

GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
REGULAR MEETING  
DECEMBER 21, 2016 – 8:00 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. Jon O'Connor, and Mr. Phillip Mitchell. Absent: Mr. Bill Butts and Ms. Jane Hofmeyer.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, Mr. David Hoffman and Mr. Jeffrey Tebeau of Gabriel, Roeder, Smith and Company (via telephone), and Mr. Stephen Blann and Ms. Angie DeGennaro of Rehmann Robson.

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

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of November 16, 2016.
- Retirements: seven age & service and two deferred.

**Age & Service Retirements:**

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
<b>Geiger, Roberta A.</b>	9 yrs. 8 mo.	02/02/2017	\$53,241.00	\$905.53
<b>Krystiniak, Steven P.</b>	22 yrs. 6 mo.	02/14/2017	\$53,241.00	\$2,408.71
<b>MacGregor, Erin E.</b>	8 yrs. 3 mo.	02/02/2017	\$58,859.00	\$1,092.57
<b>Million, Virginia L.</b>	31 yrs. 3 mo.	01/04/2017	\$97,308.00	\$5,685.40
<b>Pocsi, Matthew A.</b>	32 yrs. 0 mo.	12/17/2016	\$81,698.67	\$5,378.95
<b>Prince, Sylvia L.</b>	32 yrs. 0 mo.	01/06/2017	\$74,038.00	\$5,193.15
<b>Roberts, Larry D.</b>	22 yrs. 4 mo.	02/04/2017	\$42,569.00	\$1,864.57

**Deferred Retirements:**

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
<b>Reusch, Robert J.</b>	10 yrs. 2 mo.	12/01/2016	\$48,203.00	\$924.90
<b>Zemaitis, Thomas A.</b>	14 yrs. 8 mo.	12/01/2016	\$28,876.67	\$740.33

- Payment of administrative expenses of \$2,817.39 for the period 11/01/16 – 11/30/16.

**The motion carried.**

Ms. Korzen next presented a report of Cash Account transfers for the period 01/01/17 – 03/31/17. The Retirement Systems Office staff projected a need for \$5,700,000 to be transferred to the cash account as follows: \$1,900,000 on January 3<sup>rd</sup>, \$1,900,000 on February 1<sup>st</sup> and \$1,900,000 on March 1<sup>st</sup>. Ms. Korzen recommended, and Mr. Marlin Pease of Wilshire Associates agreed, making the transfers as follows:

January 3 <sup>rd</sup>	NTAM	\$1,900,000
February 1 <sup>st</sup>	To be determined	\$1,900,000
March 1 <sup>st</sup>	To be determined	<u>\$1,900,000</u>
Total		\$5,700,000

The report was received and filed by the Chairman. (Cash Account Report found on page )

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$386,966,328 on November 30, 2016. The report was received and filed by the Chairman. (Analysis found on page )

Mr. Stephen Blann and Ms. Angie DeGennaro of Rehmann Robson presented Trustees with the annual audit for the fiscal year ending June 30, 2016. {Mr. Mitchell arrived at 8:03 a.m.} Mr. Blann provided Trustees with highlights from the audit, related statements, and required supplementary information. Some of the highlights included Rehmann’s responsibilities, a report on internal controls, significant audit findings, any difficulties encountered in the audit and any disagreements with management. Mr. Blann 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. Mr. Blann also reviewed the *Independent Auditors’ Communication with Those Charged with Governance* report that was provided to Trustees. The reports were received and filed by the Chairman.

Mr. Hoffman and Mr. Tebeau of Gabriel, Roeder, Smith and Company (GRS) provided Trustees with a GASB 67 and 68 review and the GASB 67 Plan Report and Accounting Schedules as of June 30, 2016. This is the first year that the GASB 67 and 68 reports were combined into one report. Mr. Tebeau reviewed the GASB 68 tables of information that the City of Grand Rapids needs to complete their reporting. Mr. Hoffman reviewed the GASB 67 Plan Report and provided some background on the various tables contained in the report. He noted that the net pension liability as of June 30, 2016 was \$120,134,505 and the net position as a percentage of total pension liability was 76.46%. The single discount rate was 7.25%, as was the long-term expected rate of return. Mr. Tebeau reviewed the schedule of changes in fiduciary net pension, changes in the employer’s net pension liability, the schedule of employer’s net pension liability, and schedule of contributions. Mr. Hoffman commented that they used Wilshire Associates’ long-term expected rates of return on various asset classes as of June 30, 2015. He suggested that going forward since Wilshire updates their long-term expected rates of return once per quarter, Trustees may wish to more frequently instruct GRS which quarterly projections from Wilshire to use to prepare valuations and GASB reports. He stated that he will prepare a report to share with Trustees at the February 2017 Board meeting regarding this issue. The report was received and filed by the Chairman.

The Executive Director next presented a request for a non-duty disability retirement request by Mr. Joseph Noordyke. Mr. Timkovich made the motion to deny the non-duty disability retirement request for Mr. Joseph Noordyke due to the findings of the medical committee and the fact that Mr. Noordyke has returned to work. The motion was seconded by Vice Chairman Tryc and carried.

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

The meeting adjourned at 8:41 a.m.

The next General Retirement System Board Meeting will be held Wednesday, January 18, 2017, at 8:10 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
General Retirement System