

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
OCTOBER 21, 2015 – 9:23 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, and Mr. Elias Lumpkins, Jr. Absent: Ms. Jane Hofmeyer.

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

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

There were no public comments regarding agenda items.

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

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

Michael R. Lucas \$9,378.39 18 months
- Purchase of military leave of absence – as provided for in Chapter 7, Section 1.202 (2) of City Code, Mr. Scott D. Wheaton has requested to purchase the period of credited service during which he was on leave of absence for active military service. The period of service to be purchased is two (2) years, three (3) months and eleven (11) days. Mr. Wheaton has requested to purchase his leave of absence by pre-tax payroll deduction. The amount due of \$9,106.47 was calculated and verified by the Retirement Systems Office.
- Retirements: four age and service, one deferred and one early.

Age and Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Floyd, Angela M.	28 yrs. 5 mo.	11/06/2015	\$45,200.00	\$2,540.82
Lucas, Michael R.	30 yrs. 2 mo.	10/31/2015	\$43,668.00	\$2,924.55
Reed, Brian S.	31 yrs. 0 mo.	10/28/2015	\$58,943.33	\$4,093.26
Smith, Lois J.	26 yrs. 5 mo.	10/17/2015	\$50,367.00	\$2,679.89

Deferred Retirement:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Schmidt, Roy L.	16 yrs. 0 mo.	11/01/2015	\$22,496.00	\$677.08

Early Retirement:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Lutz, Robert J.	28 yrs. 7 mo.	10/10/2015	\$48,597.00	\$2,694.10

- Payment of administrative expenses of \$3,926.79 for the period 09/01/15 – 09/30/15.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 09/30/15. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:
 - \$34,122.68 – CBRE Clarion (Real Estate)
 - \$37,318.00 – Harding Loevner (ADRs)
 - \$7,285.13 – Northern Trust Asset Management (Equities)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 09/30/15 fee as follows:

Benefit Payments	\$6,426.55
Custody	<u>\$7,396.49</u>
Total	\$13,823.04

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$385,505,395 on September 30, 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 07/01/15 – 09/30/15 that disclosed a withdrawal of \$59,093.43 by four former members; one was vested. 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 09/30/15. Total Securities Lending income for the period was \$21,939.97. Total Class Action Settlement receipts for the period were \$147.70. Chairman Hawkins received and filed the report. (Report found on page)

Ms. Korzen commented that there is one outstanding estate check to be moved to the IEF: the estate check of Ms. Mary Ann Curtis in the amount of \$30.18. Ms. Curtis passed away September 2, 2012. The information was received and filed by the Chairman.

Ms. Korzen noted that at the Board meeting on September 16, 2015, Trustees were provided a Retiree Verification Policy for their consideration. This proposed policy was investigated further with staff with respect to cost and administrative issues; staff provided an alternate idea for consideration. The Retirement System’s actuary, Gabriel, Roeder, Smith and Company, offers the capability to submit a file as often as the plan wishes to perform a Social Security death records check. The annual fee is \$500 (\$250 per plan). A request for updating Retirement System records could then be sent out to retirees/beneficiaries every two or three years;

Trustees agreed. Chairman Hawkins commended Ms. Korzen and the staff for their efforts and research into this issue.

Public comments on items not on the agenda: Ms. Debra L. Christopher addressed the Board regarding her duty disability retirement application process. She stated that she been awaiting an answer to her duty disability retirement request for some time and she has experienced a number of medical issues since she applied. She stated it has been a long process and Ms. Korzen has tried to keep her updated on her status. Ms. Korzen provided Trustees with the background concerning Ms. Christopher's application process. She stated this case has taken longer than normal and part of the reason is due to the issue of who would conduct Ms. Christopher's I.M.E. She was hopeful that everything would be ready for Trustee consideration today; however, the final physician evaluating Ms. Christopher needs to clarify his opinion on whether or not Ms. Christopher is totally and permanently disabled from any job within the City, per the ordinance. It is hoped that if this information is received within the next week, then her application should be able to be presented to Trustees at the November 18 Board meeting. Chairman Hawkins extended his sympathy to Ms. Christopher regarding her medical issues and apologized for the delay in considering her disability retirement request, noting that Trustees will consider her application as soon as they have a complete package of information from their disability case management firm, MMRO. Mr. Scripps asked if there have been issues with MMRO; Ms. Korzen stated that she is evaluating that relationship. Mr. Lumpkins suggested providing Ms. Christopher a time frame for her application; Ms. Korzen stated that she should have all of the information for the November 18 Board meeting. Ms. Christopher thanked the Trustees for their time and consideration.

The Executive Director provided an update on the Member Trustee election by noting that only one nominating petition was filed; therefore Mr. Butts is presumed elected. Mr. Butts will serve as Member Trustee on the General Retirement System Board for a four-year term ending the first Monday in January 2020.

Ms. Korzen commented that at the September Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for November 2015. After recent review of the investment accounts, Mr. Pease agreed with the Executive Director's recommendation to transfer \$1,000,000 from the Baird Advisors account and \$450,000 from the Western Asset Management account to the Cash Account on November 2, 2015.

The meeting adjourned at 9:37 a.m.

The next General Retirement System Board Meeting will be held Wednesday, November 18, 2015, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System