

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
FEBRUARY 15, 2023 – 8:00 a.m.
233 E. Fulton, Suite 216

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman David Tryc, Mr. William Butts, Mr. Phillip Mitchell, and Ms. Donijo DeJonge. Absent: Mr. Martin Timkovich and Mr. Nathaniel Moody.

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

Mr. Butts made the motion to excuse the absences of Mr. Timkovich and Mr. Moody. The motion was seconded by Vice Chairman Tryc.

There were no public comments regarding agenda items.

Moved by Ms. DeJonge and seconded by Vice Chairman Tryc, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of January 18, 2023.
- Purchase of Credited Service: As provided for in Chapter 7, Section 1.202.(6) of City Code, the member 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>
Andrew R. Weber	\$15,878.92	24 months

- Retirements: three 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>
Ayers, Robert E.	22 yrs. 4 mo.	04/04/2023	\$70,521.33	\$2,745.39
Coxen, Samuel A.	32 yrs. 8 mo.	03/07/2023	\$58,432.00	\$3,528.80
Konkle, Jeffrey L.	30 yrs. 4 mo.	03/02/2023	\$93,919.00	\$5,803.41

Deferred Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Engvall, Anne M.	14 yrs. 3 mo.	02/01/2023	\$42,842.67	\$1,228.30

VanTill, Roger L. 8 yrs. 0 mo. 02/01/2023 \$42,268.00 \$603.46

- Payment of administrative expenses of \$2,428.87 for the period 01/01/23 – 01/31/23.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 12/31/22. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:
 - \$27,233.73 – Baird Advisors (Fixed Income)
 - \$6,634.85 – BlackRock (Global Low Volatility)
 - \$24,766.94 – CenterSquare Investment Management (Real Estate)
 - \$43,078.00 – Harding Loevner (ADRs)
 - \$41,540.66 – Harvest Fund Advisors (MLPs)
 - \$2,162.71 – NTAM (Equities)
 - \$14,813.25 – Wellington Management Company (Equities)
 - \$35,270.02 – Wellington Management Company (Commodities)
 - \$36,300.95 – Western Asset Management (Fixed Income)
- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 12/31/22 fee as follows:

Benefit Payments	\$7,092.28
Custody	<u>\$8,125.00</u>
Total	\$15,217.28
- Payment of Legal Services fees of \$3,629.00 to VanOverbeke, Michaud & Timmony, P.C. for the period 07/01/22 – 12/31/22.

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$424,152,715 on December 31, 2022. The report was received and filed by the Chairman.

Trustees reviewed an Eligible Domestic Relations Order (EDRO) for Mr. Timothy A. Gilbert. Ms. Korzen stated that an EDRO has been filed to assign a portion of Mr. Gilbert’s retirement benefits to an alternate payee, Denise L. Gilbert, in accordance with the Eligible Domestic Relations Order Act. The EDRO has been reviewed by Gabriel, Roeder, Smith and Company and complies with the General Retirement System plan provisions. The EDRO will become part of Mr. Gilbert’s file and will be paid according to its provisions. The order was received and filed by the Chairman.

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

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 2023. After recent review of the investment accounts, Mr. DiGirolamo and the Executive Director agreed to utilize the \$300,000 in distributions from Private Equity and Private Credit and to transfer \$1,600,000 from the NTAM account to the Cash Account on March 1, 2023.

Ms. Korzen next addressed the issue of the large invoice from Dr. Grof’s Independent Medical Evaluation (IME) of Mr. John Woodard. She stated that she spoke with a representative at IME-PC regarding this and Dr. Grof’s response was that he didn’t invoice for all of his time spent and he won’t be lowering his fee. Ms. Korzen reviewed some of the previous IME invoices from other retirees and noticed that they were usually, at most, in the \$2,000 - \$3,000 range. IME-PC informed Ms. Korzen that if Dr. Grof is asked to review the additional records provided by Ms. Woodard at the December 2022 Board meeting, any addendum that Dr. Grof would write would be quite expensive as well because he reviews all of his previous work. Mr. Michaud commented that if Trustees feel that the fee being charged by Dr. Grof is excessive and not the industry standard, then the Retirement System can contact IME-PC and inform them that we will only pay what the market rate is. While the Retirement System did agree to Dr. Grof’s hourly rate (\$775), they did not agree to the length of time that Dr. Grof is alleging that it took to prepare the report. Ms. DeJonge asked whether the previous IME invoices that were reviewed

included the same amount of records as Mr. Woodard. Ms. Korzen stated that she was not certain without a review of each file. Following Trustee discussion, Chairman Hawkins asked Ms. Korzen to contact IME-PC to revisit this issue and communicate that the Retirement System is only willing to pay for what the going market rate is for an IME. He also suggested communicating to them that going forward, if they are to remain the IME company for the Retirement Systems, that there should be upper fee limits noted to avoid any such future occurrences like this one. Ms. Korzen will contact IME-PC to discuss this matter further and communicate with the Board what she learns at a future Board meeting. Then Trustees can move on to discuss the proper course of action to take regarding Mr. Woodard's re-examination process.

The meeting adjourned at 8:21 a.m.

The next General Retirement System Board Meeting will be held Wednesday, March 15, 2023, at 9:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System