

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

July 19, 2016
Tuesday, 8:30 a.m.

The Board was called to order at 8:31 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).

Trustee St. Aubin requested a moment of silence for the recent unrest throughout the nation.

It was moved by Trustee Good and supported by Trustee Oleson to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of June 21, 2016.

Adopted by the following vote: 7– 0

Secretary's Report.

0 new fire member(s), 2 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 10 retired. Total: Active membership: 306. 2 death(s), Jack W. Gaukel, Fire, died 6/15/2016, age 88, spouse to receive 50%; Douglas E. Gregg, Fire, died 5/1/2016, age 86, no beneficiary. 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 June 2016 amounted to \$2,541,308.13. Total retirement checks printed for the P&F System: 731. Total retirement checks printed for both systems: 1645. 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 Good to approve the following applications for Regular Age & Service Retirement:

James Kraus, Police Department, 25 years of service credits, age 54, effective August 1, 2016.

Derek A. Beiderwieden, Police Department, 17 years, 3 month of service credits, age 55, effective August 1, 2016. (From Deferred)

Adopted by the following vote: 7 - 0

There were no requests for Duty Disability retirements.

There were no requests for Non Duty Disability retirements.

Karen Williams distributed agendas and registration material for MAPERS Fall Conference for September 17 - 20. Ms. Williams noted that there is no guest registration, but the hotel charges per person.

Attorney Ken Lane updated the Police and Fire Retirement Board that the Ordinance is has been completed. Attorney Lane informed Human Resources and the City Attorney's Office that the Retirement Ordinance regarding the 90 – day requirement after City Council ratifies collective bargaining agreements.

Attorney Lane distributed a proposed amendment to the Police and Fire Retirement Office to include all taxable income under the IRS code for disability retirement income verification..

It was moved by Trustee Oleson and supported by Trustee Good to approve the Police and Fire Retirement Ordinance amendment to include all taxable income under the IRS code for disability retirement income verification.

Trustee Wood inquired if the amendment would be added to the current Ordinance or the proposed Ordinance being revised in the City Attorney's Office.

Attorney Lane indicated that he preferred to add the amendment to the proposed Ordinance update.

Adopted by the following vote: 7- 0.

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Attorney Lane distributed a new income certification form for duty disability members.

It was moved by Trustee Wood and supported by Trustee Wohlfert to approve the new certification of annual earning form received by disability retirees. The form will replace and supersede all previous certification forms.

Adopted by the following vote: 7 – 0.

Attorney Lane updated the Police and Fire Retirement Board regarding if an active member can use their 457 deferred compensation monies while in service to purchase service credits. The current Retirement Ordinance does not allow in-service purchases from deferred compensation.

Trustee St. Aubin inquired what needed to be done allow members to purchase in-service time with 457 deferred compensation monies.

Attorney Ken Lane provided an update on contract employees. Attorney Ken Lane opinion regarding retirees as contract employees was adopted by the City Attorney's Office. Attorney Lane reported that the Human Resources Director was working with the City Attorney's office to ensure compliance with the current IRS code.

Karen Williams reported that the Retirement Office received tax forms from Mondrian to be updated. Attorney Ken Lane explained will review the forms and notify the chairperson.

Angela Bennett reported that council staff requested that she bring to the Police and Fire Retirement Board an outstanding amount on a Boomershine bill. Ms. Bennett did not believe that the outstanding amount of \$1710 was a retirement board expense. Ms. Bennett explained that

Trustee Wood indicated that the City Council did pay for the actuary's travel expenses. Trustee Wood reminded members that the Board discussed in advance bringing the actuary to present to City Council for education purposes, in light of the financial health team. Trustee Wood indicated that the preparation and materials were the same that was provided to Retirement Board.

It was moved by Trustee Oleson and supported by Trustee Wood to pay the costs of the outstanding bill from the Police and Fire Retirement System and split the costs with the Employees Retirement System.

Trustee Good stated that there needs to be a better understanding of the timing and costs in advance.

Adopted by the following vote: 7 – 0.

Karen Williams reported the quarterly cash flow recommendations from Asset Consulting Group for \$7.5 million.

It was moved by Trustee Wood and supported by Trustee Oleson to approve the quarterly cash flow recommendation from Asset Consulting Group for \$7.5 million.

Adopted by the following vote: 7 – 0

Karen Williams reported that the due diligence visit to Asset Consulting Group was scheduled for September 26-27. The Retirement Office will work with ACG to coordinate the visit.

Trustee St. Aubin contacted ACG regarding the Brexit announcement and requested recommendation regarding the City of Lansing Police and Fire Retirement portfolio.

Mr. George Tarlas of Asset Consulting recommended that no changes be made to the portfolio.

Trustee Wood inquired if a hyperlink could be added to the Retirement webpage that links to the City Clerk's document on file page for Board minutes.

Ms. Williams explained that the new City web site will be set up to house all the minutes in one location. The new retirement page has been set up to link to the new location. Current minutes will need to be uploaded separately.

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

Trustee St. Aubin received information that the TRowe Price equity index was undervalued.

He asked if the Retirement Office had received any information from Asset Consulting group

Ms. Williams will contact Asset Consulting Group to research the TRowe Price and provide a report.

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

Adopted by the following vote: 7 -0

The meeting adjourned at 9:10 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System