

GENERAL RETIREMENT SYSTEM  
and  
POLICE and FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
JOINT MEETING  
DECEMBER 16, 2015 – 8:24 a.m.  
233 East Fulton

The meeting was called to order by Chairman Hawkins. Other members present: Mr. David Tryc, Mr. Martin Timkovich, Mr. Thomas VanderPloeg, Mr. Philip Balkema, Mr. William Butts, Ms. Jane Hofmeyer, and Mr. Elias Lumpkins, Jr. Absent: Mr. J. Patrick Scripps and Mr. Craig VanderWall.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement Systems, Mr. Thomas Michaud, Legal Advisor to the Boards, Mr. Jon O'Connor, and Ms. Sara VanderWerff, City Comptroller.

Mr. VanderPloeg made the motion to excuse the absences of Mr. Scripps and Mr. VanderWall. The motion was seconded by Mr. Tryc and carried.

There were no public comments regarding agenda items.

Mr. VanderPloeg made the motion to approve the minutes of the Joint Meeting of November 18, 2015. The motion was seconded by Mr. Butts and carried.

Ms. Korzen presented a request for renewal of the Business Owner's Insurance Policy for the period 12/31/15 – 12/31/16, noting that the annual premium increased from \$807 to \$838. Ms. Korzen stated that \$30 of this amount is due to the terrorism clause and could be eliminated if Trustees wish. Mr. Balkema commented that it was a small amount so he felt it would be acceptable to leave this coverage in the policy. Mr. Balkema made the motion to approve the renewal request of the Business Owner's Insurance Policy underwritten by Citizens Insurance Company for the period 12/31/15 – 12/31/16. The motion was seconded by Mr. Timkovich and carried.

Chairman Hawkins next addressed the process of selecting an auditor by noting that eight firms were sent the Request for Proposal (RFP) and two of them did not respond. The committee, consisting of Mr. VanderPloeg, Mr. Timkovich, Mr. Scripps and Chairman Hawkins, met to discuss the six bids and narrowed down the search to two firms: 1) BDO USA; and 2) the Rehmann Group. The committee met with both firms on December 2, 2015 to ask additional detailed questions about the audit process. Following the meeting and committee discussion, they decided to recommend hiring the Rehmann Group. The fee quote per system is \$14,000 for the first year, \$14,700 for the second year and \$15,400 for the third year. Mr. Balkema clarified that the fee will include all of the new GASB requirements; Ms. Korzen said yes. Mr. Tryc asked how this fee compares with the fee the systems are presently paying. Ms. Korzen stated that when BDO was hired three years ago the new GASB pronouncements were not in place so they are in the range of \$13,000-\$14,000 with the additional GASB fees. BDO's current bid requested a substantial increase primarily due to the GASB requirements. Following Trustee discussion, Mr. Tryc made the motion on behalf of the General Retirement System to enter into a three-year auditing contract with the Rehmann Group as outlined in their RFP, subject to successful contract negotiations. The motion was seconded by Mr. Butts and carried. Mr. Balkema made the motion on behalf of the Police & Fire Retirement System to enter into a three-year auditing contract with the Rehmann Group as outlined in

their RFP, subject to successful contract negotiations. The motion was seconded by Mr. VanderPloeg and carried.

Chairman Hawkins next addressed the Executive Director's contract. Ms. Korzen requested a closed session. Ms. Hofmeyer made the motion to go into closed session for the purpose of discussing confidential personnel matters, information that is exempt from the Freedom of Information Act. The motion was seconded by Mr. VanderPloeg and carried. Roll call vote: yeas: 8, nays: 0. Following the return to open session, Mr. Tryc made the motion to approve the Executive Director's contract as discussed. The motion was seconded by Ms. Hofmeyer and carried.

Public comments on items not on the agenda:

Ms. VanderWerff asked if there was information available on the selection of the auditor. Ms. Korzen stated there were no attachments for that particular agenda item. Ms. VanderWerff asked if the bids were going to be made part of the public record; Chairman Hawkins stated that information could be made public. Ms. Korzen stated she has electronic versions of the RFPs that were submitted. Ms. VanderWerff commented that the City Commission utilizes bid lists. Chairman Hawkins stated that there is a summary bid sheet and that the Retirement Systems staff will send it to her. Mr. Balkema recommended attaching this bid sheet as an appendix to the minutes.

Mr. Jon O'Connor introduced himself to Trustees as a new City Commissioner and the new Employer Trustee for 2016 for both Boards. He stated he looked forward to working with the Trustees; Trustees welcomed him to the Boards.

Ms. Korzen commented that the Code of Conduct policy requires that Trustees and staff complete an annual disclosure statement; Ms. Balkema provided Trustees with the form. Ms. Korzen stated that the forms are due by the January 20, 2016 Board meetings. A list of the retirement systems' internal accounting controls was also provided to Trustees.

Chairman Hawkins commented that this will be Commissioner Elias Lumpkins, Jr.'s last Board meetings. He presented Mr. Lumpkins with a letter of recognition (see page \_\_\_\_\_). Trustees thanked Mr. Lumpkins for his service with the Boards. Mr. Lumpkins stated that Mr. Walter Gutowski (former Employer Trustee) provided him with significant guidance and felt that Trustees will be receiving a great new Employer Trustee in Mr. O'Connor as he has a wealth of experience.

The meeting adjourned at 9:09 a.m.

The next Joint Meeting of the General and Police & Fire Retirement System Boards will be held Wednesday, January 20, 2016, at 8:05 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
General and Police & Fire Retirement Systems