

**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

June 21, 2016
Tuesday, 8:30 a.m.

The Board was called to order at 8:36 a.m.

Present: Trustees Fabus, Good, Oleson, Rose, St. Aubin, Wohlfert, Wood – 7.
Absent: Trustee Bernero.

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Ken Lane, Clark Hill (representing the City Attorney's Office).

It was moved by Trustee Fabus and supported by Trustee Wohlfert to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of May 10, 2016.

Adopted by the following vote: 7– 0

It was moved by Trustee Fabus and supported by Trustee Good to approve the Official Minutes of the Joint Employees Retirement System and Police and Fire Retirement System of May 12, 2016.

Adopted by the following vote: 7 - 0

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 3 retired. Total: Active membership: 314. 2 death(s), Ortensia M. Pavona, died 4/30/2016, age 93, spouse of Fire retiree; Katherine Cummings, died 5/1/2016, age 90, spouse of Fire retiree. 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 May 2016 amounted to \$2,483,147.43. Total retirement checks printed for the P&F System: 722. Total retirement checks printed for both systems: 1636. 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 Oleson and supported by Trustee Good to approve the following applications for Regular Age & Service Retirement:

David Ankney, Fire Department, 25 years of service credits, age 53, effective June 18, 2016(eligible to retire with purchase of 2 months of universal service credit)

Victoria D. Nevins, Police Department, 24 years, 1 month of service credits, age 55, effective June 18, 2016.

Greg Vessel, Fire Department, Fire Department, 25 years of service credits, age 52, effective June 18, 2016 (eligible to retire with purchase of 9 months of universal service credit.

Bryan P. Epling, Fire Department, 25 years of service credits, age 45, effective June 22, 2016 (eligible to retire with purchase of 2 months of universal service.

Donald J. Hamilton, Fire Department, 26 years, 6 months of service credits, age 52, effective June 24, 2016.

Michael P. Rose, Fire Department, 25 years of service credits, age 50, effective June 24, 2016 (eligible to retire with the purchase of 2 months of universal service)

William W. Pawluk, Fire Department, 25 years of service credits, age 47, effective June 25, 2016 (eligible to retire with the purchase of 2 months of universal service credit).

Arnold Rios, Fire Department, 20 years of service credits, age 55, effective June 25, 2016 (with the purchase of 3 months of universal service)

James M. Whitney, Fire Department, 25 years of service credits, age 56, effective June 25, 2016 (with the purchase of 2 months of universal service).

Michael A. Keith, Fire Department, 25 years of service credits, age 54, effective June 30, 2016 (eligible to retire with purchase of 1 month of universal service credit)

Adopted by the following vote: 7 – 0.

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There were no requests for Duty Disability retirements.

There were no requests for Non Duty Disability retirements.

Trustee Rose provided his MAPERS Spring Conference Report. Trustee Rose discussed the safe harbor for retirees as contract employees. He discussed the workshop on fracking and its effect on natural gas prices.

Trustee Wohlfert discussed his MAPERS Spring Conference attendance. Trustee Wohlfert also reported upon the safe harbor discussion, the actuary hour, and the comparison of Defined Benefit and Defined Contribution plans.

Trustee Fabus gave his MAPERS Spring Conference Report. Trustee Fabus added that he found the workshop on fracking informative. He enjoyed the networking with the actuary.

Attorney Ken Lane provided a legislative update from the MAPERS Spring Conference Report. Attorney Lane indicated that the IRS code is being reviewed and may be amended to provide a safe harbor for retirees as contract employees. The safe harbors would include the following retirees:

- Age 60 with five years of service
- Age 55 with 10 year of service
- Age + service that equal 80 or more
- Any age and 25 years of service.

Attorney Lane reported that the Human Resources Director is working with the City Attorney's office to ensure compliance with the current IRS code.

Attorney Lane discussed HB 5438 that would provide a definition of base pay; HB4199 would eliminate severage pay for an employee who quits, SB 279 would mandate that union leave time would not be included as service credit. It only applies to public school employee; SB 892 would expand the definition of private equity.

Trustee Oleson provided his NCPERS Annual Conference Report. Trustee Oleson attended workshops and panel discussion on GASB updates, pension reforms, social media, commodities, defined benefit plans, health care, code of conduct and real estate.

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It was moved by Trustee Fabus and supported by Trustee Wood to approve the following request for accumulated contributions:

Kyle S. Hein, Police, \$15,996.77

Adopted by the following vote: 7 – 0.

Attorney Ken Lane updated the Police and Fire Retirement Board that the Ordinance is has been completed. Attorney Lane that he received an email that indicated that Human Resources requested that they wanted to wait until the final drafts of collective bargaining agreements documents for Fraternal Order of Police, Supervisory and Non Supervisory.

Trustee Wood indicated that City Council must have the amended Ordinances for review and approval within 90 days of the agreement ratification. Trustee Wood indicated to legal counsel that Human Resources should be made aware that they are in violation of the Ordinance.

Attorney Lane reviewed the clarification of the service credit policy to allow banked time to be used for attain service credits.

It was moved by Trustee Wood and supported by Trustee Rose to approve the Police and Fire Retirement Board amended Service Credit Policy. The Service Credit Policy shall replace and supersede all previous Service Credit Policy.

Adopted by the following vote: 7 - .0.

Attorney Lane opined that the Board could provide a policy regarding what constitutes income. Attorney Lane indicated that the Ordinance may be amended to include taxable income. He will prepare a draft for the Police and Fire Retirement Board review.

Attorney Lane updated the Income Verification Form to include Federal tax form and W-2.

Karen Williams reported that the Retirement Office has received a settlement from Northern Trust of \$29,479.06 regarding the securities litigation

Karen Williams reported that a duty disability member requested that the Retirement Board re-evaluate her income verification amount prior to her conversion to age and service. Ms. Williams sent Ms. Hillary a letter indicating that she was over by \$3,917.57 and it would be split over two checks.

Ms. Hilary indicated that her adjusted pension for the year instead of her normal pension allowance should be used for the calculation of the overage.

The Disability subcommittee reviewed the duty disability list and provided a list of those members who will be re-examined this year.

Karen Williams reported requested several dates for the due diligence visit to Asset Consulting Group (ACG) for last week for September. The Retirement Office will coordinate the visit with ACG.

Ms. Williams presented Monthly Investment Report and the Securities Lending Report for the month of May 2016.

The Police and Fire Retirement Board requested that the Northern Trust settlement be applied to the Comerica account for administrative expenses.

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

Adopted by the following vote: 7 -0

The meeting adjourned at 9:26 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System

