

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
FEBRUARY 21, 2018 – 11:11 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. Bill Butts, Mr. Phillip Mitchell, and Ms. Donijo DeJonge. Absent: Mr. David Allen.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System and Mr. Aaron Castle, Legal Advisor to the Board.

Chairman Hawkins introduced two new Board members, Ms. Donijo DeJonge and Mr. David Allen, and welcomed them to the Board.

There were no public comments regarding agenda items.

Vice Chairman Tryc made the motion to excuse the absence of Mr. Allen. The motion was seconded by Mr. Butts and carried.

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 meetings of November 15, 2017, December 20, 2017, and January 17, 2018.
- Purchase of credited service by the following General Retirement System members:

Julianne C. Blodgett	\$15,783.16	19 months
Mark O. Fleet	\$30,296.32	24 months
Deborah S. Hoskins	\$17,438.88	24 months
Maria F. Welton	\$7,805.95	11 months
- Purchase of six (6) years, nine (9) months and twenty (20) days prior credited service by the following General Retirement System member: Ms. Tonya T. Deans - \$11,090.07. Ms. Deans has requested to make this purchase by a partial lump sum pre-tax rollover from her qualified retirement account and partial pre-tax payroll deduction. The Retirement Systems office calculated and reviewed the purchase amount and credited service period to be restored.
- Retirements: fifteen age & service, one deferred, and two early.

Age & Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Blodgett, Julianne C.	33 yrs. 0 mo.	03/13/2018	\$48,650.20	\$3,794.73
Drake, Thomas A.	18 yrs. 4 mo.	01/06/2018	\$83,520.33	\$2,524.65
Dupuie, Robin L.	31 yrs. 0 mo.	03/28/2018	\$61,290.00	\$3,747.79

Klug, Nicholas H.	11 yrs. 3 mo.	03/03/2018	\$76,869.67	\$1,673.43
Lewak, Piotr T.	32 yrs. 8 mo.	02/10/2018	\$88,859.00	\$5,884.36
McWaters, Kelly B.	30 yrs. 4 mo.	01/05/2018	\$67,914.67	\$4,115.34
Nails, Debra L.	31 yrs. 2 mo.	02/03/2018	\$53,304.00	\$3,657.06
O'Neal, Darlene	32 yrs. 0 mo.	02/14/2018	\$129,416.33	\$8,913.30
Palma, Carl A.	36 yrs. 1 mo.	02/21/2018	\$69,424.00	\$4,749.65
Rosloniec, Rose M.	32 yrs. 1 mo.	04/11/2018	\$69,858.33	\$5,042.89
Schomberger, Robert J.	28 yrs. 5 mo.	04/03/2018	\$61,290.00	\$3,536.77
Spaanstra, Victor H.	14 yrs. 4 mo.	01/03/2018	\$61,290.00	\$1,750.04
Sundstrom, Gregory A.	23 yrs. 2mo.	02/03/2018	\$186,295.67	\$8,583.37
Villanueva, A. Rock	16 yrs. 8 mo.	03/02/2018	\$55,440.33	\$2,079.02
Warner, Marcia A.	15 yrs. 3 mo.	01/11/2018	\$137,122.67	\$4,705.02

Deferred Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Richards, Robert S.	13 yrs. 3 mo.	01/01/2018	\$15,657.92	\$414.94

Early Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Hoskins, Deborah S.	26 yrs. 0 mo.	01/10/2018	\$67,497.67	\$2,173.60
Welton, Maria F.	19 yrs. 0 mo.	01/20/2018	\$65,500.00	\$2,218.19

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- Payment of administrative expenses of \$8,586.86 for the period 11/01/17 – 01/31/18.
 - **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 12/31/17. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

- \$26,932.90 – Baird Advisors (Fixed Income)
- \$37,612.81 – CBRE Clarion (Real Estate)
- \$44,716.00 – Harding Loevner (ADRs)
- \$35,219.85 – Harvest Fund Advisors (MLPs)
- \$7,163.80 – NTAM (Equities)
- \$43,126.26 – Wellington Management Company (Equities)
- \$29,894.02 – Wellington Management Company (Commodities)
- \$38,298.38 – Western Asset Management (Fixed Income)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 12/31/17 fee as follows:

Benefit Payments	\$6,850.64
Money Weighted Return Report	\$650.00
Custody	<u>\$7,408.62</u>
Total	\$14,909.26

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 01/01/18 – 03/31/18. The Retirement Systems Office staff projected a need for \$5,400,000 to be transferred to the cash account as follows: \$1,800,000 on January 2nd, \$1,800,000 on February 1st and \$1,800,000 on March 1st. Ms. Korzen recommended, and Mr. Alex Ford of Wilshire Associates agreed, making the transfers as follows:

January 2 nd	Wellington Mgmt. Company (Equities)	\$1,800,000
February 1 st	Harding Loevner	\$1,800,000
March 1 st	NTAM	\$1,400,000
	Wellington Mgmt. Company (Equities)	<u>\$400,000</u>
Total		\$5,400,000

Ms. Korzen commented that at the November Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for the 13th Check. Mr. Lindberg and the Executive Director agreed to transfer \$1,000,000 from the Harding Loevner account to the Cash Account on January 29, 2018 for the 13th Check. The report was received and filed by the Chairman. (Cash Account Report found on page)

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$419,046,687 on October 31, 2017, \$422,660,812 on November 30, 2017, \$426,634,746 on December 31, 2017, and \$434,809,684 on January 31, 2018. The reports were received and filed by the Chairman. (Analyses found on pages)

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 10/01/17 – 12/31/17 that disclosed there were no withdrawals. 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 12/31/17. Total Securities Lending income for the period was \$24,176.73. Total Class Action Settlement receipts for the period were \$15,202.31. 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. Dorothy Davis in the amount of \$153.12. Ms. Davis passed away December 23, 2014. The information was received and filed by the Chairman.

The Executive Director next presented a request for a duty disability retirement request by Mr. Sean Bagalay. Vice Chairman Tryc made the motion to deny the duty disability retirement request for Mr. Sean Bagalay due to the findings of the medical committee. The motion was seconded by Mr. Butts and carried.

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

Vice Chairman Tryc made the motion to nominate Mr. Michael Hawkins to serve as Chairman of the Board of Trustees for the year 2018. The motion was seconded by Mr. Butts and carried. Mr. Butts made the motion to nominate Mr. David Tryc to serve as Vice Chairman of the Board of Trustees for the year 2018. The motion was seconded by Mr. Timkovich and carried.

Ms. Korzen stated that the annual accounting for fiscal year ending 06/30/17 was reviewed a few months ago and there were no discrepancies noted by the committee.

The meeting adjourned at 11:15 a.m.

The next General Retirement System Board Meeting will be held Wednesday, March 21, 2018, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System