

POLICE & FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
FEBRUARY 21, 2018 – 8:05 a.m.
233 East Fulton

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman Craig VanderWall, Mr. Philip Balkema, Mr. Phillip Mitchell, Ms. Donijo DeJonge, and Mr. David Allen. Absent: Mr. Thomas VanderPloeg.

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

Mr. Balkema made the motion to excuse the absence of Mr. VanderPloeg. The motion was seconded by Mr. Allen and carried.

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

There were no public comments regarding agenda items.

Moved by Mr. Balkema and seconded by Mr. Allen, 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 Police & Fire Retirement System members:

Philip R. Braate	\$59,028.72	48 months
Daniel DeBlaay	\$17,914.78	15 months
Erika K. Fannon	\$59,028.72	48 months
David A. Johnston II	\$29,514.36	24 months
Derrick D. Learned	\$59,028.72	48 months
Michael L. Mesman	\$59,028.72	48 months
Theodore L. Whalen	\$59,028.72	48 months

- The following Resolution No. 823.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received requests for four Age & Service and one Non-Duty Disability retirement from the following members of the plan:

Age & Service Retirement:

Jose A. Gamez, will retire March 2, 2018 from the Police Department as a Police Officer,

Credited Service: Twenty-eight years

Pension: \$4,858.46,

and . . .

Michael D. Lafave, retired January 11, 2018 from the Police Department as a Police Officer,

Credited Service: Thirty-two years and four months

Pension: \$5,783.25,

and . . .

Thomas P. McCarthy, will retire March 7, 2018 from the Police Department as a Police Officer,

Credited Service: Twenty years

Pension: \$3,482.79,

and . . .

Amber L. Paszkowski, retired January 3, 2018 from the Fire Department as a Fire Equipment Operator,

Credited Service: Thirty-three years

Pension: \$5,834.12,

and . . .

Non-Duty Disability Retirement:

Scott D. Bylsma, retired November 15, 2017 from the Police Department as a Police Officer,

Credited Service: Twenty years

Pension: \$3,752.89,

and . . .

RESOLVED, that the retirements be approved.

- KEIP participants: The Board of Trustees of the Police and Fire Retirement System has received requests by the following members of the plan to join the KEIP Program:

Nancy Boss, Battalion Fire Chief

KEIP Date: January 18, 2018

Tentative KEIP End Date: January 17, 2019

KEIP Benefit: \$7,482.96

Daniel DeBlaay, Fire Lieutenant

KEIP Date: January 4, 2018

Tentative KEIP End Date: January 3, 2023

KEIP Benefit: \$5,914.59

Lawrence B. Poleski, Police Sergeant

KEIP Date: January 27, 2018

Tentative KEIP End Date: January 26, 2023

KEIP Benefit: \$5,304.44

Scott R. Ranburger, Police Officer

KEIP Date: January 3, 2018

Tentative KEIP End Date: January 2, 2023

KEIP Benefit: \$4,362.67

Theodore L. Whalen, Police Officer

KEIP Date: January 11, 2018

Tentative KEIP End Date: January 10, 2023

KEIP Benefit: \$5,390.15

- Payment of administrative expenses of \$11,641.69 for the period 11/01/17 – 12/31/17.
- **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:

\$25,756.12 – Baird Advisors (Fixed Income)

\$36,663.98 – CBRE Clarion (Real Estate)

\$45,586.00 – Harding Loevner (ADRs)

\$34,776.41 – Harvest Fund Advisors (MLPs)

\$7,104.96 – NTAM (Equities)

\$43,540.89 – Wellington Management Company (Equities)

\$28,820.46 – Wellington Management Company (Commodities)

\$37,275.75 – 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	\$4,000.54
Money Weighted Return Report	\$650.00
Custody	<u>\$7,414.51</u>
Total	\$12,065.05

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 \$2,550,000 to be transferred to the cash account as follows: \$850,000 on January 2nd, \$850,000 on February 1st and \$850,000 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)	\$850,000
February 1 st	Harding Loevner	\$850,000
March 1 st	NTAM	<u>\$850,000</u>
Total		\$2,550,000

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 \$416,285,442 on October 31, 2017, \$420,566,258 on November 30, 2017, \$425,210,969 on December 31, 2017, and \$434,253,896 on January 31, 2018. The reports were received and filed by the Chairman. (Analyses found on pages)

Trustees reviewed an Eligible Domestic Relations Order (EDRO) for Mr. Richard Atha. Ms. Korzen stated that an EDRO has been filed to assign a portion of Mr. Atha's retirement benefits to an alternate payee, Tina Atha, in accordance with the Eligible Domestic Relations Order Act. The EDRO has been reviewed by legal counsel and the actuary and complies with the Police & Fire Retirement System plan provisions. The EDRO will become part of Mr. Atha's file and will be paid according to its provisions. The order was received and filed by the Chairman.

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 10/01/17 – 12/31/17. One non-vested member withdrew his contributions and interest totaling \$19,079.95. 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 \$27,660.26. Total Class Action Settlement receipts for the period were \$14,606.04. Chairman Hawkins received and filed the report. (Report found on page)

Ms. Korzen commented that there are two outstanding estate checks to be moved to the IEF: the estate check of Mr. William Douma in the amount of \$1,850.86 and the estate check of Ms. Arleen Faber in the amount of \$1,073.29. Mr. Douma passed away February 21, 2015 and Ms. Faber passed away December 18, 2014. The information was received and filed by the Chairman.

Ms. Korzen next provided Trustees with an annual budget proposal. The figures on the proposed document represent the dollar amounts Trustees expect to be expended for the FYE 12/31/18. Ms. Korzen stated that a formal budget approved by Trustees annually is now a requirement under P.A. 314 and once approved by Trustees, will be available on the Retirement System's website. Following discussion Mr. Allen made the motion to approve the budget as written. The motion was seconded by Mr. Balkema and carried.

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

Vice Chairman VanderWall 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. Balkema and carried. Mr. Balkema made the motion to nominate Mr. Craig VanderWall to serve as Vice Chairman of the Board of Trustees for the year 2018. The motion was seconded by Mr. Allen and carried.

Ms. Korzen stated that the annual accounting for fiscal year ending 12/31/16 was reviewed a few months ago and there were no discrepancies noted by the committee.

The Executive Director commented that an active member presently applying for a duty disability retirement attended an I.M.E. with the Board's physician; the member informed Ms. Korzen that he was treated rudely by the physician and told to leave the physician's office after only 45 minutes. She asked Trustees for permission to schedule an I.M.E. with a different physician representing the Board. The physician referral service has been notified of this incident and stated they will not charge the Retirement System for that I.M.E. Trustees agreed that a new I.M.E. should be scheduled for the member.

The meeting adjourned at 8:13 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, March 21, 2018, at 8:30 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System