

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
MAY 19, 2010 – 8:00 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. James Stokes, Ms. Dianette Hight, Mr. Michael Hawkins and 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. William Bensur of Wilshire Associates, Inc.

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 March 17, 2010.
- Purchase of credited service by the following General Retirement System members.

Denise H. Fedko	\$13,348.26	24 months
Carol L. Flynn	\$13,148.32	24 months

- Retirements: seven age and service, one deferred, two deferred early, two early and one revised:

Age and Service Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Barton, Marc A. Option B-Pop-50: Life of Member Beneficiary: Bonita Barton, Wife Pop-up potential of \$4,493.05 if beneficiary predeceases retiree	32 yrs. 3 mo.	07/23/2010	\$61,919.67	<u>\$4,231.96</u> \$2,115.98 (potential to beneficiary)
Brown, Donna K. Option A-Straight Life: Life of Member	31 yrs. 0 mo.	03/30/2010	\$41,241.67	\$2,876.61
Cudworth, Christopher Option B-Pop-75: Life of Member Beneficiary: Linda S. Cudworth, Wife Pop-up potential of \$3,980.84 if beneficiary predeceases retiree	30 yrs. 0 mo.	07/22/2010	\$58,975.33	<u>\$3,718.18</u> \$2,788.64 (potential to beneficiary)
Donald, Thomas E. Option B-100: Life of Member Beneficiary: Gale A. Donald, Wife	30 yrs. 1 mo.	06/02/2010	\$51,307.33	<u>\$2,976.45</u> \$2,976.45 (potential to beneficiary)

Engvall, Theresa R. Option A-Straight Life: Life of Member	12 yrs. 10 mo.	05/29/2010	\$35,103.00	\$1,013.60
Ivey, Douglas J. Option B-100: Life of Member Beneficiary: Maria C. Ivey, Wife	30 yrs. 0 mo.	07/10/2010	\$46,411.00	<u>\$2,827.86</u> \$2,827.86 (potential to beneficiary)
Winterhalter, Joseph T. Option B-Pop-25: Life of Member Beneficiary: Diana Winterhalter, Wife Pop-up potential of \$3,106.98 if beneficiary predeceases retiree	30 yrs. 0 mo.	06/04/2010	\$46,029.33	<u>\$2,993.64</u> \$748.41 (potential to beneficiary)

Deferred Retirement:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Fuentes, Mary A. Option A-Straight Life: Life of Member	9 yrs. 10 mo.	08/01/2010	\$45,444.67	\$1,005.46

Deferred Early Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Holmes, Christine A. Option A-Straight Life: Life of Member	15 yrs. 2 mo.	04/01/2010	\$31,310.33	\$776.22
Shannon, Susan C. Option A-Straight Life: Life of Member	20 yrs. 0 mo.	05/01/2010	\$93,753.67	\$3,580.60

Early Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Farrugia, Kathleen Option B-Pop-25: Life of Member Beneficiary: Nicholas B. Farrugia, Son Pop-up potential of \$1,014.79 if beneficiary predeceases retiree	20 yrs. 5 mo.	06/04/2010	\$52,772.67	<u>\$979.18</u> \$244.80 (potential to beneficiary)
VanWyngaarden, Thomas Option A-Straight Life: Life of Member	30 yrs. 5 mo.	04/24/2010	\$44,424.67	\$2,050.70

Revised Retirement:

Name/Option	Revised Retirement Option	Refer to Minutes
Sikkema, Cynthia L. Option A: Straight Life \$3,135.63	Option B-Pop-25 \$3,065.45 Potential to beneficiary: \$766.36	02/17/2010

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- Payment of administrative expenses of \$5,297.89 for the period 03/06/10 – 05/07/10.

- Payment of the investment management invoices as listed below for the quarter ending 03/31/10. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:

\$22,995.17 – Baird Advisors for management of fixed income assets
 \$44,917.17 – Lotsoff Capital Management for management of equity assets
 \$6,391.68 – Northern Trust Global Investments for management of equity assets
 \$64,354.09 – Wellington Management Company for management of equity assets
 \$35,348.77 – Western Asset Management for management of fixed income assets

- Ms. Korzen noted payment of custody fees to Northern Trust for the quarter ending 03/31/10:

Benefit Payments:	\$5,160.72
Custody Fees:	\$7,485.83
Global Custody	\$4,318.96
Global Transactions	<u>\$3,674.00</u>
Total:	\$20,639.51

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$326,043,293 on March 31, 2010 and \$331,745,595 on April 30, 2010. The reports were received and filed by the Chairman. (Analyses found on pages)

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the quarter ending 03/31/10 noting a withdrawal of \$62,768.63 by nine former members; one of which was vested. The report was received and filed by Chairman Scripps. (Report found on page)

The Executive Director presented Trustees with the Quarterly Income Report for the quarter ending 03/31/10. {Ms. Hight arrived at 8:02 a.m.} Total Securities Lending income for the period was \$7,766.10. Total Class Action Settlements for the period was \$370.33. Chairman Scripps received and filed the report. (Report found on page)

The Executive Director next presented a request for a non-duty disability retirement from Mr. Daryl Cadenhead. {Mr. Stokes arrived at 8:03 a.m.} Following Trustee discussion, Mr. Timkovich made the motion to approve Mr. Cadenhead’s non-duty disability retirement request. The motion was seconded by Mr. Gutowski and carried.

The Executive Director next presented a request for a non-duty disability retirement from Ms. Gwendolyn Vinson. Following Trustee discussion, Mr. Hawkins made the motion to approve Ms. Vinson’s non-duty disability retirement request. The motion was seconded by Mr. Gutowski and carried.

The Executive Director presented Trustees with the list of disability retirees that are eligible for re-examination. Ms. Korzen noted that based on date of retirement there are four potential retirees that Trustees need to consider for the re-examination process: 1) Mr. Thomas Armock, 2) Mr. Douglas Munn, 3) Mr. William Shepard and 4) Ms. Megan White. Trustees discussed each retiree’s situation individually. Vice Chairman Tryc made the motion to have Mr. Armock re-examined. The motion was seconded by Ms. Hight and carried. Ms. Hight made the motion to grant a waiver to Mr. Munn. The motion was seconded by Mr. Timkovich and carried. Ms. Hight made the motion to grant a waiver to Mr. Shepard. The motion was seconded by Vice Chairman Tryc and carried. Mr. Timkovich made the motion to table Ms. White’s re-examination decision until her tax information for 2009 is received to ascertain

whether or not she is receiving Social Security Disability benefits. The motion was seconded by Mr. Hawkins and carried. Chairman Scripps asked Trustees if they would like to have the retirees that are being re-examined be seen by the original Board physician or the neutral physician (if applicable) if possible; Trustees agreed that might be prudent. Ms. Korzen stated she would try to have Mr. Armock's re-examination scheduled with the neutral physician used during his disability retirement application process, Dr. Hollander. Chairman Scripps suggested that going forward perhaps a committee could be formed to review the potential re-examination candidates and report back to the full Board with their recommendations.

Ms. Korzen commented that at the March Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for May and June 2010. After recent review of the investment accounts, Mr. Bensur agreed with the Executive Director's recommendation to transfer \$1,425,000 from the Wellington Management Company account to the Cash Account on May 3, 2010 and \$1,425,000 from the Wellington Management Company account to the Cash Account on June 1, 2010.

Ms. Korzen provided Trustees with an update on the tax information that was requested from the disability retirees to ensure compliance with City Code Section 1.209.2. She noted that of the 26 letters that were sent out requesting this information, six have not yet responded. These six retirees were sent a follow-up letter to remind them to send in the requested information to avoid suspension of their pension checks beginning in June.

The Executive Director noted that the Private Equity allocation that was approved earlier this year by Trustees has been partially funded through a few capital calls.

There were no comments on items not on the agenda.

The meeting adjourned at 8:31 a.m.

The next General Retirement System Board Meeting will be held Wednesday, June 16, 2010, at 8:45 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System