reviewed the travel policy and how to complete the expense report that is required for reimbursement. The Board reviewed the mileage rate and per diem amounts for meals.

Attorney Lane reviewed the provision in Public Act 314 to review the travel policy amounts on a yearly basis. Attorney Lane stated that law allows \$12,000 per year. The Police and Fire Retirement System current limits are \$6,000 for out-of-state travel and \$4,000 for in-state travel per trustee.

It was moved by Trustee Hecksel and supported by Trustee Benson to maintain the current trustee travel amounts for the fiscal year.

Adopted by the following vote: 6 - 0

Attorney Lane updated the Police and Fire Retirement Board regarding the death check vendor, PBI. The company is required under a new federal law to verify the use of the social security administration data supplied by the company. Under the new law, clients can only use the PBI data to comply with legislation or for fraud prevention or fiduciary responsibility. PBI requires a policy regarding how the data is handled. Attorney Ken Lane opined that the Board's legal documents policy should be sufficient until he was able to draft a new policy. Trustee St. Aubin suggested that the Legal Documents policy be amended to include the provisions from PBI, for how the data is handled. Trustee St. Aubin indicated that the secretary report provides notification to the Board regarding deceased retirees.

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Trustee Wood expressed concern regarding the retention of documents and electronic data. Attorney Lane indicated that the Police and Fire Retirement Board have a record retention policy.

Trustee Kraus suggested that the retirement office contact the Information Technology department to provide secure folder on the server. The retirement office could save the electronic data in the folder that would only be accessible with a password.

Attorney Lane reported that the City of Lansing made the remainder of the employer contribution last month. However, the memo listed that the contributions were for fiscal year 2013. Attorney Lane opined that the Police and Fire Retirement System are on a calendar year; therefore the contributions should be listed for calendar year 2012. Attorney Lane requested a motion be made to clarify the information in the memo.

It was moved by Trustee Kraus and supported by Trustee Wood to accept the employer contributions that were made by the City of Lansing last month was for the calendar year 2012.

Adopted by the following vote: 6 - 0

Attorney Ken Lane reviewed a derivative case recommended by the Robbins, Geller, Rudman & Dowd portfolio monitoring program. Robbins, Geller suggested that the Police and Fire System consider seeking lead plaintiff status. Attorney Lane reported that the Robbins, Geller Firm attained local counsel that was not on the approved City Counsel list. The amount listed in the derivative case was below the threshold set in the Securities Monitoring policy by the Police and Fire Retirement Board.

The Police and Fire Retirement Board reviewed the recommendation and discussed the pros and cons of being the lead plaintiff in a corporate governance case.

It was moved by Trustee Hecksel and supported by Trustee Kraus to decline Robbins, Geller, Rudman & Dowd's memo recommendation to become lead plaintiff in the derivative case.

Adopted by the following vote: 6 - 0

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Karen Williams reviewed possible dates for the due diligence trip to Asset Consulting Group in June. The Police and Fire Board suggested June 9 -11. Ms. Williams will report this information at the Employees Retirement Board to finalize dates.

Karen Williams reviewed the Asset Consulting Group suggested investment managers meeting schedule for the Police and Fire Retirement Board and the Employees' Retirement System Board at joint meetings for the year: Western Asset, May; MD Sass, August; UBS Trumbull Property Fund, November.

The Retirement Office received a request, from Munder Capital that handles the integrity investment, to publish the Police and Fire Retirement System as its client.

Attorney Lane informed the members that under the contract provisions, Munder Capital had to receive permission from the Board before the Police and Fire Retirement System can be listed as a client.

The Board agreed to allow Munder Capital to publish the Police and Fire Retirement System as its client.

Trustee St. Aubin informed the Board of a memo to the Information Technology department to confirm its approval for new computer equipment for the retirement office.

Trustee Wood distributed a report from the internal auditor for the Board's review. Trustee Wood explained that every year the internal auditor does an analysis of the financial position of the City. Trustee Wood had information included regarding comparison of the MERS system and the City of Lansing investment returns.

Trustee Wood also informed the Board that City Council participated in training by the Chamber of Commerce and Michigan State University regarding budgeting and financial stability. One session included recommendations for investment returns at suggested a rate of 2-3% rather than industry standards of 7-8%.

Trustee Wood expressed concern that the Council was not receiving a complete analysis of the retirement system. Trustee Wood suggested having the Board's Actuary and the Board's Investment consultant present a small seminar to provide education for City Council. The Police and Fire Retirement Board discussed inviting council members to a joint meeting or during the City Council Committee of the Whole meeting when Asset Consulting Group and Boomershine Consulting Group are in attendance.

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

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

Adopted by the following vote: 6 - 0

The meeting adjourned at 9:38 am.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System