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

Regular Meeting January 23, 2014
City Council Conference Room Thursday, 8:30 a.m.
10th Floor, City Hall
Lansing, MI

The Board met in regular session and was called to order at 8:36 a.m.

Present: Boles (8:44), Dedic, Kraus, McCaffery, Munroe, D. Parker, M. Parker, Taylor – 8
Absent: Trustee Bernero.

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

It was moved by Trustee Kraus and supported by Trustee Munroe to approve the Official Minutes of the Employees Retirement System Board Regular Meeting of December 19, 2013.

Adopted by the following vote: 7 – 0

There was no public comment.

Secretary=s Report. 0 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 318. Total deferred: 62. 0 death(s). Refunds made since the last regular meeting amounted to $0.00. Retirement allowances paid for the month of December 2013, amounted to $1,818,518.63. Total retirement checks printed for the ERS System: 885. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 1.

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

Glen A. Feldpaush (Finance/Teamster) – 11 years, 4 months of service credits, age 58, effective January 19, 2014.(with the purchase of 1 years of universal buy-in service credits)

Adopted by the following vote: 7 - 0

Karen Williams reported that Applicant #2013-E1017 was listed as pending. The Retirement Office was waiting for the applicant's documentation.

There were no requests for refunds of accumulated contributions.

Attorney Ken Lane reviewed the draft funding policy that was distributed by Mr. Greg Stump, actuary, Boomershine Consulting Group at the January meeting. Attorney Lane discussed the recommendation that if the plan becomes 100% funded; the policy would have guidelines for the City to contribute a minimum amount. Attorney Lane stated that he believed the state law would not allow a mandate from the retirement system to contribute a minimum amount. The state law provides what is required for the City contribution.

Ms. Bennett notified the ERS Board that even with the plan 100%, there is generally a contribution made to the system. However, Ms. Bennett did not want to compel the City to a certain percentage if the plan because funded more than 100%

Trustee Boles arrived to the meeting.

Attorney Ken Lane received an amendment from PBI written into the contract. Attorney Lane had concerns with some of the provisions of the contract. Attorney Lane brought to the Board's attention that the amendment would absolve the PBI company of all responsibility for the data that is supplied to the City of Lansing Retirement System. Attorney Lane recommended that the amendment be removed.

Trustee Kraus stated that if PBI will not take out the amendment, the Board should consider an alternative.

The PBI contract was moved to pending.

Attorney Ken Lane updated the ERS Board regarding the Retirement Ordinance. The UAW contract language needed to be added to the Retirement Ordinance. Attorney Lane discussed the Public Act 314 provisions for required annual reports. The Police and Fire Retirement Board's annual policy provides for the Actuary Report and the Asset Consulting Group report satisfies the requirements. Attorney Lane also discussed that a projected budget showing expenditures for the year was required. Attorney Lane would provide a budget for the Police and Fire Retirement Board. The statute also requires financial report looks back 7 and 10 years and provide it in the annual reporting. The report would need to be approved at a public meeting than sent to the Mayor and Council.

Trustee Kraus nominated Scott Dedic as chairperson and Mark Parker as vice chairperson. The nominations were closed

It was moved by Trustee Kraus and supported by Trustee McCaffery to elect Trustee Scott Dedic as chairperson and Trustee Mark Parker as vice chairperson for the Employees Retirement System for 2014.

Adopted by the following vote: 8 - 0

The Employees Retirement System approved the following committee assignments:

DISABILTY COMMITTEE	-	Taylor, Dedic, Kraus
INVESTMENT COMMITTEE-		Kraus, McCaffery, D. Parker, M. Parker
EDUCATION COMMITTEE	-	M. Parker, Boles, Dedic, Munroe, D. Parker
ORDINANCE CHANGES COMMITTEE (Expanded for Special Projects)	-	D. Parker, Boles, Kraus, Munroe
JOINT AD HOC COMMITTEE ON HEALTH CARE	-	Dedic, Munroe, D. Parker, M. Parker
OUTSIDE LEGAL SERVICES COM. -		Dedic, Boles, Parker, Taylor

Ms. Angela Bennett reported that she contacted Mr. Greg Stump, actuary, Boomershine Consulting Group with recommendations for the final report. Ms. Bennett requested changes to the cover of the report to list the name of the plan. Ms. Bennett requested amendments to the executive summary and changing the report date to December 31 as in previous reports. Ms. Bennett noted some data corrections. Ms. Bennett asked for the Board's direction regarding including additional graphs as provided during the actuary's presentation last month..

It was moved by Trustee Kraus and supported by Trustee Munroe to have Boomershine include the additional graphs in the actuary valuation.

Adopted by the following vote: 8 - 0

Trustee Boles inquired about the process in contacting the actuary to make changes.

Trustee Dedic recommended that members review the actuary report and send any requested amendments to Karen Williams so they could be forwarded to the Angela Bennett and then the actuary. The actuary can incorporate the amendments into the final draft for the February meeting.

Karen Williams updated the Board that the International Value manager interviews will take place Tuesday, February 18 following the Joint Meeting of the Police and Fire and the Employees Retirement System.

Attorney Ken Lane updated the ERS Board regarding the 911 Center Transfer. Attorney Lane stated that a meeting was held January 14, 2014 with Ingham County. The County was unaware that the MERS actuary had not reviewed the City of Lansing actuarial valuation for the transfer. Attorney Lane stated that Ingham County will have the MERS actuary review the numbers and discuss any difference with the Employees Retirement System Board actuary, Greg Stump, Boomershine Consulting Group.

Ms. Angela Bennett confirmed that the actuarial liability of $968,348 was transferred to the Ingham County account at MERS, December 31, 2013. .

Attorney Ken Lane stated that the Board passed a resolution contingent upon the Ingham County passing a resolution, and receiving employee waivers. Attorney Ken Lane believes that the transfer of the money and the Ingham County's acceptance releases the City of Lansing's liability for the 911 dispatch center employees. The City Attorney's Office opined that the employee waivers would not be required. Attorney Lane distributed a revised resolution that would facilitate the transfer of service credits for the 911 dispatch center employees. The Ingham County would be required by the Reciprocal Retirement Act to pass a resolution to receive the service credits of the 911 dispatch center employees.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to rescind the resolution from the last meeting and adopt the following resolution as amended:

BOARD OF TRUSTEES

LANSING EMPLOYEES' RETIREMENT SYSTEM

Lansing, Michigan

Trustee Kraus, supported by Trustee M. Parker, moved the adoption of the following resolution:

RESOLUTION NO. 01-23-14

WHEREAS, on or about September 14, 2010, the City of Lansing and Ingham County entered into an Agreement (the "Agreement") relating to the establishment and operation of a consolidated 911 dispatch center; and

WHEREAS, pursuant to the Agreement, it was envisioned that certain City employees who worked as 911 operators in the City's Emergency Communications Division would be provided the opportunity to continue employment as County employees, would be placed in no worse

position regarding retirement benefits than if they had continued as City of Lansing employees; and

WHEREAS, section 6(1) of the Reciprocal Retirement Act, MCL 38.1106(1) authorizes an agreement to transfer the credited service towards retirement of a member from his or her preceding reciprocal unit (in this instance, the City of Lansing) to his or her succeeding reciprocal unit (in this instance, Ingham County); and

WHEREAS, the Agreement provided in part as follows:

> The City's Retirement System shall transfer to the County designated MERS plan(s) the trust pension assets equal to the funded value of the actuarially accrued liabilities as determined in the most recent actuarial valuation for those Former City Employees Employed By The County. The County will assume remaining unfunded accrued liabilities for those Former City Employees Employed By the County. The City shall provide such further and/or additional information or resolutions as may be required by MERS or the County. The County will establish with MERS such pension plan or plans providing Former City Employees Employed By The County with such pension benefits as negotiated with the appropriate recognized union or as designated by the County and shall provide for prior service credit. However, the County recognizes that the accrued benefits for service credit accrued by Former City Employees Employed By The County while employed by the City shall not be diminished. Future 911 Employees shall be placed in such plan as is negotiated with the applicable union or as established by the County

; and

WHEREAS, the actuarial accrued liability for each City employee that has elected to transfer to employment with the County was calculated by Boomershine Consulting Group as of November 25, 2013, as set forth on the attached Appendix A; and

WHEREAS, the City of Lansing has elected to have the provisions of the Reciprocal Retirement Act made applicable to its members as set forth in Municipal Code Section 292.47; and

WHEREAS, at its meeting on December 19, 2013, the City of Lansing Employees' Retirement System ("ERS") authorized the transfer of credited service (as referenced in Appendix A) and the funds designated for each transferred employee (as referenced in Appendix A) from the City of Lansing ERS to Ingham County for credit towards the transferred employee's retirement in the Municipal Employees Retirement System ("MERS") account established by Ingham County pursuant to the Agreement; and

WHEREAS, pursuant to the County's instructions, the transferred funds were received by the applicable MERS accounts on December 31, 2013; and

WHEREAS, in the opinion of legal counsel, the transfer of credited service pursuant to the Reciprocal Retirement Act from the ERS to Ingham County's retirement system extinguishes

any remaining retirement obligations, with the exception of retirement health care, for the ERS or the City of Lansing towards the transferred employees.

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The governing body of the County's retirement system shall adopt a resolution accepting the determination of the actuarial present value of the retirement allowances attributable to the credited service for each transferred employee as set forth in Appendix A, and otherwise meeting the requirements of Section 6 of the Reciprocal Retirement Act, MCL 38.1106 and the Agreement.

2. Based upon the advice of its legal counsel, the ERS Board revokes the condition enacted in its prior resolution that required each transferred employee to execute a waiver as a condition to the transfer of funds from the ERS to the County's retirement system and hereby recognizes the transfer of funds as set forth in this Resolution without any additional conditions.

3. It is the policy of this Board, enacted pursuant to MCL 38.1106(4), that applications for transfer of credited service pursuant to the Reciprocal Retirement Act shall only be granted in instances where there is an agreement such as the present Agreement.

4. The provisions of this resolution apply to each of the transferred employees referenced on Appendix A individually and are not dependent upon application to all of the transferred employees.

5. ERS chair, Scott Dedic, is authorized on behalf of the ERS to sign and execute all documents to effectuate and finalize this transaction, subject to prior approval as to form by the City Attorney.

6. All resolutions and parts of resolutions are, to the extent of any conflict with this Resolution, rescinded.

YEAS: Trustees: Boles, Dedic, Kraus, McCaffery, Munroe, D. Parker, M.Parker, Taylor

NAYS: Trustees: None

ABSTAIN: Trustees: None

ABSENT: Trustees: Bernero

RESOLUTION DECLARED ADOPTED.

Karen Williams updated the ERS Board regarding the Tegrit Arrivos Software Project. Report. Ms. Williams reported that work continued on development of the maintenance and tools module of the software.

Trustee Mark Parker added that the Tegrit will rebaseline the project and provide new dates for completion of the different phases.

Karen Williams reviewed the monthly investment and securities lending report for the month of December 2013.

The meeting adjourned at 9:33 a.m.

Minutes approved on _____

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Angela Bennett, Secretary
Employees Retirement System

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Scott Dedic, Chairperson
Employees' Retirement System