

**OFFICIAL PROCEEDINGS OF THE BOARD OF  
TRUSTEES  
CITY OF LANSING  
EMPLOYEES RETIREMENT SYSTEM (corrected)**

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

May 23, 2013  
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:41 a.m.

Present: McCaffery, Parker, Rose, Taylor, Wood – 5  
Absent: Trustee Bernero, Dedic, Kraus, Munroe

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office), Diane Lee, Retiree; Steve Harry.

Trustee Robert Rose presided.

It was moved by Trustee Wood and supported by Trustee McCaffery to approve the Special Minutes of the Joint Employees Retirement System and the Police and Fire Retirement Board Meeting of April 18, 2013.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Wood and supported by Trustee Parker to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of April 18, 2013.

Adopted by the following vote: 5 - 0

Mr. Steve Harry asked when the actuarial valuation would be available.

Attorney Lane responded that the valuation is generally received in late November.

Mr. Steve Harry inquired about the difference between the old plan and new plan.

Trustee Rose explained that through collective bargaining, changes to the eligibility requirements and retirement multiplier were made for members of certain unions. The new plan members are mostly made up of employees who began City Employment after October 1990 for certain bargaining units.

Trustee Wood added that certain bargaining units left the defined benefit plan and went to the defined contribution plan. Members in these bargaining units who returned to the defined benefit plan after 2003 are new plan.

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Ms. Diane Lee, City of Lansing retiree, stated that she was attending the Retirement meeting to observe the proceedings.

Trustee Wood asked to take up item 14 e. regarding the City Budget recommendation legal update out of order.

It was moved by Trustee Wood and supported by Trustee Parker to discuss the City Budget Recommendation Legal update out of order.

Adopted by the following vote 5-0.

Attorney Ken Lane reported that he had a confidential City Attorney opinion to discuss with the Employees Retirement System Board in closed session.

It was moved by Trustee Wood and supported by Trustee Parker to go into closed session to review a client attorney matter regarding the City Budget recommendation.

Adopted by the following roll call vote: 5 – 0

Yes: McCaffery, Parker, Rose, Taylor, Wood  
No: 0

The Employees Retirement System Board closed the meeting session at 8:45 a.m.

The Employees Retirement System Board opened session at 9:08 a.m

It was moved by Trustee Wood and supported by Trustee McCaffery for the Employees Retirement System Board to waive the confidentiality of the City Attorney's Opinion regarding the pension administrative costs.

Adopted by the following vote: 5 – 0

Secretary=s Report. 3 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 4 retired. Total active membership: 335. Total deferred: 62. Refunds made since the last regular meeting amounted to \$58,013.95. Retirement allowances paid for the month of April 2013, amounted to \$1,779,362.99. Total retirement checks printed for the ERS System: 873. 3 death(s), Janet S. Lyman, died 1/30/2013, age 61, spouse of UAW retiree; Teresa Pugh, died 2/27/2013, age 66, spouse of Exempt retiree; Carol J. Horst, died 4/14/2013, age 63, spouse of UAW retiree. Eligible domestic relations orders received: 1. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.



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

Brenda Jodway (Planning/Teamster) – 12 years, 4 months of service credits, age 61, effective May 1, 2013

Adopted by the following vote: 5 - 0

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

Frank Eirosius (Planning/Teamster) – 12 years, 6 months of service credits, age 57, effective May 1, 2013 (Old Plan – 65 points)

Adopted by the following vote: 5 - 0

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

Clarence W. Osborne, Jr. (Finance/Teamster) – 1 year, 11 months of service credits, age 58, effective May 1, 2013. (( From Deferred (Vested (8 years, 1 month)-Transferred from Defined Contribution, but did not purchase time/Also use Reciprocal Retirement Act ~ Total Eligibility 24 years, 1 months))

Karen Williams explained that Mr. Osborne was a new plan member who did not purchase time when he transferred from Defined Contribution to Defined Benefit.

Adopted by the following vote: 5 - 0

Applicant #2012 – E1213 has seen the doctor. The disability subcommittee is waiting for the medical report.

Karen Williams reported that Applicant #2013-E0523 has requested consideration for duty disability.

Applicant #2013-E0523 request was referred to the disability subcommittee for review.

Karen Williams reported that Applicant #2013-E0524 has requested consideration for non-duty disability.

Applicant #2013-E0524 request was referred to the disability subcommittee for review.

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Karen Williams reported that the following former members have requested a return of their accumulated contributions:

Diana Bitely, City Council Staff, \$26,308.02

Curtis Michael Mathis, Police/Civilian-Teamster(Detention), \$30,516.84

Jennifer V. White, Police/Civilian-Teamster(Detention), \$9,434.67

It was moved by Trustee Wood and supported by Trustee Taylor to approve the request for the return of accumulated contributions for Ms. Diana Bitely.

Trustee Wood inquired if Ms. Biteley was aware of the reciprocal retirement act. Ms. Williams indicated that Ms. Bitely was sent a copy of the reciprocal retirement act, a copy of the Ordinance that governs the return of accumulated contribution.

Adopted by the following vote: 5 – 0.

It was moved by Trustee Wood and supported by Trustee Parker to approve the request for the return of accumulated contributions for Mr. Curtis Michael Mathis.

Adopted by the following vote: 5 – 0

It was moved by Trustee Taylor and supported by Trustee Parker to approve the request for the return of accumulated contributions for Ms. Jennifer V. White.

Adopted by the following vote: 5 – 0.

Karen Williams reported that she received notice from Trustees Antonia Kraus, Carol Munroe and Scott Dedic that they would not be at the May ERS Retirement Meeting and requested an excused absence. Trustee Wood noted that Trustee Kraus does not require an excused absence per the Retirement Ordinance. She is not an elected or appointed position

It was moved by Trustee Wood and supported by Trustee Parker to excuse Trustee Dedic and Trustee Munroe from the May Retirement Board meeting.

Adopted by the following vote: 5 – 0.

Karen Williams reported that the family of Ms. Janet S. Lyman has requested that the return of her pension overpayment be waived. Ms. Lyman died January 30, 2013 and her death was reported in April. Retirement payments after the retiree's death were directly deposited into the retiree's bank account. Ms. Williams talked with the retiree's son and provided a letter to the family requesting repayment to the City of the overpayment. The retiree's son stated that the money in her account was taken by the bank to pay a debt.



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Mr. Lyman sent an email stating that he was advised that he was not responsible for this repayment. Trustee Wood stated that a similar situation happened in the Police and Fire System. Trustee Wood stated that it was the Board's responsibility to have these funds repaid.

Attorney Lane inquired if the Retirement Board wished for him to contact the family by letter with options for repayment.

Trustee Rose referred the email from the retiree's son for response.

Karen Williams distributed the current City of Lansing Travel Policy.

Attorney Lane updated the ERS Board regarding the status of the Ordinance. He reported that Foster Swift completing language to include the recent Teamster 214 contract.

Attorney Lane reviewed the Actuarial Services contract with Boomershine Consulting Group.

The Financial Health Team Report discussion was moved to pending.

Karen Williams reported that the deadline for the Duty Disability Income verifications certifications were due April 30, 2013. There was one duty disability retiree that did not return a certification. The member will receive a second request for the certification that will be due June 14, 2013.

Karen Williams reported that the Public Service Trustee position held by Trustee Bob Rose will expire June 30, 2013. Karen Williams reviewed the details for the election. Trustee Wood inquired if Trustee Rose would remain in office after his term expires if an election is not held by June 30, 2013.

Attorney Ken Lane opined that Trustee Rose would remain in office until an election is held for the Public Service Trustee position.

Ms. Angela Bennett reviewed the details surrounding the delay for the 911 Center Transfer. Ms. Angela Bennett stated that the initial valuation was done by Gabriel Roeder Smith for the transfer of the 911 center took place. The Retirement Board hired another actuarial firm, EFI in 2010. The Retirement Board requested that EFI review and provide an updated valuation for the 911 transfer. EFI reported that they were able to come close to the valuation provided by Gabriel Roeder Smith. At the end of 2012, EFI was merged within Cheiron.

Cheiron was reviewed the 911 transfer and found some issues and discrepancies with the data. Cheiron noted that higher multipliers and base wage may have been used for the Gabriel Roeder Smith calculation. Cheiron provided a new valuation with the updated multipliers and compensation. The difference was approximately \$300,000.

Ms. Bennett stated there needed to be a reconciliation of the numbers.

Ms. Bennett had discussion with Ingham County regarding these discrepancies. Ms. Bennett stated that the funds had not been transferred.

Trustee Taylor stated that the Retirement Board should send this information to the new actuary.

Trustee Wood recommended that the Board request the work product that was prepared by Gabriel Roeder and Smith.

Trustee Rose suggested a special meeting to review the valuation for the 911 Center with the new actuary, the finance director and the Retirement Board.

Attorney Lane stated that although the contract with Cheiron/EFI ends June 6, 2013, the termination letter requested that the company complete pending items.

Ms. Bennett recommended that a letter from the Board be sent to GRS requesting information used for the 911 Center transfer valuation. This information can be forwarded to Boomershine Consulting Group for the company to complete the valuation.

Trustee Wood suggested that an additional letter be sent to Boomershine Consulting Group for a timeline for the valuation, once the information from GRS has been received.

The Retirement Conference and Tegrity Pension Software update was moved to the Joint Meeting for discussion.

Karen Williams distributed and reviewed the Quarterly Expense Report and Securities Lending Report.

The meeting adjourned at 9:46 a.m.

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

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Angela Bennett, Secretary  
Employees' Retirement System

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Robert Rose, Vice Chairperson  
Employees' Retirement System