

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

MINUTES
REGULAR MEETING
JUNE 15, 2016 – 9:22 a.m.
233 East Fulton

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman Craig VanderWall, Mr. Thomas VanderPloeg, Mr. Philip Balkema, Ms. Jane Hofmeyer, and Mr. Phillip Mitchell. Absent: Mr. Jon O'Connor.

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

Mr. Balkema made the motion to excuse the absence of Mr. Jon O'Connor. The motion was seconded by Mr. VanderPloeg and carried.

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 May 11, 2016.
- Purchase of credited service by the following Police & Fire Retirement System member:

Michael A. Blumke	\$42,364.39	37 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 five (5) days. The amount due of \$194.83 was calculated and verified by the Retirement Systems Office.
- The following Resolution No. 811.

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

Age & Service Retirements:

Paul E. Johnson, will retire July 17, 2016 from the Police Department as a Police Officer,

Credited Service: Twenty-six years and six months

Pension: \$4,543.17,

and. . .

Roger R. Singleton, will retire July 7, 2016 from the Police Department as a Police Officer,

Credited Service: Twenty-nine years

Pension: \$4,960.96,

and. . .

Joseph M. Worthy, will retire July 15, 2016 from the Police Department as a Police Officer,

Credited Service: Twenty-five years

Pension: \$4,023.84.

RESOLVED, that the retirements be approved.

- Payment of administrative expenses of \$494.01 for the period 05/01/16 – 05/31/16.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 03/31/16. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$34,396.28 – Western Asset Management (Fixed Income)

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/16 – 09/30/16. The Retirement Systems Office staff projected a need for \$4,875,000 to be transferred to the cash account as follows: \$1,625,000 on July 1st, \$1,625,000 on August 1st and \$1,625,000 on September 1st. Ms. Korzen recommended, and Mr. Marlin Pease of Wilshire Associates agreed, making the transfers as follows:

July 1 st	Harvest Fund Advisors	\$500,000
	Neuberger Berman	\$500,000
	NTAM	\$625,000
August 1 st	To be determined	\$1,625,000
September 1 st	To be determined	<u>\$1,625,000</u>
Total		<u>\$4,875,000</u>

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

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$375,117,852 on April 30, 2016 and \$376,193,546 on May 31, 2016. The reports were received and filed by the Chairman. (Analyses found on pages)

The actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the period of 07/01/16 – 06/30/17 was presented to Trustees. The annual fee requested is \$32,920, in quarterly increments of \$8,230, which represents an \$320 increase (approximately 1.0%) over last year’s fee. GRS has requested a fee not to exceed \$10,000 for GASB 67 required reporting. Ms. Korzen noted that it has been suggested by GRS to combine the GASB 67 (for the Retirement System) and GASB 68 (for the City)

reports into one as all but four pages are the same information. If the two reports were combined into one report, it would save the Retirement System and the City money. Following Trustee discussion, it was agreed to have Ms. Korzen pursue having GRS issue one combined GASB 67/68 report. Ms. Korzen stated that if the two reports are combined, it would not impact the timing for the report. Mr. Balkema made the motion to approve the renewal retainer fee request with Gabriel, Roeder, Smith and Company. The motion was seconded by Mr. VanderPloeg and carried.

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

Ms. Korzen commented that at the March Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for June 2016. After recent review of the investment accounts, Mr. Pease and the Executive Director agreed to transfer \$1,000,000 from the PIMCO account and \$375,000 from the Western Asset Management account to the Cash Account on June 1, 2016.

The meeting adjourned at 9:25 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, August 17, 2016, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System