

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
DECEMBER 21, 2022 – 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. William Butts, Mr. Phillip Mitchell, Ms. Donijo DeJonge, and Mr. Nathaniel Moody.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, Mr. Matthew Strom of Segal, and Ms. Jennifer Woodard.

There were no public comments regarding agenda items.

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

- Minutes of the regular meetings of November 16, 2022.
- Purchase of Credited Service: As provided for in Chapter 7, Section 1.202.(6) of City Code, the members listed below requested to purchase credited service. All calculations have been prepared by this office and verified by the actuary.

<u>Name</u>	<u>Purchase Amount</u>	<u>Time Purchased</u>
Scott L. Chipman	\$19,075.74	24 months
Roseanna M. Przybylski	\$19,075.74	24 months

- Retirements: six age & service, one deferred, and one revised.

Age & Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Caudill, Patricia M.	30 yrs. 7 mo.	02/02/2023	\$114,127.33	\$7,274.84
Gilbert, Timothy A.	31 yrs. 5 mo.	02/02/2023	\$80,897.20	\$5,347.65
Mr. Gilbert has an EDRO with Ms. Denise L. Shoemaker; she will receive the actuarial equivalent of \$860.79/mo.				
Jablonski, Barbara A.	23 yrs. 7 mo.	02/02/2023	\$53,804.67	\$2,580.64
Smith, Danielle R.	36 yrs. 0 mo.	01/04/2023	\$81,666.67	\$5,874.91
VanderVeen, Corinne H.	30 yrs. 3 mo.	01/04/2023	\$81,706.33	\$5,050.96
Wierenga, Sue Ann	30 yrs. 6 mo.	01/05/2023	\$82,614.33	\$5,428.35

Deferred Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Allen, John C.	10 yrs. 4 mo.	12/01/2022	\$94,842.00	\$2,205.07

Revised Retirement:

<u>Name</u>	<u>Ret. Date</u>	<u>Revised Pension</u>	<u>Refer to Minutes</u>
Blodgett, Julianne C.	03/13/2018	\$2,811.77	02/21/2018

- Payment of administrative expenses of \$8,436.45 for the period 11/01/22 – 11/30/22.

The motion carried.

- Investment Manager Fees: Listed below is a routine invoice for the quarter ending 09/30/22. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$36,962.586 – Western Asset Management (Fixed Income)

Ms. Korzen next presented a report of Cash Account transfers for the period 01/01/23 – 03/31/23. 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 3rd \$1,900,000 on February 1st and \$1,900,000 on March 1st. Ms. Korzen recommended, and Wilshire Associates agreed, making the transfers as follows:

January 3 rd	NTAM	\$350,000
	PIMCO	\$1,200,000
	Wellington Management Company (Equities)	\$350,000
February 1 st	To be determined	\$1,900,000
March 1 st	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 \$417,003,866 on October 31, 2022. The report was received and filed by the Chairman. (Analysis found on page)

Mr. Matthew Strom of Segal next presented the actuarial audit. He presented the results from the limited scope actuarial audit of the June 30, 2021, actuarial valuation and the 2014-2019 experience study conducted by Gabriel, Roeder, Smith and Company (GRS). He reviewed Segal's purpose, scope, and methodology of the audit as well as their analysis of the actuarial assumptions employed. He noted that Segal found that the valuation results and calculation of the employer contribution rate appear accurate and reasonable. They independently calculated the basis on which the recommended economic assumptions were made and matched them to within a reasonable threshold. He stated that the demographic actuarial assumptions recommended in the 2014-2019 experience study were for the most part sound and appropriate. The actuarial valuation report provided adequate detail upon which to render opinions and the review of select test lives indicated that the valuation programming appears to be working as intended. Segal generally agrees with the results of the experience study and provided a few recommendations for improvement in the future. They found that the actuarial cost method and asset valuation method conform to the Actuarial Standards of Practice. They did provide ideas to improve the quality and understanding of the valuation report and experience review process. Mr.

Strom explained Segal's review process of the reports and validation of the benefits valued for the actuarial valuation. He reviewed Segal's suggestions that GRS may wish to consider in future actuarial valuations and experience studies. GRS has responded to Segal's suggestions and stated that they will consider them in the future.

Ms. Korzen next presented an update on the disability retiree re-examination process that was tabled at the November 16 Board meeting for Mr. John Woodard. Chairman Hawkins stated that it would be prudent to enter a closed session in order to discuss the report for Mr. Woodard as it contains information that is exempt from the Freedom of Information Act and is also medically privileged, and to include Ms. Korzen, Mr. Michaud, and Ms. Balkema. Vice Chairman Tryc made the motion to go into closed session. The motion was seconded by Mr. Butts and carried. Roll call vote: yeas: 7, nays: 0. Trustees concluded their closed session and re-entered open session. Chairman Hawkins stated that due to receipt of additional information from Ms. Woodard, this issue will be tabled to the January 18, 2023 Board meeting.

The Executive Director noted that she received a call from retiree, Jason Thompson. He retired on January 18, 2012 with a non-duty disability retirement. He stated that he believes he can go back to work. She noted that he had a records review earlier in 2022 that still showed him to be disabled. She stated that it would be prudent then in this case to have Mr. Thompson schedule an appointment for an IME with his doctor first and if he/she deems him able to come back to work, then schedule an IME with one of the Board's physicians.

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

Ms. Korzen commented that at the September Board meeting, it was unclear which investment management account funds should be transferred from for Cash Account needs for November and December 2022. After recent review of the investment accounts, Mr. DiGirolamo and the Executive Director agreed to utilize \$750,000 received from distributions from the Private Equity and Private Credit accounts, and transfer \$850,000 from the Brown Brothers Harriman account and \$400,000 from the Harvest Fund Advisors account to the Cash Account on November 1, 2022 and \$750,000 from the BlackRock account and \$1,250,000 from the Harvest Fund Advisors account to the Cash Account on December 1, 2022.

The meeting adjourned at 9:29 a.m.

The next General Retirement System Board Meeting will be held Wednesday, January 18, 2023, at 9:00 a.m., 233 E. Fulton, Suite 216, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System