

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

MINUTES
REGULAR MEETING
AUGUST 15, 2018 – 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. Thomas VanderPloeg, Mr. Philip Balkema, Mr. Phillip Mitchell, and Ms. Donijo DeJonge.

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

Chairman Hawkins noted that the City appointed City Commissioner Nathaniel Moody to be the new Employer Trustee for the Board, at last night's City Commission meeting.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of June 20, 2018.
- Purchase of credited service by the following Police & Fire Retirement System members:

Marla K. Booher	\$59,028.72	48 months
Susan E. Clare	\$59,028.72	48 months
Joseph W. Dubay	\$20,921.34	20 months
Lyle T. Frederickson	\$49,843.00	48 months
Darren P. Geraghty	\$66,339.36	48 months
Michael W. Nagel	\$19,675.75	16 months
John E. Purlee	\$66,339.36	48 months
David J. Siver	\$33,169.68	24 months
Mary J. Woronko	\$55,339.43	45 months
Todd E. Wuis	\$59,028.72	48 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-three (23) days. Mr. Klawon has requested to purchase his leave of absence by pre-tax payroll deduction. The amount due of \$759.63 was calculated and verified by the Retirement Systems Office.
- The following Resolution No. 827.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received requests for one age & service, one deferred, and one duty disability retirement from the following members of the plan:

Age & Service Retirement:

Mark D. Radius, will retire August 23, 2018 from the Fire Department as a Fire Equipment Operator,

Credited Service: Thirty years

Pension: \$5,202.22,

and . . .

Deferred Retirement:

Gregory J. Rekucki, retired August 1, 2018 from the Police Department as a Police Officer,

Credited Service: Eighteen years and four months

Pension: \$2,240.65,

and . . .

Duty Disability Retirement:

Michael R. Lundeen, retired July 3, 2018 from the Fire Department as a Fire Fighter,

Credited Service: Nineteen years and five months

Pension: \$4,523.85.

RESOLVED, that the retirements be approved.

- KEIP participants: The Board of Trustees of the Police and Fire Retirement System has received requests by two members of the plan to join the KEIP Program:

<u>Bruce D. Veldkamp</u> ,	Battalion Fire Chief
KEIP Date:	August 15, 2018
Tentative KEIP End Date:	August 14, 2023
KEIP Benefit:	\$6,466.88

<u>Mary J. Woronko</u> ,	Police Officer
KEIP Date:	August 31, 2018
Tentative KEIP End Date:	August 30, 2023
KEIP Benefit:	\$6,949.06

- Payment of administrative expenses of \$18,805.66 for the period 06/01/18 – 07/31/18.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 06/30/18. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$27,017.15 – Baird Advisors (Fixed Income)
 \$36,323.53 – CBRE Clarion (Real Estate)
 \$43,971.00 – Harding Loevner (ADRs)
 \$37,530.97 – Harvest Fund Advisors (MLPs)
 \$7,026.25 – NTAM (Equities)
 \$39,353.04 – Wellington Management Company (Equities)
 \$34,184.37 – Wellington Management Company (Commodities)
 \$37,805.91 – Western Asset Management (Fixed Income)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 06/30/18 fee as follows:

Benefit Payments	\$5,575.51
Custody	<u>\$7,422.38</u>
Total	\$12,997.89

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$419,345,638 on June 30, 2018 and \$425,507,141 on July 31, 2018. 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 04/01/18 – 06/30/18. No member contributions were withdrawn. One KEIP member withdrew his KEIP funds totaling \$60,716.26 from the Police & Fire Retirement System. 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 06/30/18. Total Securities Lending income for the period was \$19,762.61. Total Class Action Settlement receipts for the period were \$2,121.27. Chairman Hawkins received and filed the report. (Report found on page)

Ms. Korzen next presented an update on the disability retiree re-examination process, noting 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. Ms. DeJonge requested to go into closed session for the purpose of discussing Ms. Chianfoni’s medical records review, 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. Mitchell and carried. Roll call vote: yeas: 6, nays: 0. Following Trustee discussion, the open meeting resumed.

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

Ms. Korzen next addressed the 13th Check calculations by noting that the five-year average book value rate of return was 7.56% 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, 2019. The report was received and filed by the Chairman.

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 2018. After recent review of the investment accounts, Mr. Lindberg and the Executive Director agreed to transfer \$1,350,000 from the NTAM account to the cash account on August 1, 2018 and \$1,350,000 from the NTAM account to the cash account on September 4, 2018.

Mr. Balkema noted that Mr. John Klomparens, retired Police Officer, recently passed away; Trustees observed a moment of silence in his memory.

The meeting adjourned at 8:12 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, September 19, 2018, at 8:30 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System