

GENERAL RETIREMENT SYSTEM
and
POLICE and FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
JOINT MEETING
DECEMBER 21, 2022 – 9:30 a.m.
233 East Fulton

The meeting was called to order by Chairman Hawkins. Other members present: Mr. David Tryc, Mr. Craig VanderWall, Mr. Martin Timkovich, Mr. Philip Balkema, Mr. Bill Butts, Mr. Phillip Mitchell, Ms. Donijo DeJonge, Mr. Nathaniel Moody, and Mr. Justin Ewald.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement Systems, Mr. Thomas Michaud, Legal Advisor to the Boards, and Mr. William Fabiano.

There were no public comments regarding agenda items.

Mr. VanderWall made the motion to approve the minutes of the Joint Meeting of September 21, 2022. The motion was seconded by Mr. Butts and carried.

Ms. Korzen next presented a proposal to Trustees for Internet and phone service for the Retirement Systems office. She stated that the office has had the current service providers for Internet (Xfinity), phones (Quantum Leap), and backup Internet (U.S. Signal) for approximately the past 7 ½ years. She stated the cost for U.S. Signal will be increasing soon due to them moving from copper to fiber. She provided a comparison between the current monthly costs for Internet, fax line, phones, and backup Internet and the proposal from AT&T. She stated that if a switch was made to AT&T, there is also a possibility that the Retirement Systems may no longer need their Zoom account as Office@Hand includes video conferencing. Following Trustee discussion, Mr. Butts made the motion to switch the Internet, phones, and backup Internet providers to AT&T as outlined in the Executive Director's proposal. The motion was seconded by Mr. Ewald and carried.

Chairman Hawkins requested to go into closed session to discuss the performance evaluation of the Executive Director. Mr. Tryc made the motion to go into closed session to discuss the performance evaluation of the Executive Director. The motion was seconded by Mr. VanderWall and carried. Roll call vote: yeas: 10, nays: 0. Trustees concluded their closed session and re-entered open session. Chairman Hawkins commented that per the evaluations received from Trustees, the Executive Director is doing a stellar job at the highest level. Following Trustee discussion, Mr. Balkema made the motion to approve a salary increase of 4% for 2023. The motion was seconded by Mr. Mitchell and carried. Ms. Korzen noted that it is likely that she will be retiring sometime within the next 13 months. Chairman Hawkins stated that Trustees need to formalize a search process for her replacement. He stated he will have information at the next Joint Board meeting regarding this process and how Trustees might proceed going forward. Mr. Timkovich asked if the current staffing levels are appropriate; Ms. Korzen stated yes. Mr. VanderWall asked how long it would take to transition in the new Executive Director. Ms. Korzen stated that it depends upon the person hired and how much retirement system experience he/she may have. If the person has little experience, then she postulated that it might take a few months to get the new person up to speed. Mr. Mitchell asked if it would be safe to hire from within; Mr. Michaud stated that is an option. Mr. Balkema stated that before Ms. Korzen became the Executive Director, she worked with the previous Executive Director, Mr. Henry Vry, for several months to help make the transition smooth. Mr. Balkema stated that the Retirement Systems are more complex now than in the past. Ms. Korzen noted that she could have the Executive Director position posted on MAPERS' website. Chairman Hawkins stated that there will likely be a committee formed to review the applicants and they will make a recommendation to the full Board on who to interview for the position. Mr. Michaud stated that the process should include a job description, salary requirements, posting of the position, and review by Trustees. He noted that this type of position is not easy to fill. Mr. Timkovich asked how Trustees will know if they have the right salary requirements listed for the position. Mr. Michaud stated that the MAPERS community could be consulted on this issue. Ms. Korzen stated that she could certainly do this; however, there are not many other retirement systems in Michigan that are structured like Grand Rapids so it may not be an apples to apples comparison. Ms. DeJonge asked if the investment piece for the Retirement

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Systems can be outsourced. Chairman Hawkins stated that is a possibility. Mr. Michaud stated that the investment portion could be outsourced completely to a 3rd party and perhaps the benefit administration as well, but the benefit administration is generally handled by the municipalities. Mr. Balkema cautioned Trustees as the ordinance has specific provisions on how the administration of the Retirement Systems is to be carried out. Chairman Hawkins stated he will bring information to Trustees on all of these issues to the January meeting.

The Executive Director next discussed the annual distribution election for Grosvenor Capital Management (GCM). The annual distribution for 2022 is an amount equal to 5% of the portfolio's net asset value in the fund as of January 1, 2022. Based on the net asset value of the portfolio as of January 1, 2022, the annual distribution amount is \$807,139.24 for each system. She stated that in the past, Wilshire had recommended that these funds be reinvested into the portfolios; however, this year Wilshire is recommending that the distributions are taken rather than reinvested, as the accounts are slightly overfunded. Mr. Mitchell made the motion on behalf of the Police & Fire Retirement System to take the distribution of \$807,139.24. The motion was seconded by Mr. VanderWall and carried. Mr. Timkovich made the motion on behalf of the General Retirement System to take the distribution of \$807,139.24. The motion was seconded by Mr. Tryc and carried.

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

Ms. Korzen noted that the Retirement Systems Assistant, Ms. Lori Fairman, has signed her retirement papers and will be retiring March 3, 2023. Ms. Korzen has started the process of replacing Ms. Fairman's position, through the City's Human Resources Department. The position has already closed and she is waiting for a list of qualified applicants to review. She stated that she may ask some Trustees to sit in on interviews with the candidates who have passed the Civil Service exam. She hopes to have Ms. Fairman's replacement in place sometime in February to allow for a few weeks of overlap.

The Executive Director commented that mailing retiree newsletters has become a rather large expense and in the last newsletter it was noted that future newsletters will be available on the Retirement Systems' website only. Retirees can contact the office if they would still prefer a paper copy. She asked Trustees if they would be agreeable to hire an email service that could email the newsletters to retirees. Trustees agreed this would be beneficial and the ability to visit the website to download the newsletters would still be available. Ms. Korzen stated that a mailing will be sent to retirees/beneficiaries to obtain their email information.

Chairman Hawkins noted his sincerest appreciation for Vice Chairman VanderWall's 22 years of service as Fire Member Trustee. Trustees thanked him for his service. Chairman Hawkins noted that Vice Chairman VanderWall will be receiving a plaque for his dedicated service from the Board. Trustees welcomed Mr. Fabiano to the Board and stated that they look forward to working with him.

The meeting adjourned at 10:03 a.m.

The next Joint Meeting of the General and Police & Fire Retirement System Boards will be held Wednesday, January 18, 2023, at 8:05 a.m., 233 E. Fulton, Suite 216, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General and Police & Fire Retirement Systems