

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

MINUTES
REGULAR MEETING
SEPTEMBER 18, 2019 – 8:00 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, Mr. Nathaniel Moody, and Mr. Robert Veenstra.

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

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of August 21, 2019.
- 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.

Michael L. Harris	\$16,047.29	12 months
Michael E. Malcolm	\$26,721.62	24 months

- The following Resolution No. 837.

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

Age & Service Retirement:

Peter T. McWatters, will retire September 20, 2019 from the Police Department as a Police Captain,

Credited Service: Thirty years and eight months

Pension: \$8,334.29,

and . . .

Deferred Retirement:

Donna K. Hillman, will retire October 1, 2019 from the Fire Department as a Fire Lieutenant,

Credited Service: Thirty years and two months

Pension: \$5,561.93,

and . . .

Duty Disability Retirements:

Todd P. Allen, retired September 4, 2019 from the Police Department as a Police Officer,

Credited Service: Twenty-one years and two months
Pension: \$4,674.46,

and . . .

John E. Kurkowski, retired September 4, 2019 from the Fire Department as a Fire Equipment Operator,

Credited Service: Twenty-four years and two months
Pension: \$4,649.32.

RESOLVED, that the retirements be approved.

- Payment of administrative expenses of \$3,195.42 for the period 08/01/19 – 08/31/19.
- **Custody Fees:** The attached invoices from Northern Trust divide the quarter ending 03/31/19 and 06/30/19 fees as follows:

Quarter Ending 03/31/19:

Benefit Payments	\$4,350.45
Custody	<u>\$7,468.23</u>
Total	\$11,818.68

Quarter Ending 06/30/19:

Benefit Payments	\$4,925.18
Custody	<u>\$7,435.06</u>
Total	\$12,360.24

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 10/01/19 – 12/31/19. The Retirement Systems Office staff projected a need for \$3,450,000 to be transferred to the cash account as follows: \$1,150,000 on October 1st, \$1,150,000 on November 1st and \$1,150,000 on December 2nd. Ms. Korzen recommended, and Mr. David Lindberg of Wilshire Associates agreed, making the transfers as follows:

October 1 st	Baird Advisors	\$850,000
	Western Asset Management	\$300,000
November 1 st	To be determined	\$1,150,000
December 2 nd	To be determined	<u>\$1,150,000</u>
Total		\$3,450,000

The report was received and filed by the Chairman. (Cash Account Report found on page)

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$428,458,395 on July 31, 2019. The report was received and filed by the Chairman. (Analysis found on page)

Ms. Korzen next addressed the 13th Check calculations by noting that the five-year average book value rate of return was 5.08% for the Police & Fire Retirement System. Per City Code, in order for a 13th Check to be issued, the five-year average market value rate of return must exceed 8.0%. Therefore, there are not sufficient reserves to issue a 13th Check on January 31, 2020. The report was received and filed by the Chairman.

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

Ms. Korzen noted that the Annual Accounting for the General Retirement System for the period 07/01/18 – 06/30/19 was ready to be reviewed. She noted that it was decided by Trustees to review the Annual Accountings of both retirement systems at the same time each year, and therefore a committee should be established. Mr. Mitchell and Mr. Veenstra volunteered to serve. Chairman Hawkins noted that Ms. Korzen will coordinate a date to review the accountings and the Trustees will report their findings to the Board at a future Board meeting.

The meeting adjourned at 8:03 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, November 20, 2019, at 9:30 a.m., 233 E. Fulton, Suite 216, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System