

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

MINUTES  
REGULAR MEETING  
SEPTEMBER 16, 2015 – 9:15 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, and Mr. Elias Lumpkins, Jr. Absent: Mr. J. Patrick Scripps and Ms. Jane Hofmeyer.

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

Vice Chairman VanderWall made the motion to excuse the absences of Mr. Scripps and Ms. Hofmeyer. 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 August 19, 2015.
- Purchase of credited service by the following Police & Fire Retirement System members:

Randall S. Bosch	\$20,877.20	24 months
Denis A. Hatt	\$42,003.84	48 months
- The following Resolution No. 804.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received a request for one Age & Service retirement from the following member of the plan:

**Age & Service Retirement:**

Daniel S. Lind, will retire September 22, 2015 from the Police Department as a Police Lieutenant,

Credited Service: Thirty-one years and two months

Pension: \$6,196.05.

RESOLVED, that the retirement be approved.

- Payment of administrative expenses of \$7,039.04 for the period 08/01/15 – 08/31/15.
- Payment of Legal Services fees of \$4,140.00 to VanOverbeke, Michaud & Timmony, P.C. for the period 01/01/15 – 06/30/15.

**The motion carried.**

Ms. Korzen next presented a report of Cash Account transfers for the period 10/01/15 – 12/31/15. The Retirement Systems Office staff projected a need for \$3,650,000 to be transferred to the cash account as follows: \$1,250,000 on October 1<sup>st</sup>, \$1,200,000 on November 2<sup>nd</sup> and \$1,200,000 on December 1<sup>st</sup>. Ms. Korzen recommended, and Mr. Nick Sefchok of Wilshire Associates agreed, making the transfers as follows:

October 1 <sup>st</sup>	Wellington Mgmt. Co. (Equities)	\$1,250,000
November 2 <sup>nd</sup>	To be determined	\$1,200,000
December 1 <sup>st</sup>	To be determined	<u>\$1,200,000</u>
Total		\$3,650,000

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 \$378,998,278 on August 31, 2015. The report was received and filed by the Chairman. (Analysis found on page )

The Executive Director next presented a request for a duty disability retirement request by Mr. Russell D. Taylor. Mr. Balkema made the motion to go into closed session for the purpose of discussing Mr. Taylor’s duty disability retirement request, information that is exempt from the Freedom of Information Act and is also medically privileged, and to include Ms. Korzen, Mr. Michaud, and Ms. Balkema. The motion was seconded by Mr. VanderPloeg and carried. Roll call vote: yeas: 5, nays: 0. Following the return to open session, Mr. VanderPloeg made the motion to approve the duty disability retirement request for Mr. Russell D. Taylor. The motion was seconded by Vice Chairman VanderWall and carried.

The Executive Director next presented a request for a duty disability retirement request by Mr. James R. Watson. Mr. Balkema made the motion to go into closed session for the purpose of discussing Mr. Watson’s duty disability retirement request, information that is exempt from the Freedom of Information Act and is also medically privileged, and to include Mr. Watson, Ms. Korzen, Mr. Michaud, and Ms. Balkema. The motion was seconded by Vice Chairman VanderWall and carried. Mr. Watson asked to permit Mr. McWatters to also remain in the closed session. Roll call vote: yeas: 5, nays: 0. Following the return to open session, Mr. VanderPloeg made the motion to approve the duty disability retirement request for Mr. James R. Watson. The motion was seconded by Mr. Balkema and carried. {Mr. VanderPloeg left the meeting at 9:46 a.m.} Mr. Balkema commented that he could see no evidence of anything in Mr. Watson’s past that would lead to any other conclusion that that the disability was caused by the event of an on-duty incident.

Ms. Korzen presented Trustees with a request by BDO USA for additional fees for the 12/31/14 audit. The additional fee requested is \$900.00 and is for the additional work related to GASB 67 disclosures. Mr. Balkema made the motion to approve the additional fee of \$900.00 for BDO USA as requested. The motion was seconded by Vice Chairman VanderWall and carried.

The Executive Director next presented a draft policy for Retiree Verification. She stated at last month’s Board meeting Trustees expressed an interest in having a policy regarding retiree verification on a regular basis to supplement the annual report provided by The Northern Trust Company. She noted that the policy allows for three different notices to be sent to a retiree/beneficiary. If the retiree/beneficiary does not comply with the first request in the allotted time frame, then a second notice would be sent and if the retiree/beneficiary does not comply with the second request, then a third and final notice would be sent. If the retiree/beneficiary still does not comply after receiving the third notice, his/her pension payments will be suspended until he/she does comply with the request. Ms. Korzen said that these letters would likely be sent out annually in February. Mr. Balkema commented that there is a provision in the policy that states if the retiree/beneficiary does not complete and return the form to the Retirement Systems Office within the allotted time frame, this may result in the suspension or termination of his/her benefits. He questioned the word terminated as he does not believe Trustees have the authority to terminate the benefits for non-compliance. Ms. Korzen stated she would remove the word termination. Mr. Balkema commented that the retiree/beneficiary needs to have his/her signature witnessed. He stated that this may difficult for some people. He suggested that it should be noted on the questionnaire which fields are required and which are optional for the retiree/beneficiary to complete. Ms. Korzen commented that the reference to “monthly pension check” will be changed to “monthly pension payment” as it was suggested in the General Retirement System meeting. Mr. Michaud stated that this form has been utilized by other systems and if there is a need to fine tune the form,

especially after the first year that it is used, it can be revised. Ms. Korzen commented that Northern Trust informed the Retirement Systems Office this year that the Social Security records are not as thorough as they once were; implementing this procedure on an annual basis would be a prudent step to help complement Northern's report. Mr. Balkema asked if the Retirement Systems Office would be including a self-addressed stamped envelope to return the questionnaire; Ms. Korzen said only if it gets to the third notice. Mr. Balkema stated that the envelope could be provided just on the first request and would perhaps make it easier for people to respond. Ms. Korzen asked Mr. Michaud if that is common practice; Mr. Michaud said typically systems do not provide a self-addressed stamped envelope as it is a retiree/beneficiary obligation to verify their information; however, it is the Trustees' decision on whether or not to include one. Ms. Korzen stated that Trustees can decide that when the draft policy is brought back with the revisions. Ms. Korzen stated that while staff cannot investigate any individual person through Northern Trust, Gabriel, Roeder, Smith & Company has provided access to staff through their portal to check individual social security numbers. Ms. Korzen stated that if it becomes an issue having to check a large number of retirees/beneficiaries due to a non-response, then she can check into the various products that offer these types of services and their prices and report back to Trustees. Ms. Korzen will note the Trustee concerns that were voiced today, discuss them with Mr. Michaud and provide a revised draft at the October 2015 Board meeting.

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

Ms. Korzen noted that the Annual Accounting for the period 01/01/14 – 12/31/14 is now ready for review as it was decided by Trustees to review the Annual Accountings for the General and Police & Fire Retirement Systems at the same time each year, and therefore a committee needs to be established. Chairman Hawkins and Vice Chairman VanderWall volunteered to serve. Chairman Hawkins noted they have agreed upon a date to review the accountings and will report their findings to the Board at the October 21, 2015 Board meeting.

The meeting adjourned at 9:48 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, October 21, 2015, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
Police & Fire Retirement System