

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

MINUTES
REGULAR MEETING
AUGUST 17, 2016 – 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. Jon O'Connor, and Mr. Phillip Mitchell. Absent: Mr. Thomas VanderPloeg and Ms. Jane Hofmeyer.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, and Mr. Stephen Blann and Ms. Angie DeGennaro of Rehmann Robson.

Vice Chairman VanderWall made the motion to excuse the absences of Mr. VanderPloeg and Ms. Hofmeyer. The motion was seconded by Mr. Balkema and carried.

There were no public comments regarding agenda items.

Moved by Mr. Balkema and seconded by Mr. O'Connor, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of June 15, 2016.
- Purchase of credited service by the following Police & Fire Retirement System members:

Stanley C. Burns	\$20,415.10	24 months
Douglas S. Carley	\$16,530.54	17 months
Patrick B. Dean	\$66,331.36	48 months
Kristen K. Gibbons	\$41,219.85	36 months
Allen J. Hite	\$54,959.80	48 months
Peter T. McWatters	\$18,807.09	12 months
Lawrence B. Poleski	\$15,402.02	12 months
Martin F. Rietman	\$27,282.20	24 months
Scott A. Weitzel	\$50,322.42	36 months
Mark C. Worch	\$41,101.23	36 months
- Purchase of military leave of absence – as provided for in Chapter 7, Section 1.243 (2) of City Code, Mr. Scott D. Klawon has requested to purchase the period of credited service during which he was on leave of absence for active military service. The period of service to be purchased is twenty-one (21) days. Mr. Klawon has requested to purchase his leave of absence by pre-tax payroll deduction. The amount due of \$441.60 was calculated and verified by the Retirement Systems Office.
- The following Resolution No. 812.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received requests for three Age and Service, one Deferred, one Death in Service, and one revised retirement from the following members of the plan:

Age and Service Retirements:

Stanley C. Burns, retired July 22, 2016 from the Fire Department as a Fire Fighter,

Credited Service: Thirty-two years

Pension: \$5,123.72,

and . . .

Mark D. Mathis, will retire August 17, 2016 from the Police Department as a Police Lieutenant,

Credited Service: Thirty-one years and six months

Pension: \$7,272.93,

and . . .

Jeffrey A. Steere, will retire August 22, 2016 from the Fire Department as a Fire Equipment Operator,

Credited Service: Thirty-three years and nine months

Pension: \$5,258.77,

and . . .

Deferred Retirement:

Joseph M. Garcia, retired July 1, 2016 from the Police Department as a Police Officer,

Credited Service: Twenty-five years and seven months

Pension: \$4,207.04,

and . . .

Death in Service Retirement:

Aubrey M. Knisley and Zoe Chrzan, dependent children of David R. Knisley, Fire Lieutenant, deceased May 8, 2016

Credited Service: Twenty-one years and four months

Death-in-Service Dependent Child Allowance of \$986.37 to each child,

and . . .

Revised Retirement:

Scott DeVoll, retired July 5, 2016 from the Fire Department as a Fire Lieutenant,

Credited Service: Thirty-three years and five months

Revised Pension: \$5,495.48.

RESOLVED, that the retirements be approved.

- Payment of administrative expenses of \$18,142.25 for the period 06/01/16 – 07/31/16.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 06/30/16. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

- \$25,154.64 – Baird Advisors (Fixed Income)
- \$35,369.82 – CBRE Clarion (Real Estate)
- \$37,524.00 – Harding Loevner (ADRs)
- \$38,428.43 – Harvest Fund Advisors (MLPs)
- \$6,726.35 – NTAM (Equities)
- \$35,221.83 – Wellington Management Company (Equities)
- \$26,098.88 – Wellington Management Company (Commodities)
- \$35,549.88 – Western Asset Management (Fixed Income)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 06/30/16 fee as follows:

Benefit Payments	\$5,268.06
Custody	<u>\$7,452.36</u>
Total	\$12,720.42

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$377,415,130 on June 30, 2016 and \$386,757,420 on July 31, 2016. 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 04/01/16 – 06/30/16. Two non-vested members withdrew a combined total of \$21,606.07. 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 06/30/16. Total Securities Lending income for the period was \$23,403.45. Total Class Action Settlement receipts for the period were \$33,096.71. Chairman Hawkins received and filed the report. (Report found on page)

Mr. Stephen Blann and Ms. Angie DeGennaro of Rehmann Robson presented Trustees with the annual audit for the fiscal year ending December 31, 2015. Mr. Blann commented that the report incorporates the early implementation of GASB 72 disclosures. He noted that based upon the controls presently in place, there are no issues. Mr. Blann highlighted some of the features of the statements; he

noted that there were no issues with the Retirement Systems Office staff. He also reviewed some of the highlights from the Notes to Financial Statements and Required Supplementary Information sections. Mr. Blann reviewed the Audit Communication report provided by Rehmann and presented some of its highlights. The reports were received and filed by the Chairman.

Ms. Korzen next presented an update on the disability retiree re-examination process and noted that Dr. John Flood conducted a medical records review for Ms. Jamie Chianfoni and stated his opinion that Ms. Chianfoni is not physically and mentally able and capable of resuming her duty as a Police Officer and the incapacity is likely to be permanent; therefore, she should continue to be retired as disabled. She also noted that Dr. Michael Grof conducted a medical records review for Mr. David Pyle and stated his opinion that Mr. Pyle is not physically and mentally able and capable of resuming his duty as a Fire Lieutenant and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled.

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

Ms. Korzen reported that The Northern Trust Company completed their annual retiree data verification of the Police & Fire Retirement System's retirees and beneficiaries. There were no deceased retirees or beneficiaries reported on the list that the office was unaware of.

Ms. Korzen commented that at the June Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for August and September 2016. After recent review of the investment accounts, Mr. Ruscetti and the Executive Director agreed to transfer \$1,000,000 from the Harvest Fund Advisors account and \$625,000 from the Northern Trust Asset Management account to the Cash Account on August 1, 2016 and \$750,000 from the Northern Trust Asset Management account, \$375,000 from the Western Asset Management account, and \$500,000 from the Harvest Fund Advisors account to the Cash Account on September 1, 2016.

The meeting adjourned at 8:15 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, September 21, 2016, at 8:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System