

**OFFICIAL PROCEEDINGS OF THE BOARD OF  
TRUSTEES  
CITY OF LANSING  
EMPLOYEES= RETIREMENT SYSTEM**

Regular Meeting  
City Council Conference Room  
10th Floor, City Hall  
Lansing, MI

December 13, 2012  
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:35 a.m.

Present: Dedic (8:42), Kraus, McCaffery, Munroe, Parker, Rose, Taylor, Wood - 7  
Absent: Trustee Bernero, Taylor

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

Trustee Rose presided over the proceeding.

It was moved by Trustee McCaffery and supported by Trustee Munroe to approve the  
Official Minutes of the Employees Retirement System Boards Regular Meeting of  
November 8, 2012.

Adopted by the following vote: 6 - 0

It was moved by Trustee McCaffery and supported by Trustee Parker to approve the  
Official Minutes of the Joint Employees Retirement System Board and the Police and  
Fire Retirement Board Regular Meeting of November 8, 2012.

Adopted by the following vote: 6 -0.

There were no public comments.

Secretary=s Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0  
transfers, 2 retired. Total active membership: 369. Total deferred: 67. Refunds  
made since the last regular meeting amounted to \$0.00. Retirement allowances  
paid for the month of November 2012, amounted to \$1,724,833.92. Total  
retirement checks printed for the ERS System: 856. 3 death(s). Alice M.  
Schumacher, died 11/17/2012, (Police-Civilian)/Teamster 580, retired  
8/13/1988), age 79, no beneficiary; Donna Graves, died 11/10/2012, age 79,  
spouse of Exempt retiree; Alice L. Weeks, died 9/26/2012, age 85, spouse of  
Exempt retiree. Eligible domestic relations orders received: 0. Domestic relations  
orders pending: 0. Eligible domestic relations orders certified: 1.

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It was moved by Trustee Wood and supported by Trustee Taylor to approve the Request for Regular Age and Service Retirement:

Thomas R. Vankuiken (Public Service/T580) – 31 years, 3 months of service credits, age 56, effective November 24, 2012.

Adopted by the following vote: 6 - 0

It was moved by Trustee Wood and supported by Trustee Taylor to approve the Request for Regular Age and Service Retirement:

Carol Ballard, (District Court/Teamster) – 26 years, 7 months of service credits, age 61, effective December 1, 2012

Adopted by the following vote: 6- 0

It was moved by Trustee Kraus and supported by Trustee Munroe to approve the Request for Regular Age and Service Retirement:

Robert Childs (Public Service/UAW) – 16 years, 11 months of service credits, age 58, effective December 1, 2012. (From Deferred)

Adopted by the following vote: 6 – 0

It was moved by Trustee Wood and supported by Trustee Parker to approve the Request for Regular Age and Service Retirement:

Dawn R. Hufnagel (Police-Civilian/Teamster 580) – 23 years, 11 months of service credits, age 44, effective December 1, 2012 (Old Plan – 65 points)

Adopted by the following vote: 6 – 0

It was moved by Trustee Parker and supported by Trustee Taylor to approve the Request for Regular Age and Service Retirement:

James W. McCue (Public Service/T214) – 18 years, 4 months of service credits, age 58, effective December 1, 2012 (From Deferred)

Adopted by the following vote: 6 – 0

Ms. Williams reported to the Employees Retirement System Board that applicant #2012-E1213 has requested a duty disability retirement.

Trustee Rose referred applicant #2012-E1213 to the disability subcommittee. The Disability subcommittee requested a recess to review the duty disability application.



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It was moved by Trustee Parker and supported by Trustee Munroe to recess the Employees Retirement System meeting to allow the disability subcommittee to meet.

Adopted by the following vote: 6 – 0

The ERS Board recessed at 8:42 a.m.

The ERS Board resumed at 8:46 a.m.

Karen Williams updated the Retirement Board regarding the Duty Disability applications. Ms. Williams reported that the disability subcommittee met and has referred applicant #2012-E1213 to the Medical Doctor. Ms. Williams reported that applicant #2012-E1018 and Applicant #2102-E0719 has been scheduled to see the Medical Director.

There were no requests for non-duty disability retirements.

There were no requests for refunds of accumulated contributions.

Trustee Carol Munroe provided a report on her attendance to the annual IFEBP Conference. Trustee Munroe reviewed the sessions that she attended regarding trustee responsibility, fiscal crisis and its effect on pension systems. Trustee Munroe discussed that she had the opportunity to network with other pension plans trustees, and she learned information regarding asset diversification and the health of other pension plans.

Trustee Terri Taylor provided a report of her attendance to the annual IFEBP Conference. Trustee Taylor attended the Employee Benefit sessions that included the impact on affordable care act.

Trustee Dedic provided a report of his attendance to the annual IFEBP Conference. Trustee Dedic discussed the session and informed the ERS Board that many of the workshops resources and material are available on the IFEBP website. Trustees received memory sticks with conference materials. Trustee Dedic informed the Board of the NIRS.com website that also provided additional resources on public plans.

Attorney Ken Lane informed the Employees Retirement Board that he had an attorney-client legal opinion that he wished to review with the Board regarding the Draft Actuarial Report.

It was moved by Trustee Wood and supported by Trustee Kraus to move the Draft Actuarial Report up on the agenda, and close session to review a legal opinion from the City Attorney's Office regarding the actuarial report.

Adopted by the following vote: 7-0

Yes: Dedic, Kraus, McCaffery, Munroe, Park, Taylor, Rose

No: 0



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The Employees Retirement System Board closed 8:52 a.m.

The Employees Retirement System Board resumed 9:16 a.m.

It was moved by Trustee Rose and supported by Trustee Munroe, that based on legal review, the Employees Retirement System Board reconsider and rescind the motion to approve the funding policy made at the November meeting, and that the policy and will be reviewed at the next Joint meeting in January. Trustee Wood offered a friendly amendment that was accepted to state the Board would review the policy at a future meeting.

Adopted by the following vote: 6 -0

It was moved by Trustee Kraus and supported by Trustee Parker to have a Special January 2013 joint meeting with the Police and Fire Retirement System Board to discuss the actuary's experience study, actuary report and funding policy.

Adopted by the following vote: 6 -0

Ms. Keri Hepburn and Mr. Douglas J. Gooding presented a performance review of Invesco International Equity Investment. Ms. Hepburn provided an overview of the presentation. Mr. Gooding reviewed the Invesco Global Equity Team, Investment Process and Investment Philosophy. Mr. Gooding discussed the portfolio performance and the assets within the strategy compared to the Index. Mr. Gooding provided how individual stocks contributed to performance, trade analysis and the investment's top 10 stock holdings. Mr. Gooding outlined the sector allocation, regional allocation and country allocation of the portfolio's holding.

Ms. Keri Hepburn provided a performance summary and reviewed the Invesco Mortgage Recovery investment. Ms. Hepburn requested a copy of the ERS Board's monthly report on the Invesco Mortgage Recovery Investment. She informed the Board that she will review the information and report back to Trustees.

Attorney Kenneth Lane updated the Retirement Board regarding the state legislature changes to PA314. Attorney Lane provided a legislative memo of Public Act 347 that summarized the provisions of the new amendments to Public Act 314. Attorney Lane stated the provisions will go into effect in March. Attorney Lane provided and reviewed updates to the Trustee Handbooks. Attorney Lane updated the Board regarding the Retirement Ordinance update to include the new changes to Teamster 214 contract.

Ms. Karen Williams reported that the 911 Operators retirement funds have not been transferred.

Trustee Parker reported that Retirement Conference will be Thursday, September 12, 2013 at the Lansing Center. Trustee Parker distributed a proposal from the Lansing

Center for the rental of rooms. Trustee Parker suggested an initial budget of \$5,000 to split between the Retirement Boards.

It was moved by Trustee Rose and supported by Trustee Parker to allocate \$2500 from the Employees Retirement System administrative account for the 2013 Retirement Conference.

Adopted by the following vote: 6 -0

Trustee Parker spoke with the Police and Fire Retirement System and Trustees Fabus, Trustee St. Aubin and Trustee Hecksel have indicated interest in assisting with the Conference.

Trustee Rose reported that Phase I of the Pension Software project has been completed. The invoice for the completion was \$18,180. This amount will be split between both Retirement Boards. Trustee Rose reported that Phase II will deal with data migration to the Arrivos System. Trustee Rose also requested Tegrity provide 3 options for death check software and another vendor.

Karen Williams distributed and reviewed the Securities Lending Report for the month of November, 2012.

The meeting adjourned at 10:13 a.m.

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

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Angela Bennett, Secretary  
Employees= Retirement System

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Scott Dedic, Chair  
Employees' Retirement System