

GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
REGULAR MEETING  
MAY 20, 2015 – 8:00 a.m.  
233 East Fulton Street

The meeting was called to order by Chairman Michael Hawkins. Other members present: Mr. J. Patrick Scripps, Vice Chairman David Tryc, Mr. Martin Timkovich, Mr. William Butts, Ms. Jane Hofmeyer, and Mr. Elias Lumpkins, Jr.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, and Ms. Sara VanderWerff, City Comptroller.

There were no public comments regarding agenda items.

Mr. Scripps made the motion to approve the minutes of the regular meeting of April 15, 2015. The motion was seconded by Vice Chairman Tryc and carried.

Mr. Timkovich made the motion to approve the purchase of credited service by the following General Retirement System members. The motion was seconded by Mr. Butts and carried.

Daryl W. Clemens	\$17,956.94	24 months
Stephen D. Hitch	\$17,078.54	24 months

Mr. Timkovich made the motion to approve the following retirements: two age and service and one non-duty disability. The motion was seconded by Vice Chairman Tryc and carried:

**Age and Service Retirements:**

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
<b>Schmidt, Michael Q.</b>	12 yrs. 5 mo.	05/21/2015	\$51,815.33	\$1,117.20
<b>Tejchma, Charles A.</b>	30 yrs. 4 mo.	06/09/2015	\$70,435.00	\$4,120.91

**Non-Duty Disability Retirement:**

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
<b>Hockey, Rose A.</b>	24 yrs. 8 mo.	11/19/2014	\$47,684.00	\$2,598.77

Mr. Scripps made the motion to approve the payment of administrative expenses of \$946.24 for the period 04/01/15 – 04/30/15. The motion was seconded by Mr. Timkovich and carried.

Mr. Timkovich made the motion to approve the payment of the investment management invoices as listed below for the quarter ending 03/31/15. The motion was seconded by Vice Chairman Tryc and carried.

Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:

\$34,114.21 – Baird Advisors for management of fixed income assets  
\$40,955.08 – CBRE Clarion for management of global real estate assets  
\$13,416.00 – Harding Loevner for management of ADRs (03/02/15 – 03/31/15)  
\$14,223.99 – Harvest Fund Advisors for management of MLPs (02/13/15 – 03/31/15)  
\$8,896.53 – NTAM for management of equity assets  
\$67,044.36 – Wellington Management Company for management of equity assets  
\$31,748.96 – Wellington Management Company for management of commodity assets  
\$43,379.93 – Western Asset Management for management of fixed income assets

Mr. Timkovich made the motion to approve payment of custody fees to Northern Trust for the quarter ending 03/31/15. The motion was seconded by Vice Chairman Tryc and carried:

Benefit Payments	\$6,275.15
Custody	<u>\$7,235.35</u>
Total	\$13,510.50

Chairman Hawkins noted that the Public Act 314 Asset Analysis for April 30, 2015 will be presented at a later date to allow time to reconcile a discrepancy.

The Executive Director presented Trustees with the Quarterly Report of Income for the quarter ending 03/31/15. Total Securities Lending income for the period was \$10,562.01. Total Class Action Settlement receipts for the period were \$11,571.49. Chairman Hawkins received and filed the report. (Report found on page )

The Executive Director presented Trustees with a proposal from Gabriel Roeder Smith and Company (GRS) outlining the recommendation to conduct an Experience Study. The last study was prepared in September 2010 and it analyzed demographic and financial experience during the five-year period ending June 30, 2009. GRS recommends conducting an updated study reviewing experience during the five-year period ending June 30, 2014. The proposed study will include: 1) an update of demographic assumptions based on current assumptions, specific experience during the five years ending June 30, 2014, and trends within the System and within other similar systems which GRS believes may help project future experience (this portion of the study will establish rates of withdrawal, disability, retirement and mortality to be used in future annual valuations); 2) a broad overview of economic assumptions, including assumed rates of future investment return, future wage inflation and the relationship between these two key assumptions (the analysis would consider capital market assumptions and present asset mix and discuss prospects for the future); and 3) evaluation of the effect of any changes on computed contribution rates and the funded ratio of actuarial accrued liabilities. The proposed study will cover the period July 1, 2009 – June 30, 2014. The fees will be in the range of \$9,600 - \$11,200 depending on the hours required. The study will take about eight weeks to complete. Mr. Timkovich made the motion to approve having Gabriel Roeder Smith and Company conduct the five-year experience study as outlined in their proposal. The motion was seconded by Vice Chairman Tryc and carried.

There were no public comments on items not on the agenda.

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 June 2015. After recent review of the investment accounts, Mr. Sefchok agreed with the Executive Director's recommendation to transfer \$725,000 from the CBRE Clarion account and \$600,000 from the NTAM account to the Cash Account on June 1, 2015.

The meeting adjourned at 8:05 a.m.

The next General Retirement System Board Meeting will be held Wednesday, June 17, 2015, at 8:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
General Retirement System