

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
NOVEMBER 16, 2022 – 9:38 a.m.
233 E. Fulton

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

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, Mr. Peter Woldman of Rehmann Robson, and Mr. Jeff Tebeau of Gabriel, Roeder, Smith, and Company.

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

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of September 21, 2022.
- 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>
Wayne T. Wasilenski	\$25,158.76	24 months

- Retirements: four age & service and five revised.

Age & Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Brimmer, Raymond L.	27 yrs. 1 mo.	11/17/2022	\$57,696.00	\$3,415.69
Cusack, Jenny S.	32 yrs. 4 mo.	11/15/2022	\$66,622.67	\$4,430.69
Homrich, Denise M.	15 yrs. 4 mo.	01/04/2023	\$63,822.33	\$1,969.24
Whitley, Carlton A.	19 yrs. 2 mo.	01/07/2023	\$51,094.67	\$1,908.66

Revised Retirements:

Name	Ret. Date	Revised Avg. Salary	Revised Pension	Refer to Minutes
Beal, Ruddie L.	09/16/2022	\$62,298.67	\$2,296.55	09/21/2022
Julien, Monica D.	10/14/2022	\$57,696.00	\$3,430.99	09/21/2022
McHugh, Janice V.	10/01/2022	\$57,696.00	\$2,380.73	08/17/2022
Shepard, Dan S.	10/12/2022	\$57,696.00	\$3,191.82	09/21/2022
Simila, Danny L.	10/04/2022	\$91,665.00	\$3,648.42	09/21/2022

- Payment of administrative expenses of \$10,073.71 for the period 09/01/22 – 10/31/22.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 09/30/22. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:
 - \$26,735.59 – Baird Advisors (Fixed Income)
 - \$6,570.11 – BlackRock (Global Low Volatility)
 - \$26,066.29 – CenterSquare Investment Management (Real Estate)
 - \$38,645.00 – Harding Loevner (ADRs)
 - \$46,196.13 – Harvest Fund Advisors (MLPs)
 - \$2,273.59 – NTAM (Equities)
 - \$14,606.06 – Wellington Management Company (Equities)
 - \$35,772.47 – Wellington Management Company (Commodities)
- Payment of Legal Services fees of \$3,743.60 to VanOverbeke, Michaud & Timmony, P.C. for the period 01/01/22 – 06/30/22

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$439,427,847 on August 31, 2022 and \$407,296,464 on September 30, 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 07/01/22 – 09/30/22; three members withdrew their contributions and interest from the General Retirement System totaling \$110,131.29; two of the members were vested. 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 09/30/22. Total Securities Lending income for the period was \$23,814.37. There were no Class Action Settlement receipts for the period. Chairman Hawkins received and filed the report. (Report found on page)

Mr. Moody made the motion to approve the actuary's recommendation for transfers. (Ending balances in each reserve fund as of June 30, 2022, were assumed to be: Member Deposit Fund - \$35,982,130; Employer Accumulation Fund – (\$116,854,934); Benefit Reserve Fund - \$415,441,943; Income-Expense Fund - \$0). Seconded by Mr. Timkovich, the motion carried. {Mr. Moody left at 9:41 a.m.}

The meeting adjourned at 9:41 a.m.

Mr. Peter Woldman of Rehmann Robson presented Trustees with the annual audit for the fiscal year ending June 30, 2022. Mr. Woldman provided Trustees with highlights from the audit, related statements, and required supplementary information. Some of the highlights included Rehmann's responsibilities, a report on internal controls, significant audit findings, any difficulties encountered in the audit and any disagreements with management. Mr. Woldman noted that the plan is being run efficiently, no unusual items were noted during their testing and there are no issues with the System's internal controls. Mr. Woldman also reviewed the *Independent Auditors' Communication with Those Charged with Governance* report that was provided to Trustees. The reports were received and filed by the Chairman.

Mr. Jeff Tebeau of Gabriel, Roeder, Smith and Company (GRS) presented the 55th Annual Actuarial Valuation for the year ending June 30, 2022. Mr. Tebeau noted that General Retirement System assets equal 77% of computed accrued liabilities. He also noted that the City's contribution rate for the fiscal year beginning 07/01/23 will be 55.54% of covered payroll, as specified in Section 1.221(3) of City Code. He provided a detailed report that included a ratio of active to retired employees of 0.3 to 1, a recognized rate of return of 6.32%, and an initial computed employer rate of 7.53% amortized over a period of 25.15 years. He noted that liabilities exceeded assets (\$136,324,082 debit to unfunded actuarial accrued liability). He noted that the ratio of assets computed under funding value relative to the market value of assets is 102.6% and provided an overview on the projection of future amortization payments. Mr. Tebeau reviewed the derivation of valuation assets and corresponding statistical data and reviewed the section of the report covering risks associated with measuring the accrued liability and actuarially determined contribution. The report was received and filed by the Chairman.

Mr. Tebeau of Gabriel, Roeder, Smith and Company (GRS) provided Trustees with a GASB 67 and 68 review and the GASB 67 Plan Report and Accounting Schedules as of June 30, 2022. Mr. Tebeau reviewed the GASB 67 and 68 tables of information that the City of Grand Rapids needs to complete their reporting. He reviewed the GASB 67 and 68 Plan Report and provided some background on the various tables contained in the report. He noted that the net pension liability as of June 30, 2022 was \$147,795,913 and the net position as a percentage of total pension liability was 74.72%. The single discount rate was 6.75%, as was the long-term expected rate of return. Mr. Tebeau reviewed the schedule of changes in fiduciary net pension, changes in the employer's net pension liability, the schedule of employer's net pension liability, and schedule of contributions. The report was received and filed by the Chairman.

Chairman Hawkins stated that the update on the disability retiree re-examination process will be tabled to the December 21 Board meeting.

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

The next General Retirement System Board Meeting will be held Wednesday, December 21, 2022, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System