

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
MAY 18, 2011 – 9:46 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, Mr. Michael Hawkins, and Mr. Walter Gutowski. Absent: Ms. Dianette Hight.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Ms. Elizabeth White, Deputy City Attorney and Legal Advisor to the Board, Mr. William Bensur of Wilshire Associates, Inc., and Mr. David Hoffman of Gabriel, Roeder, Smith and Company.

Vice Chairman Tryc made the motion to excuse the absence of Ms. Hight. The motion was seconded by Mr. Stokes and carried.

There were no public comments regarding agenda items.

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

- Minutes of the Regular Meeting of March 16, 2011.
- Purchase of credited service by the following General Retirement System members:

Ann M. Glaz	\$13,199.16	24 months
Denise M. Homrich	\$9,835.08	24 months

- Retirements: nine age and service and three revised:

Age and Service Retirements:

<u>Name/Option</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Catledge, Walter C. Option A-Straight Life: Life of Member	8 yrs. 8 mo.	07/06/2011	\$39,035.33	\$761.19
Laarman, Pamela D. Option A-Straight Life: Life of Member	32 yrs. 4 mo.	06/07/2011	\$44,172.67	\$3,213.56
Maka, Bruno J. Option A-Straight Life: Life of Member	23 yrs. 0 mo.	07/24/2011	\$51,014.00	\$2,639.97
Roy, Janice A. Option A-Straight Life: Life of Member	20 yrs. 7 mo.	06/25/2011	\$42,242.00	\$1,956.33

Sawyer, Douglas D. Option B-Pop-100: Life of Member Beneficiary: Clara M. Sawyer, Wife Pop-up potential of \$3,390.16 if beneficiary predeceases retiree	31 yrs. 9 mo.	05/28/2011	\$47,456.33	<u>\$3,052.13</u> \$3,052.13 (potential to beneficiary)
Snyder, Lynne A. Option B-Pop-100: Life of Member Beneficiary: Janice L. Snyder, Wife Pop-up potential of \$2,608.72 if beneficiary predeceases retiree	22 yrs. 9 mo.	07/27/2011	\$50,964.00	<u>\$2,223.70</u> \$2,223.70 (potential to beneficiary)
Tovey, Jr., Willis J. Option B-Pop-25: Life of Member Beneficiary: Vallery Tovey, Wife Pop-up potential of \$4,321.69 if beneficiary predeceases retiree	34 yrs. 0 mo.	05/21/2011	\$56,492.67	<u>\$4,217.23</u> \$1,054.31 (potential to beneficiary)
Watson, Susan L. Option A-Straight Life: Life of Member	33 yrs. 2 mo.	06/25/2011	\$43,480.00	\$3,244.70
Wygmans, Tamra R. Option B-Pop-25: Life of Member Beneficiary: James E. Wygmans, Husband Pop-up potential of \$2,536.18 if beneficiary predeceases retiree	27 yrs. 5 mo.	05/14/2011	\$41,113.33	<u>\$2,455.83</u> \$613.96 (potential to beneficiary)

Revised Retirements:

Name/Option	Revised Retirement Benefit	Refer to Minutes
Armock, Thomas M. Option B-Pop-100 Potential to beneficiary: \$1,885.84 Pop-up potential: \$1,968.74	\$1,885.84	03/19/2008
Cochran, Ricky A. Option B-50 Potential to beneficiary: \$791.44	\$1,582.88	09/17/2008
Vinson, Gwendolyn E. Option A-Straight Life	\$1,767.43	06/16/2010

- Payment of administrative expenses of \$12,116.40 for the period 03/01/11 – 04/30/11.
- Payment of the investment management invoices as listed below for the quarter ending 03/31/11. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:
 - \$24,445.51 – Baird Advisors for management of fixed income assets
 - \$50,717.80 – Lotsoff Capital Management for management of equity assets
 - \$7,180.00 – Northern Trust Global Investments for management of equity assets
 - \$72,263.50 – Wellington Management Company for management of equity assets
 - \$36,923.02 – Western Asset Management for management of fixed income assets
- Ms. Korzen noted payment of custody fees to Northern Trust for the quarter ending 03/31/11:

Benefit Payments:	\$5,529.14
Custody Fees:	\$7,407.00
Global Custody	\$4,906.12
Global Transactions	<u>\$6,298.00</u>
Total:	\$24,140.26

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$359,621,650 on March 31, 2011 and \$369,676,526 on April 30, 2011. 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 03/31/11 noting a withdrawal of \$31,358.64 by three former members; none of which were 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 03/31/11. Total Securities Lending income for the period was \$11,843.75. There were no Class Action Settlements for the period. Chairman Scripps received and filed the report. (Report found on page)

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 five potential retirees that Trustees need to consider for the re-examination process: 1) Ms. Phyllis Beard; 2) Mr. Rick Cochran; 3) Mr. Robert Martin; 4) Ms. Carol Schurtz; and 5) Ms. Beth Troyer. The Disability Committee recently met to discuss each retiree's situation individually. Based upon the committee's recommendation, Mr. Timkovich made the motion to have Mr. Cochran and Mr. Martin re-examined and grant waivers to Ms. Beard, Ms. Schurtz and Ms. Troyer. The motion was seconded by Vice Chairman Tryc and carried.

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 2011. After recent review of the investment accounts, Mr. Bensur agreed with the Executive Director's recommendation to transfer \$1,650,000 from the Wellington Management Company account to the Cash Account on May 2, 2011 and \$500,000 from NTGI, \$750,000 from Wellington Management Company and \$400,000 from PIMCO to the Cash Account on June 1, 2011.

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 25 letters that were sent out requesting this information, five have not yet responded. These five 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 commented that there have been an increasing number of outstanding uncashed pension checks, primarily payable to a retiree's estate. There is a provision in the ordinance to move unclaimed pension contributions to the Income Expense Fund after three years if left unclaimed by the former member. She proposed the same process for these outstanding checks once they have remained outstanding for three years; Trustees agreed. She noted there is one outstanding check to be moved to the Income Expense Fund: the estate check of Ms. Rose Powers in the amount of \$115.68. Ms. Powers passed away April 6, 2003. The information was received and filed by the Chairman.

There were no comments on items not on the agenda.

The meeting adjourned at 9:55 a.m.

The next General Retirement System Board Meeting will be held Wednesday, June 15, 2011, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System