

# 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

November 8, 2016  
Tuesday, 8:30 a.m.

The Board was called to order at 8:30 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 October 18, 2016.

Adopted by the following vote: 7 – 0

Trustee Wood introduced Mr. Eric Brewer, the new Internal Auditor for City Council. She invited him to the meeting to become familiar with the proceedings.

Secretary's Report.

0 new fire member(s), 0 new police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total: Active membership: 325. 1 death(s), William Wilkins, Fire, died 9/19/2016, age 75, no beneficiary. Refunds made since the last regular meeting amounted to \$118,487.73. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of October 2016 amounted to \$2,662,334.32. Total retirement checks printed for the P&F System: 730. Total retirement checks printed for both systems: 1637. Domestic relations order received: 0. Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

Trustee Wood inquired if the refunds included interest.

Ms. Williams confirmed that the request for refund of accumulated contributions did include 3% interest rate.

Trustee St. Aubin inquired what the 3% interest rate was based upon.

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Ms. Bennett indicated that the Retirement Board discussed the interest rate during the actuarial discussion last year. Ms. Bennett detailed that the 3% rate was a long term rate and was not considered too high or low.

Trustee Fabus recommended that the Police and Fire Retirement Board ask Boomershine how the City of Lansing rate compares with other systems.

There were no requests for regular age and service retirements.

There were no requests for Duty Disability retirements.

There were no requests for Non Duty Disability retirements.

Karen Williams reported that she provided medical re-evaluation reports to the disability subcommittee for review.

Trustee St. Aubin discussed reviewing the evaluation duty disability retirements. Trustee St. Aubin discussed the determination of whether a member 's disability was duty or non-duty for pre-existing conditions or injuries.

Attorney Lane opined that the Police officer and Fire fighter is defined in the Ordinances. The medical doctor has a narrow focus that the member is totally disabled to the position of police officer or firefighter as described in the Ordinance. The Police and Fire Retirement Board has the final decision to determine duty or non-duty.

Trustee Fabus recommended a review of duties designated for police officers and firefighters.

Trustee Wohlfert provided his NCPERS report regarding his attendance at the Public Safety Conference. He discussed the workshop presented regarding duty disabilities, cyber security, Medicare and Fort Lauderdale firefighter

Trustee St. Aubin attended the NCPERS Public Safety Conference and he enjoyed the presentations that include legislative issues, retiree health care. Trustee St. Aubin liked the networking experience with other public safety members from other systems.

Trustee Oleson reported that he attended the NCPERS Public Safety Conference. He noted the workshops on the DROP plans, and the City of Detroit retirement system update.

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Trustee Fabus provided his NCPERS Public Safety Conference Report. He attended workshops that reviewed action items for retirement board that include cyber security, outside company to perform a vulnerability test, and the retirement board issuing a written disability report, and DROP plan options.

Karen Williams indicated that the Police and Fire Retirement System Board maintains memberships with several professional organizations. The respective dues for 2017 are MAPERS, \$100; NCPERS, \$250; IFEBP, \$497.50 and are paid with administrative funds.

It was moved by Trustee Robert Oleson and supported by Trustee Wohlfert to approve the payment of Police and Fire Retirement System Board membership fees for MAPERS, NCPERS and IFEBP for 2017.

Adopted by the following vote: 7-0.

Trustee Fabus and Trustee St. Aubin requested to be excused from the November Joint Retirement Boards due to work obligations.

Attorney Ken Lane reported that he sent a letter to the Human Resources Director regarding the delay of the Police and Fire Retirement Board Ordinance. He sent a copy of the letter to City Council, the Mayor's Office and the City Attorney's Office. Attorney Lane has not received a response. The City Attorney's Office recommended that the Retirement Board direct them to send an internal memo regarding the Police and Fire Retirement Board Ordinance.

It was moved by Trustee Wood and supported by Trustee Wohlfert to request the City Attorney's Office to direct an internal memo regarding the delay of the Police and Fire Retirement Board Ordinance and a request for the Human Resource Director to attend the next meeting, if there has not been a response a week before the next meeting.

Adopted by the following vote: 7 -0

Attorney Ken Lane reported that the City Attorney's Office has received the employee contracts from Human Resources. The contracts are being red-acted for social security numbers and addresses and then will be available for review by the Retirement Boards at the December meetings.

Attorney Lane will draft a policy regarding how employees become members of the Police and Fire Retirement System, when sworn.

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Ms. Williams updated the Board regarding the Fire Trustee election. She reported that the nominating petitions are due November 10, 2016 with elections to follow in December. The Board discussed the election voting process. Trustee Wohlfert indicated the voting dates of December 13 -14 for the General Election would allow all the shifts to vote. Members would be directed to vote at City Hall. Ms. Williams also discussed absentee ballots.

Attorney Lane indicated that he reviewed the SAS 70/ Custody and Fund Services SOC 1 Report and there were no substantive changes in the report.

Trustee Wood requested that the report be sent to the City of Lansing Information Technology director for review.

Trustee Rose requested that the Information Technology Director be invited to the next Police and Fire Retirement Board meeting to discuss cyber security.

Trustee Wood requested that the Retirement Board webpage be reorganized to make the annual year end budget expenses document easier to find with additional detail.

Attorney Lane indicated that the actuarial report, the annual budget and the year-end investment report comprised the necessary documents that were required by Public Act 314 and the Police and Fire Retirement Board Policy.

Karen Williams distributed the 2017 schedule of meeting dates.

Trustee St. Aubin called Mr. Greg Stump, Boomershine Consulting Group to give a brief review of the actuarial valuation for the period ending 12/31/2015. Mr. Stump discussed the annual contribution, retirement and health care reserve. He discussed the funding background, and the effect of assumption changes.

Mr. Stump provided an overview of the Experience Study and discussed GASB 67 and 68. The GASB reports are based on June 30 values and would be available next year.

Ms. Bennett explained that actuarial valuation date and comprehensive financial statement for the City have different fiscal years. The Retirement System's fiscal year ends December 31, and the City's fiscal year ends June 30. Since the retirement system data ends 6 months prior to close of the City's fiscal year, the GASB reports roll the retirement data forward for financial reporting purposes.

It was moved by Trustee Wood and supported by Trustee Fabus to accept the Police and Fire Retirement Actuarial Valuation for the period ending 12/31/2015.

Adopted by the following vote: 7 – 0.

The Tegrity Visit was proposed for spring 2017.

Karen Williams reported that she contacted Gabriel, Roeder, Smith regarding providing a link to Minute Manager and a process to approve users for archived minutes. Gabriel, Roeder, Smith explained that the process to approve and maintain users would be detailed and costly.

Karen Williams distributed a memo from Asset Consulting Group detailing the Police and Fire Retirement System quarterly cash flow withdrawal. ACG recommended \$3.8 million from Northern Trust Index Fund and \$3.00 million from T. Rowe Price.

It was moved by Trustee Fabus and supported by Trustee Wohlfert to redeem \$3.8 million from the Northern Trust Index Fund and \$3.0 million from the T. Rowe Price fund for quarterly cash flow withdrawal.

Adopted by the following vote: 7-0.

Ms. Williams presented the Quarterly Expenses Report and the Securities Lending Report for the month of October 2016.

It was moved by Trustee Rose and supported by Trustee Good to adjourn the meeting.

Adopted by the following vote: 7 -0

The meeting adjourned at 9:49 a.m.

Minutes approved on \_\_\_\_\_

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Angela Bennett, Secretary  
Police & Fire Retirement System

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Brad St. Aubin, Chairperson  
Police & Fire Retirement System