

GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
REGULAR MEETING  
JUNE 18, 2014 – 9:55 a.m.  
233 East Fulton Street

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. Walter Gutowski, and Mr. Bill Butts. Absent: Ms. Jane Hofmeyer.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Ms. Elizabeth White, Deputy City Attorney and Legal Advisor to the Board, and Ms. Sara VanderWerff, City Comptroller.

Vice Chairman Tryc made the motion to excuse the absence of Ms. Hofmeyer. The motion was seconded by Mr. Gutowski 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 May 21, 2014.
- Purchase of credited service by the following General Retirement System members:

Elaine M. Bosch	\$19,466.64	24 months
Karen A. Curtiss	\$17,442.48	24 months
Piotr T. Lewak	\$15,881.88	24 months
Richard L. Sundstrom	\$14,667.14	24 months

- Retirements: two age & service:

**Age & Service Retirements:**

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
<b>Holmes, Betty J.</b>	29 yrs. 10 mo.	09/02/2014	\$48,114.00	\$3,151.47
<b>Watson, Peggy L.</b>	22 yrs. 7 mo.	07/16/2014	\$55,234.00	\$2,379.63

- Payment of administrative expenses of \$4,954.05 for the period 05/01/14 – 05/31/14.

**The motion carried.**

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/14 – 09/30/14. The Retirement Systems Office staff projected a need for \$5,700,000 to be transferred to the cash account as follows: \$1,900,000 on July 1<sup>st</sup>, \$1,900,000 on August 1<sup>st</sup> and \$1,900,000 on September 2<sup>nd</sup>. Ms. Korzen recommended, and Mr. William Bensus of Wilshire Associates agreed, making the transfers as follows:

July 1 <sup>st</sup>	Ziegler Capital Management	\$1,900,000
August 1 <sup>st</sup>	To be determined	\$1,900,000

September 2 <sup>nd</sup>	To be determined	<u>\$1,900,000</u>
Total		\$5,700,000

The report was received and filed by the Chairman. (Cash Account Report found on page )

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$421,895,157 on May 31, 2014. The report was received and filed by the Chairman. (Analysis found on page )

The actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the fiscal year 07/01/14 – 06/30/15 was presented to Trustees. The annual fee requested is \$31,600, in quarterly increments of \$7,900, which represents an \$800 increase (approximately 2.6%) over last year’s fee. Ms. Korzen noted that due to the implementation of GASB 67 & 68, there will be a significant amount of additional actuarial reporting that will be necessary. GRS has requested a fee not to exceed \$10,000 for this additional required reporting. For future years, the cost will be rolled into the retainer request but likely at a lower amount. Ms. Korzen recommended approval of the retainer request by GRS and noted that she would contact GRS to ascertain the reason for the \$800 increase. Mr. Timkovich commented that GRS’ fee is low compared to other actuaries in the country. Mr. Gutowski stated it would seem prudent to inquire of GRS what comprises the increase; Chairman Scripps and Mr. Hawkins agreed. Mr. Timkovich made the motion to approve the renewal retainer fee request with Gabriel, Roeder, Smith and Company. The motion was seconded by Vice Chairman Tryc and carried

The Executive Director provided Trustees with an update on the disability retiree re-examination process and noted that Mr. Jason D. Thompson had his medical evaluation on May 19, 2014, with Dr. Randall Green. It is Dr. Green’s opinion that Mr. Thompson is totally and permanently incapacitated for performance of duty as a Water Service Worker I and should remain retired as disabled. The report was received and filed by Chairman Scripps. Ms. Korzen noted that the other retiree that was selected for re-examination, Mr. Robert Martin, will have his I.M.E. in July.

Ms. Korzen next provided Trustees with an annual budget proposal. The figures on the proposed document would represent the dollar amounts Trustees expect to be expended for the FYE 06/30/15. Ms. Korzen stated that a formal budget that is approved by Trustees annually is now a requirement under P.A. 314 and once approved by Trustees, the information will be available on the Retirement Systems’ website. Vice Chairman Tryc made the motion to approve the budget as written. The motion was seconded by Mr. Timkovich and carried.

There were no comments on items not on the agenda.

The meeting adjourned at 10:07 a.m.

The next General Retirement System Board Meeting will be held Wednesday, August 20, 2014, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
 Executive Director  
 General Retirement System