

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
DECEMBER 18, 2013 – 8:00 a.m.
233 East Fulton

The meeting was called to order by Chairman J. Patrick Scripps. Other members present: Vice Chairman David Tryc, Mr. Martin Timkovich, Mr. Michael Hawkins, Mr. William Butts, and Mr. Bill Alphenaar. Absent: Mr. Walter Gutowski.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Ms. Elizabeth White, Deputy City Attorney and Legal Advisor to the Board, and Mr. Gregory Sundstrom, City Manager.

Vice Chairman Tryc made the motion to excuse Mr. Gutowski. The motion was seconded by Mr. Hawkins and carried.

There were no public comments regarding agenda items.

Moved by Vice Chairman Tryc and seconded by Mr. Hawkins, the following items were approved by the Board of Trustees pursuant to a consent agenda:

- Minutes of the Regular Meeting of November 20, 2013.
- Retirement: three Age & Service and one Early:

Age & Service Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Brzezinski, Donald F. Option B-50: Life of Member Beneficiary: Deborah Brzezinski, Wife	24 yrs. 7 mo.	02/01/2014	\$51,426.00	<u>\$2,593.33</u> \$1,296.67 (potential to beneficiary)
Packer, William G. Option B-Pop-25: Life of Member Beneficiary: Tina M. Packer, Wife Pop-up potential of \$4,188.65 if beneficiary predeceases retiree	31 yrs. 8 mo.	01/15/2014	\$58,788.00	<u>\$3,911.03</u> \$977.76 (potential to beneficiary)
White, James B. Option B-Pop-100: Life of Member Beneficiary: Catherine M. White, Wife Pop-up potential of \$514.60 if beneficiary predeceases retiree	10 yrs. 2 mo.	01/02/2014	\$22,496.00	<u>\$364.58</u> \$364.58 (potential to beneficiary)

Early Retirement:

<u>Name/Option</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Peterson, Ora D.	21 yrs. 3 mo.	12/27/2013	\$51,426.00	<u>\$1,388.51</u>
Option B-Pop-50: Life of Member				\$694.26
Beneficiary: Shawn S. Peterson, Husband				(potential to
Pop-up potential of \$1,507.89 if beneficiary predeceases retiree				beneficiary)

- Payment of administrative expenses of \$2,796.92 for the period 11/01/13 – 11/30/13.
- Payment of the investment management invoices as listed below for the quarter ending 09/30/13. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:

\$30,197.97 – Wellington Management Company for management of commodities
 \$39,868.88 – Western Asset Management for management of fixed income assets

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for 01/01/14 – 03/31/14. The Retirement Systems Office staff projected a need for \$5,100,000 to be transferred to the Cash Account as follows: \$2,100,000 on January 2nd, \$1,500,000 on February 3rd and \$1,500,000 on March 3rd. Ms. Korzen recommended, and Mr. Marlin Pease of Wilshire Associates agreed, making the transfers as follows:

January 2 nd	Ziegler Lotsoff Capital Management	\$1,000,000
	NTGI	\$1,100,000
February 3 rd	To be determined	\$1,500,000
March 3 rd	To be determined	<u>\$1,500,000</u>
Total		\$5,100,000

As these accounts are overfunded, the transfers will serve to bring them back toward their target percentages. (Cash Account Report found on page)

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$407,028,884 on November 30, 2013. The report was received and filed by Chairman Scripps. (Analysis on page)

The Executive Director next presented Trustees with a revised copy of the 46th annual Actuarial Valuation. She noted that Mr. David Hoffman of Gabriel Roeder Smith and Company (GRS) had a discussion with officials from the City of Grand Rapids, who requested that GRS revise the valuation to reflect the City Commission’s decision to change the methodology to amortize the unfunded liabilities. The City has opted to do this utilizing a level dollar amount, thus paying more in contributions up front and increasing the employer contribution rate to 28.25% beginning July 1, 2014. There is no difference in the transfer amounts that Trustees approved at the November 2013 Board meeting. The report was received and filed by the Chairman.

There were no comments on items not on the agenda.

The Executive Director provided an update on the Member Trustee election by noting that only one nominating petition was filed; therefore Mr. Martin Timkovich is presumed elected. Mr. Timkovich

will serve as Member Trustee on the General Retirement System Board for a four-year term ending the first Monday in January 2018.

Ms. Korzen commented that the City Commission recently adopted changes to the ordinance reflecting that the 13th Check calculation will now be based on market value return, for those members remaining in the program. She noted that the 5-year market value investment rate of return as of June 30, 2013 was 6.5% and therefore there will not be a 13th Check issued on January 31, 2014.

Mr. Hawkins commented that a committee recently met to review the annual accounting for the fiscal year ending 06/30/13 and it was noted that everything was in order.

The meeting adjourned at 8:05 a.m.

The next General Retirement System Board Meeting will be held Wednesday, January 15, 2014, at 8:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System