

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

MINUTES
REGULAR MEETING
JANUARY 15, 2020 – 10:07 a.m.
300 Monroe Avenue NW

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman Craig VanderWall, Mr. Philip Balkema, Mr. Phillip Mitchell, Ms. Donijo DeJonge, and Mr. Robert Veenstra. Absent: Mr. Nathaniel Moody.

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

Mr. Veenstra made the motion to excuse the absence of Mr. Moody. The motion was seconded by Mr. Balkema and carried.

There were no public comments regarding agenda items.

Moved by Vice Chairman VanderWall and seconded by Mr. Veenstra, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meetings of November 20, 2019 and December 18, 2019.
- Purchase of credited service by the following Police & Fire Retirement System members. All calculations have been prepared by this office and verified by the actuary.

Kevin J. Gilbert	\$32,094.58	24 months
Eugene Laudenslager, Jr.	\$64,189.20	48 months
Richard A. Lewis	\$32,094.60	24 months
Paul R. Mesman	\$37,443.17	28 months
Ryan M. Sparks	\$63,583.48	48 months

Purchase of military leave of absence – as provided for in Chapter 7, Section 1.243(2) of City Code, Mr. Matthew R. Gonzalez and Mr. Benjamin J. Ingersoll have requested to purchase the periods of credited service during which they were on a leave of absence for active military service. Mr. Gonzalez has requested to purchase six (6) days; the cost is \$275.42. Mr. Ingersoll has requested to purchase eleven (11) months and four (4) days; the cost is \$6,195.00. The amounts due were calculated and verified by the Retirement Systems Office.

- The following Resolution No. 839.

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

Age & Service Retirements:

David L. Bouwkamp, retired January 3, 2020 from the Police Department as a Police Officer,

Credited Service: Twenty-nine years and three months

Pension: \$5,265.31,

and . . .

Susan E. Clare, will retire January 28, 2020 from the Police Department as a Police Officer,

Credited Service: Thirty years and four months

Pension: \$5,544.95,

and . . .

Kevin J. Gilbert, retired January 7, 2020 from the Police Department as a Police Officer,

Credited Service: Thirty years and one month

Pension: \$5,419.64,

and . . .

Anthony B. Hedges, retired January 7, 2020 from the Fire Department as a Fire Captain Fleet & Facility Maintenance,

Credited Service: Twenty-eight years and eight months

Pension: \$5,903.98,

Mr. Hedges has an alternate payee, Marjorie B. Hedges, who receives the actuarial equivalent of \$895.26 per month,

and . . .

David A. Johnston II, retired January 4, 2020 from the Police Department as a Police Officer,

Credited Service: Twenty-eight years

Pension: \$5,185.14,

and . . .

Robert C. Mercier, retired January 4, 2020 from the Police Department as a Police Officer,

Credited Service: Twenty-nine years

Pension: \$5,217.16,

and . . .

Paul R. Mesman, will retire January 25, 2020 from the Police Department as a Police Officer,

Credited Service: Thirty-three years and eight months

Pension: \$6,445.52,

and . . .

Helen E. Wu, will retire January 17, 2020 from the Police Department as a Police Officer,

Credited Service: Twenty-eight years

Pension: \$5,644.24,

and . . .

Non-Duty Disability Retirement:

Douglas E. Brow, retired December 3, 2019 from the Police Department as a Police Officer,

Credited Service: Twenty-three years and six months

Pension: \$4,660.33,

and . . .

Deferred Early Retirement:

Brenda L. Walters, surviving spouse of Randall D. Walters, retired January 1, 2020 from the Fire Department as an Emergency Medical Services Coordinator,

Credited Service: Fourteen years and two months

Pension: \$2,001.39.

RESOLVED, that the retirements be approved. Mr. Balkema commented that the City will be losing several good employees with a long service record and thanked them for their service.

- KEIP participant: The Board of Trustees of the Police and Fire Retirement System has received a request by one member of the plan to join the KEIP:

KEIP Entry

<u>Patrick B. Dean</u> ,	Police Lieutenant
KEIP Date:	February 4, 2020
Tentative KEIP End Date:	February 3, 2025
KEIP Benefit:	\$7,201.15

- Payment of administrative expenses of \$10,493.53 for the period 11/01/19 – 12/31/19.
- Payment of Legal Services fees of \$8,748.00 to VanOverbeke, Michaud & Timmony, P.C. for the period 01/01/19 – 12/31/19. Mr. Balkema thanked Mr. Michaud for his dedicated service and reasonable fees.
- **Investment Manager Fees:** Listed below is a routine invoice for the quarter ending 06/30/19. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$2,166.68 – BlackRock (Global Low Volatility)

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 01/01/20 – 03/31/20. The Retirement Systems Office staff projected a need for \$3,300,000 to be transferred to the cash account as follows: \$1,100,000 on January 2nd, \$1,100,000 on February 3rd and \$1,100,000 on March 2nd. Ms. Korzen recommended, and Mr. David Lindberg of Wilshire Associates agreed, making the transfers as follows:

January 2 nd	Neuberger Berman	\$1,100,000
February 3 rd	NTAM	\$1,100,000
March 2 nd	To be determined	<u>\$1,100,000</u>
Total		\$3,300,000

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

Ms. Korzen presented Public Act 314 Asset Analyses showing a market value of \$434,915,038 on October 31, 2019 and \$436,539,291 on November 30, 2019. 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 10/01/19 – 12/31/19; one non-vested member withdrew his contributions of \$2,009.66 and one member withdrew his KEIP balance of \$67,113.18. The report was received and filed by the Chairman. (Report on page)

Ms. Korzen next provided Trustees with an annual budget proposal. The figures on the proposed document represent the dollar amounts Trustees expect to be expended for the FYE 12/31/20. Ms. Korzen stated that a formal budget approved by Trustees annually is now a requirement under P.A. 314 and once approved by Trustees, will be available on the Retirement System’s website. Mr. Veenstra made the motion to approve the budget as written. The motion was seconded by Mr. Balkema and carried.

Ms. Korzen noted that the IAFF recently negotiated that if a member purchases credited service and subsequently retires with a disability pension and he/she does not derive a benefit from the additional credited service purchase that he/she can request a refund, without interest; Mr. Lyle Frederickson has made such a request. Vice Chairman VanderWall made the motion to approve the credited service purchase refund request for Mr. Lyle Frederickson. The motion was seconded by Mr. Balkema and carried.

Vice Chairman VanderWall made the motion to nominate Mr. Michael Hawkins to serve as Chairman of the Board of Trustees for the year 2020; the motion was seconded by Mr. Veenstra and carried. Mr. Veenstra made the motion to nominate Mr. Craig VanderWall to serve as Vice Chairman of the Board of Trustees for the year 2020. The motion was seconded by Mr. Balkema and carried. Ms. Korzen stated that it would be prudent to update the authorized parties resolution to list herself, Chairman Hawkins and Vice Chairman VanderWall as authorized parties to sign contracts and issue directions to the investment managers and other providers. Mr. Balkema made the motion to approve the authorized parties resolution. The motion was seconded by Mr. Veenstra and carried.

The Executive Director noted that in the most recent contract between the City and the IAFF, they negotiated to permit newer hires (those hired on or after January 10, 2012) to purchase a higher multiplier retroactive to the member’s 6-month employment anniversary. Once all the actuarial studies and meetings took place to discuss methodology, the group that was hired in June 2015 had very little time to make their decision. She asked the Board if they would approve giving that group a grace period that extended to December 31, 2019. Vice Chairman VanderWall made the motion to approve the Executive Director’s recommendation to provide the new fire hires in June 2015 a grace period to December 31, 2019 to make their multiplier decision. The motion was seconded by Mr. Balkema and carried.

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

The meeting adjourned at 10:14 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, February 19, 2020, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System