

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
MAY 18, 2022 – 9:39 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, and Mr. Nathaniel Moody. Absent: Ms. Donijo DeJonge.

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

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

There were no public comments regarding agenda items.

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 meeting of March 16, 2022.
- Purchase of credited service by the following General Retirement System members. All calculations have been prepared by this office and verified by the actuary.

Michael F. Johnson	\$13,823.30	24 months
Ronald L. Wigger	\$17,700.30	24 months
- Prior Military Service Purchase. As provided for in Chapter 7, Section 1.202.(5) of City Code, Mr. John S. Wiles has requested to purchase prior military service in the amount of two (2) years, six (6) months, and twenty (20) days. The total amount of \$76,430.72 was calculated by this office and verified by the actuary.
- Retirements: four age & service and one deferred.

Age & Service Retirements:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Fritzen, LuAnn	36 yrs. 1 mo.	06/02/2022	\$63,553.00	\$3,784.92
Holton, Kenneth R.	24 yrs. 3 mo.	06/02/2022	\$74,653.00	\$3,113.04
Jones, Willie T.	21 yrs. 9 mo.	07/05/2022	\$54,408.00	\$2,327.02
Mendez, Karen L.	32 yrs. 0 mo.	04/13/2022	\$70,722.00	\$4,595.46

Deferred Retirement:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Schaub, Thomas L.	30 yrs. 5 mo.	05/01/2022	\$68,730.33	\$4,703.74

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- Payment of administrative expenses of \$12,125.15 for the period 03/01/22 – 04/30/22.
 - **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 03/31/22. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:
 - \$29,251.28 – Baird Advisors (Fixed Income)
 - \$6,999.51 – BlackRock (Global Low Volatility)
 - \$30,320.04 – CenterSquare Investment Management (Real Estate)
 - \$46,824.00 – Harding Loevner (ADRs)
 - \$51,016.92 – Harvest Fund Advisors (MLPs)
 - \$2,868.91 – NTAM (Equities)
 - \$16,887.62 – Wellington Management Company (Small Cap Equities)
 - \$44,494.91 – Wellington Management Company (Commodities)
 - **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 03/31/22 fees as follows:

Benefit Payments	\$7,075.21
Custody	<u>\$8,125.00</u>
Total	\$15,200.21
 - Payment of Legal Services fees of \$777.00 to VanOverbeke, Michaud & Timmony, P.C. for the period 10/01/21 – 12/31/21

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$481,774,972 on February 28, 2022 and \$487,926,220 on March 31, 2022. 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 01/01/22 – 03/31/22 that disclosed a withdrawal of \$48,393.02 by one vested former member. The report was received and filed by the Chairman. (Report on page)

Ms. Korzen presented Trustees with the Quarterly Report of Income for the quarter ending 03/31/22. Total Securities Lending income for the period was \$26,366.36. Total Class Action Settlement receipts for the period were \$712.30. Chairman Hawkins received and filed the report. (Report found on page)

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

Ms. Korzen commented that at the March Board meeting, it was unclear which investment management account funds should be transferred from for Cash Account needs for May and June 2022. After recent review of the investment accounts, Wilshire and the Executive Director agreed to transfer \$1,750,000 from the Wellington Management (Commodities) account to the Cash Account on May 2, 2022 and \$1,150,000 from the Wellington Management (Commodities) account and \$600,000 from the Harvest Fund Advisors account to the Cash Account on June 1, 2022.

Ms. Korzen commented that the Operations Committee reviewed the RFP responses for the actuarial audit. Mr. Timkovich stated that the Retirement System received three responses: 1) Milliman; 2) Segal; and 3) Buck. He commented that Milliman performed the actuarial audit for the Police & Fire Retirement System a few years ago; Buck had the most expensive quote and did not seem to offer any added value over and above the other two candidates. Milliman had the lowest quote. Segal’s quote was \$24,000. It appears that Segal offers some additional commentary and analysis around the investment return assumption. He stated that by choosing Segal that would also give exposure to a third actuary. Segal’s process will likely be different and provide additional analysis which should be beneficial to the Retirement System. Following Trustee discussion, Mr. Timkovich made the motion to hire Segal to conduct the level II actuarial audit for the General Retirement System as outlined in their RFP response. The motion was seconded by Mr. Mitchell and carried.

The meeting adjourned at 9:46 p.m.

The next General Retirement System Board Meeting will be held Wednesday, June 15, 2022, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System