

GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
REGULAR MEETING  
JANUARY 20, 2016 – 8:01 a.m.  
233 East Fulton Street

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman David Tryc, Mr. Martin Timkovich, Mr. William Butts, and Mr. Jon O'Connor. Absent: Mr. J. Patrick Scripps and Ms. Jane Hofmeyer.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, Ms. Pam Slagh and Ms. Chelsea Sheafor of BDO USA, Mr. Bernard Schaefer, and Ms. Debra L. Christopher.

Vice Chairman Tryc made the motion to excuse the absences of Mr. Scripps and Ms. Hofmeyer. The motion was seconded by Mr. Butts and carried.

There were no public comments regarding agenda items.

Moved by Vice Chairman Tryc and seconded by Mr. Timkovich, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of December 16, 2015.
- Purchase of credited service by the following General Retirement System members:

Jan E. Goosmann	\$16,323.70	24 months
Thomas P. Truskowski	\$20,725.86	24 months
Scott D. Wheaton	\$18,046.16	24 months

- Retirements: three age and service.

**Age and Service Retirements:**

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
<b>Goosmann, Jan E.</b>	32 yrs. 8 mo.	01/27/2016	\$53,090.67	\$3,654.46
<b>Greenman, Milan J.</b>	32 yrs. 5 mo.	02/06/2016	\$51,130.67	\$3,356.86
<b>Recker, Nancy K.</b>	22 yrs. 4 mo.	01/15/2016	\$86,142.67	\$4,328.66

- Payment of administrative expenses of \$4,198.94 for the period 12/01/15 – 12/31/15.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 12/31/15. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$39,054.00 – Harding Loevner (ADRs)  
\$6,947.50 – Northern Trust Asset Management (Equities)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 12/31/15 fee as follows:

Benefit Payments	\$6,531.40
Money-Weighted Return Report	650.00
Custody	<u>\$7,430.25</u>
Total	\$14,611.65

**The motion carried** {Mr. O'Connor arrived at 8:02 a.m.}.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$389,843,986 on December 31, 2015. The report was received and filed by the Chairman. (Analysis found on page )

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 10/01/15 – 12/31/15 that disclosed a withdrawal of \$52,146.43 by five non-vested former members. The report was received and filed by the Chairman. (Report on page )

The Executive Director presented Trustees with the Quarterly Report of Income for the quarter ending 12/31/15. Total Securities Lending income for the period was \$14,076.81. Total Class Action Settlement receipts for the period were \$63,058.63. Chairman Hawkins received and filed the report. (Report found on page )

Ms. Pam Slagh and Ms. Chelsea Sheafor of BDO USA, LLP presented Trustees with the annual audit for the fiscal year ending June 30, 2015. Ms. Slagh provided Trustees with highlights from the audit, related statements, and required supplementary information. Some of the highlights included BDO's responsibilities, a report on internal controls, significant audit findings, any difficulties encountered in the audit and any disagreements with management. Ms. Slagh noted that the plan is being run efficiently, no unusual items were noted during their testing and there are no issues with the System's internal controls. Ms. Slagh and Ms. Sheafor also reviewed the Audit Wrap-Up report that was provided to Trustees. Ms. Slagh thanked the Board and staff for the opportunity to serve them for the past three years. Chairman Hawkins thanked Ms. Slagh and Ms. Sheafor for their firm's service to the Boards. The reports were received and filed by the Chairman.

The Executive Director next presented a request for a duty disability retirement request by Ms. Debra L. Christopher. Mr. Butts made the motion to go into closed session for the purpose of discussing Ms. Christopher's duty disability retirement request, information that is exempt from the Freedom of Information Act and is also medically privileged, and to include Mr. Schaefer, Ms. Christopher, Ms. Korzen, Mr. Michaud, and Ms. Balkema. The motion was seconded by Mr. Timkovich and carried. Roll call vote: yeas: 5, nays: 0. Following the return to open session, Mr. Timkovich made the motion to approve the duty disability retirement request for Ms. Debra L. Christopher. 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 December Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for the 2016 13<sup>th</sup> Check and for Cash Account needs for February 2016. After recent review of the investment accounts, Mr. Sefchok agreed with the Executive Director's recommendation to transfer \$2,800,000 from Brown Brothers Harriman, \$2,500,000 from Western Asset Management and \$1,000,000 from Baird Advisors to the Cash Account on January 27, 2016 and \$1,600,000 from the Baird Advisors account to the Cash Account on February 1, 2016.

Vice Chairman Tryc made the motion to nominate Mr. Michael Hawkins to serve as Chairman of the Board of Trustees for the year 2016. The motion was seconded by Mr. Butts and carried. Mr. Timkovich made the motion to

nominate Mr. David Tryc to serve as Vice Chairman of the Board of Trustees for the year 2016. The motion was seconded by Mr. Butts and carried.

The meeting adjourned at 9:18 a.m.

The next General Retirement System Board Meeting will be held Wednesday, February 17, 2016, at 8:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
General Retirement System