

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
MAY 16, 2012 – 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. Michael Hawkins, Mr. Walter Gutowski, Mr. William Butts, and Mr. Bill Alphenaar.

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 and Mr. Randall Dziubek of Gabriel, Roeder, Smith and Company.

There were no public comments regarding agenda items.

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

- Minutes of the Regular Meeting of March 21, 2012.
- Purchase of prior military service – as required by Section 1.202 (5) of City Code, the approval of the purchase of two (2) years of prior military service by Mr. Dennis Livingston was requested. The total amount of the purchase was \$40,774. The Retirement Systems office noted substantiation by the Department of Defense Form 214 and actuarial approval of the amount and calculations.
- Purchase of one (1) year, four (4) months and one (1) day prior credited service by the following General Retirement System member: Ms. Barbara A. Jablonski - \$764.19. The Retirement Systems office calculated and reviewed the purchase amount and credited service period to be restored.
- Purchase of credited service by the following General Retirement System members:

Teresa M. Basore	\$12,149.38	24 months
Kenneth Brandeberry	\$15,208.00	24 months
Kimberly L. Dubay	\$12,584.34	24 months
David A. Feldpausch	\$15,161.90	24 months
Timothy A. Gilbert	\$9,633.61	12 months
Milan J. Greenman	\$14,192.04	24 months
Christine D. Huizenga	\$13,480.10	24 months
Robert J. Kruis	\$19,211.88	24 months
J. Craig Lewis	\$15,706.92	24 months
Robert P. McClymont	\$17,405.92	24 months
Shirley A. McMullen	\$14,550.16	24 months
Stephanie Morgan	\$6,793.85	12 months
Colleen M. Mox	\$13,633.80	24 months

Jason M. Neumann	\$16,237.48	24 months
Brandi L. Peters	\$8,424.60	12 months
Scott W. Ringelberg	\$11,566.76	16 months
Patricia A. Royce	\$16,849.20	24 months
Christine A. Sapp	\$13,587.70	24 months
James L. Soper	\$18,588.78	24 months
Peggy L. Watson	\$16,849.20	24 months
Susan L. Wisneski	\$13,687.60	24 months
Patricia A. Zwiers	\$13,587.70	24 months

- Retirements: three age and service, one deferred early and one early:

Age and Service Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Brown, Joe W. Option B-Pop-50: Life of Member Beneficiary: Carol J. James Brown, Wife Pop-up potential of \$3,713.43 if beneficiary predeceases retiree	34 yrs. 6 mo.	06/19/2012	\$47,838.00	<u>\$3,123.48</u> \$1,561.74 (potential to beneficiary)
Lampani, Michael R. Option A-Straight Life: Life of Member	18 yrs. 2 mo.	06/30/2012	\$41,118.00	\$1,680.70
Lewis, J. Craig Option A-Straight Life: Life of Member	16 yrs. 6 mo.	05/17/2012	\$51,096.00	\$1,896.94

Deferred Early:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Borrello, Martha A. Option A-Straight Life: Life of Member	11 yrs. 0 mo.	05/01/2012	\$48,911.33	\$949.81

Early:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Chapman, Marilyn J. Option A-Straight Life: Life of Member	25 yrs. 0 mo.	07/03/2012	\$42,741.33	\$2,212.34

- Payment of administrative expenses of \$4,726.26 for the period 03/01/12 – 04/30/12.
- Payment of the investment management invoices as listed below for the quarter ending 03/31/12. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:

\$26,263.68 – Baird Advisors for management of fixed income assets

\$32,267.81 – CBRE Clarion for management of global real estate assets
\$6,849.20 – Northern Trust Global Investments for management of equity assets
\$38,598.67 – Western Asset Management for management of fixed income assets
\$51,277.13 – Ziegler Lotsoff Capital Management for management of equity assets

- Ms. Korzen noted payment of custody fees to Northern Trust for the quarter ending 03/31/12:

Benefit Payments:	\$5,741.26
Custody Fees:	<u>\$7,440.08</u>
Total:	\$13,181.34

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$361,483,965 on March 31, 2012 and \$359,818,732 on April 30, 2012. 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 03/31/12 noting a withdrawal of \$77,323.83 by six former members; two 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 03/31/12. Total Securities Lending income for the period was \$6,917.86. Total Class Action Settlements for the period was \$5,851.52. Chairman Scripps received and filed the report. (Report found on page)

The Executive Director noted that at last month's meeting, Trustees asked to review the disability information pertaining to Ms. Gwendolyn Vinson in order to determine if they should require her to be re-examined. Ms. Korzen reviewed Ms. Vinson's circumstances with Trustees and noted that per the minutes from the Board meeting in which her retirement request was approved, there was some speculation that perhaps a neutral opinion should be sought, and that Ms. Vinson may be a viable candidate to be re-examined. Mr. Gutowski asked if they could receive copies of Ms. Vinson's medical records since her retirement; Ms. Korzen stated yes. Following Trustee discussion, Mr. Gutowski made the motion to request Ms. Vinson's medical records since her retirement and then bring them back for review by the Board at a future meeting. The motion was seconded by Mr. Butts 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 2012. After recent review of the investment accounts, Mr. Bensur agreed with the Executive Director's recommendation to transfer \$775,000 from Ziegler Lotsoff Capital Management and \$775,000 from NTGI to the Cash Account on May 1, 2012 and \$800,000 from PIMCO, \$450,000 from Wellington Management Company and \$300,000 from NTGI to the Cash Account on June 1, 2012.

The Executive Director informed Trustees that there is another outstanding uncashed pension check, made payable to Ms. Elsie White's estate. Ms. White passed away March 26, 2009. Per the policy approved by Trustees it is time to move the check amount of \$243.75 to the Income Expense Fund. The information was received and filed by the Chairman.

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 21 letters that were sent out requesting this information, five retirees have not yet responded. These 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.

There were no comments on items not on the agenda.

The meeting adjourned at 8:12 a.m.

The next General Retirement System Board Meeting will be held Wednesday, June 20, 2012, at 8:45 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System