



CITY OF GRAND RAPIDS  
 POLICE & FIRE RETIREMENT SYSTEM  
 233 E. FULTON, SUITE 216  
 GRAND RAPIDS, MI 49503  
 PHONE: 616-365-5015  
 FAX: 616-288-9509

SUMMER 2017  
 ISSUE A

## *The Retirement Register*

### Summary Report of Plan Operations/Expenses

How much does it cost to manage the Police & Fire Retirement System? For the period 01/01/16 – 12/31/16, it cost the Retirement System a little more than \$1.5 million. Most of this amount (\$951,399) was for investment manager fees. The balance of the expenses, \$594,591, paid for asset custody, auditors, actuaries, attorneys, independent medical evaluations, office rent, staff salaries and training. The costs to run the plan are 0.40% (40 basis points) of the market value of assets, whereas the national average is higher (0.56%, 56 basis points). All fees and expenses are paid in cash, as the Plan does not employ soft dollar arrangements. Audits, annual accountings, and actuarial valuations may be reviewed at the Retirement Systems Office.

### Funded Status

<u>Actuarial Accrued Liabilities</u>	<u>Applied Assets</u>	<u>% Funded</u>
\$479,362,227	\$399,808,165	83.4%

### Police & Fire Retirement System Investments and Allocations

Market values for the City of Grand Rapids Police & Fire Retirement System assets as of May 31, 2017 were as follows:

	<u>May 31, 2017</u>	<u>Target Allocation by Asset Class</u>	
Aberdeen Asset Management (Private Equity)	\$4,287,226	Equities	22.5%
Adams Street Partners (Private Equity)	\$8,264,572	Non-U.S. Equities	22.5%
Baird Advisors (Fixed Income)	\$47,704,709	Fixed Income	25.0%
Brown Brothers Harriman (TIPS)	\$37,770,755	Real Estate	5.0%
CBRE Clarion (Real Estate)	\$18,614,750	MLPs	5.0%
Harding Loevner (ADRs)	\$33,127,858	TIPS	10.0%
Harvest Fund Advisors (MLP)	\$19,509,383	Private Equity	5.0%
Neuberger Berman (International Equity)	\$64,499,630	Commodities	5.0%
Northern Trust Asset Management (S&P 500 Index)	\$64,603,304		
PIMCO StocksPlus (Enhanced Index)	\$12,198,570		
Wellington Management Company (Small Cap Equity)	\$26,035,145		
Wellington Management Company (Commodities)	\$13,840,929		
Western Asset Management (Fixed Income)	\$48,044,044		
Cash Account	<u>\$4,744,783</u>		
Total Assets:	\$403,245,658		

## *New Retirees*

The Trustees and staff of the Police & Fire Retirement System are pleased to congratulate the following new retirees:

Karl Holzhueter	(Police)	01/02/17	Donald VanDyke	(Fire)	02/10/17
Martin Rietman	(Police)	01/02/17	James Meeker	(Police)	02/22/17
Jeffrey Smith	(Fire)	01/03/17	Scott Weitzel	(Police)	02/22/17
Daniel Stoddard	(Fire)	01/04/17	David Leonard	(Police)	04/11/17
William Keiser	(Police)	01/18/17	Daniel Kersjes	(Fire)	04/24/17
Stephen LaBrecque	(Police)	01/20/17	Torey Whitten	(Police)	05/19/17
Barton Perry	(Fire)	01/20/17	Mark Worch	(Police)	05/20/17
Rebecca Whitman*	(Police)	02/01/17	John Keelean*	(Police)	06/01/17

\*Deferred member

## *In Memory of Departed Friends*

Barbara Brechting*	12/02/16	Steven Christians	02/06/17	Leon Williams	05/02/17
James Kuipers	12/09/16	Jean Herring*	02/10/17	Betty Miller*	05/06/17
Linda Roelofs*	12/10/16	Marjorie VanTuinen*	02/12/17	Nadeine Avink*	05/17/17
John DeYoung	12/27/16	Earl Wood	02/26/17	Edwin Szotko	05/23/17
Joel Stinson	01/07/17	Raymond Donahue	02/28/17	Frank Noor	05/29/17
Rose Ostrowski*	01/18/17	Darrell Fase	04/01/17	Aileen Nichols*	06/03/17
John Barnes	01/21/17	Pamela Carrier	04/05/17	John Oracz	06/04/17
Judith Steiner*	01/21/17	Jeffery Peterson	04/12/17		
Ray Riddle	01/28/17	Raymond Dingman	04/24/17		

\*Denotes Beneficiary

## *Credited Service Purchase Rates and Final Average Salary Adjustment Factor Information*

Active members may elect to purchase up to forty-eight (48) months of additional credited service. The cost as of 07/01/17 for Police Officers/Sergeants, Police Command and Fire Fighters is:

<u>Group</u>	<u>Rate</u>	<u>Group</u>	<u>Rate</u>
Police Officers hired prior to 12/20/11	20.26%	Fire Fighters hired prior to 01/20/12	18.36%
Police Command hired prior to 12/20/11	19.40%	Fire Fighters hired on or after 01/20/12	13.11%
Police Officers hired on or after 12/20/11	14.47%		
Police Command hired on or after 12/20/11	13.86%		

Any permanent, full-time uniformed member of the Police & Fire Retirement System is eligible for this purchase. The purchase can be accomplished by a lump sum payment, payroll deduction (on a pre-tax or after-tax basis) for up to five years, a combination of an initial lump sum after-tax payment and payroll deduction, or a lump sum rollover from the member's deferred compensation account. Please make sure that if you purchase credited service you will not exceed your bargaining unit's credited service cap (years of service plus credited service purchased).

The Final Average Salary Adjustment Factors for retirement dates of 07/01/17–06/30/18 are as follows:

Police: 12.6%      Fire: 9.8%