

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

MINUTES
REGULAR MEETING
FEBRUARY 16, 2022 – 8:00 a.m.
233 E. Fulton, Suite 216

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, Mr. Nathaniel Moody, and Mr. Justin Ewald.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, and Ms. Lisa Balkema, Retirement Services Specialist.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of January 19, 2022.
- Purchase of credited service by the following Police & Fire Retirement System members. All calculations have been prepared by this office and verified by the actuary.

Kelli J. Braate	\$19,221.61	12 months
Harold Elmore, Jr.	\$37,744.06	24 months
Rene Garza	\$38,443.22	24 months

- The following Resolution No. 855.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received requests for two Age & Service retirements from the following members of the plan:

Age & Service Retirement:

Marla K. Booher, will retire February 16, 2022 from the Police Department as a Police Officer,

Credited Service: Thirty-one years and nine months

Pension: \$6,879.54,

and . . .

Eric P. Payne, will retire March 4, 2022 from the Police Department as Police Chief,

Credited Service: Thirty-five years and six months

Pension: \$12,787.94.

RESOLVED, that the retirements be approved. Mr. Balkema thanked the members for their many years of dedicated service.

- KEIP participant: 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 or exit the KEIP Program:

KEIP Entry

<u>Keith E. Hefner</u>	Police Sergeant
KEIP Date:	March 2, 2022
Tentative KEIP End Date:	March 1, 2027
KEIP Benefit:	\$6,811.64

KEIP Exit

Gregory E. Griffin, will exit the KEIP Program on March 28, 2022, from the Police Department as a Police Sergeant,

Credited Service: Twenty-six years and five months

Pension: \$4,810.86

- Payment of administrative expenses of \$3,155.98 for the period 01/01/22 – 01/31/22.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 12/31/21. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$33,680.61 – Baird Advisors (Fixed Income)
 \$35,297.00 – CenterSquare Investment Management (Real Estate)
 \$55,695.00 – Harding Loevner (ADR)
 \$49,782.78 – Harvest Fund Advisors (MLPs)
 \$3,207.87 – NTAM (Equities)
 \$21,255.55 – Wellington Management Company (Equities)
 \$48,747.40 – Wellington Management Company (Commodities)

- **Custody Fees:** The attached invoices from Northern Trust divides the quarters ending 12/31/20 - 12/31/21 fees as follows:

Quarter Ending 12/31/20:

Benefit Payments	\$4,572.81
Custody	<u>\$8,125.00</u>
Total	\$12,697.81

Quarter Ending 03/31/21:

Benefit Payments	\$4,829.38
Custody	<u>\$8,125.00</u>
Total	\$12,954.38

Quarter Ending 06/30/21:

Benefit Payments	\$5,013.97
Custody	<u>\$8,125.00</u>
Total	\$13,138.97

Quarter Ending 09/30/21:

Benefit Payments	\$4,953.12
Custody	<u>\$8,125.00</u>
Total	\$13,078.12

Quarter Ending 12/31/21:

Benefit Payments	\$4,460.56
Custody	<u>\$8,125.00</u>
Total	\$12,585.56

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$542,168,006 on December 31, 2021. The report was received and filed by the Chairman. (Analysis found on page)

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

Ms. Korzen next presented an update on the disability retiree re-examination process, noting that Dr. Craig Lemmen conducted a medical records review for Mr. Benjamin Hawkins and stated his opinion that Mr. Hawkins is not physically and mentally able and capable of resuming his duty as a Police Sergeant and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled. Mr. Ewald made the motion to accept Dr. Lemmen's report on Mr. Hawkins. The motion was seconded by Vice Chairman VanderWall and carried. Mr. Balkema noted that he appreciated the full and complete report by Dr. Lemmen.

The Executive Director next presented Trustees with a supplemental report from Gabriel, Roeder, Smith and Company to determine the additional member contribution premium for the multiplier buy-up per City Code, Section 1.246, for Fire Fighter members hired on or after January 10, 2012 and Police Officers and Sergeants and Command members hired on or after December 20, 2011. These bargaining units negotiated that new hires on or after the aforementioned dates would begin with a 2.0% benefit multiplier and could elect a higher multiplier after the specified waiting period. The wording from the contracts indicated these premiums would be determined by the most recent experience study. Following the completion of the experience study from January 1, 2015 – December 31, 2019, the additional member contributions for the multiplier elections have been computed as follows:

<u>Multiplier for Future Service</u>	<u>Fire Fighters</u>	<u>Police Officers & Sergeants Police Command</u>
2.0%	0.00%	0.00%
2.2%	1.34%	1.38%
2.4%	2.74%	2.79%
2.6%	4.18%	4.23%
2.8%	5.67%	5.68%

They also provided the additional premium rates for those members who can still retroactively choose a higher multiplier. Vice Chairman VanderWall made the motion to adopt the additional member contribution rates for the other benefit multipliers as outlined by the report by Gabriel, Roeder, Smith and Company and for the rates to be effective for multiplier changes that will take effect from January 1, 2022 – December 31, 2026. The motion was seconded by Mr. Ewald and carried. Ms. Korzen noted that GRS has requested a fee of \$8,800 for preparing

the calculations. She asked if the Retirement System was given a bill for this calculation last time as she did not recall paying a fee. Mr. Tebeau stated that there was a fee for the last calculation. Vice Chairman VanderWall commented that the fee was paid by the City and the unions as this was a bargaining unit issue and not the Retirement System's cost. Following Trustee discussion, Mr. Balkema made the motion to approve the payment of the \$8,800 fee invoice for the calculation of the multiplier purchase rates. The motion was seconded by Vice Chairman VanderWall and carried.

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

The Executive Director noted that \$4,107,392.11 was recently distributed to eligible retirees on January 31, 2022 for the 13th Check. She stated that \$1,960,000 was transferred from the Harvest Fund Advisors account to the Cash Account on January 28, 2022 for funding purposes. She noted that an error was made in the distribution of the 13th Check to one member as the member received two checks instead of just one. She has since been in contact with the member and the member is making payments to restore the overpayment.

Ms. Korzen commented that at the December Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for March 2022. After recent review of the investment accounts, Wilshire and the Executive Director agreed to transfer \$1,450,000 from the Harvest Fund Advisors account to the Cash Account on March 1, 2022.

The meeting adjourned at 8:07 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, March 16, 2022, at 9:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System