

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
JANUARY 19, 2022 – 8:00 a.m.
233 E. Fulton, Suite 216

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman David Tryc, Mr. Martin Timkovich, and Ms. Donijo DeJonge. Absent: Mr. William Butts, Mr. Phillip Mitchell, and Mr. Nathaniel Moody.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, Mr. Calvin Born and Mr. Jacob McClelland of Wilshire Advisors., and Ms. Lisa Balkema, Retirement Services Specialist.

Vice Chairman Tryc made the motion to excuse the absences of Mr. Butts, Mr. Mitchell, and Mr. Moody. The motion was seconded by Mr. Timkovich and carried.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of November 17, 2021, and December 15, 2021
- Retirements: five Age & Service and one Deferred:

Age & Service Retirements:

| <u>Name</u> | <u>Credited Svc.</u> | <u>Ret. Date</u> | <u>Avg. Salary</u> | <u>Pension</u> |
|------------------------------|----------------------|------------------|--------------------|----------------|
| Dryer, Timothy A. | 30 yrs. 0 mo. | 02/18/2022 | \$90,150.00 | \$5,036.37 |
| Fleet, Mark O. | 18 yrs. 0 mo. | 02/15/2022 | \$109,548.00 | \$3,378.98 |
| Kooiman, Cheryl A. | 33 yrs. 7 mo. | 02/04/2022 | \$107,847.67 | \$6,713.17 |
| Schierbeek, Marvin S. | 29 yrs. 7 mo. | 02/12/2022 | \$74,653.00 | \$4,059.35 |
| Sifika, Louis L. | 30 yrs. 10 mo. | 01/04/2022 | \$57,878.67 | \$3,589.58 |

Deferred Retirement:

| <u>Name</u> | <u>Credited Svc.</u> | <u>Ret. Date</u> | <u>Avg. Salary</u> | <u>Pension</u> |
|--------------------------|----------------------|------------------|--------------------|----------------|
| Dennett, David A. | 11 yrs. 0 mo. | 01/01/2022 | \$42,968.67 | \$925.06 |

- Payment of administrative expenses of \$6,694.99 for the period 11/01/21 – 12/31/21

- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 09/30/21 and 12/31/21. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$7,286.68 – BlackRock (Global Low Volatility) 12/31/21
 \$37,937.94 – Western Asset Management (Fixed Income) 09/30/21

- Payment of Legal Services fees of \$1,387.50 to VanOverbeke, Michaud & Timmony, P.C. for the period 07/01/21 – 09/30/21

The motion carried.

Ms. Korzen next presented a report of cash account transfers for the period 01/01/22 – 03/31/22. The Retirement Systems Office staff projected a need for \$5,025,000 to be transferred to the cash account as follows: \$1,675,000 on January 3rd, \$1,675,000 on February 1st and \$1,675,000 on March 1st. Ms. Korzen recommended, and Wilshire Associates agreed, making the transfers as follows:

| | | |
|--------------------------|-----------------------|--------------------|
| January 3 rd | CenterSquare | \$1,100,000 |
| | NTAM | \$575,000 |
| February 1 st | CenterSquare | \$1,300,000 |
| | Harvest Fund Advisors | \$375,000 |
| March 1 st | To be determined | <u>\$1,675,000</u> |
| Total | | \$5,025,000 |

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 \$501,968,316 on October 31, 2021 and \$492,163,528 on November 30, 2021. 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 10/01/21 – 12/31/21; she noted that there were no member withdrawals. The report was received and filed by the Chairman. (Report on page)

The Executive Director presented Trustees with the Quarterly Income Report for the quarter ending 12/31/21. Total Securities Lending income for the period was \$22,113.11. Total Class Action Settlement receipts for the period were \$179.14. 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. Craig Lemmen conducted a medical records review for Mr. John Bolinger and stated his opinion that Mr. Bolinger is not physically and mentally able and capable of resuming his duty as a Heavy Equipment Mechanic and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled. She also stated that Dr. Ernest Poortinga conducted a medical records review for Mr. Richard Troeger and stated his opinion that Mr. Troeger is not physically and mentally able and capable of resuming his duty as an Equipment Operator II and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled. Ms. DeJonge questioned what happens if a disabled retiree goes back to work somewhere else. Ms. Korzen stated that the retiree needs to submit copies of tax returns showing their wages and they can potentially offset their pension if the combined pension and wages exceed the 90% limitation in City Code. Mr. Michaud said that the doctors look at the retiree’s previous position with the City and the position they are doing now when they make their recommendations. Mr. Michaud stated both doctors took this into consideration and recommended accepting their reports. Vice Chairman Tryc made the motion to accept the reports from Dr Lemmen and Dr. Poortinga. The motion was seconded by Mr. Timkovich and carried.

Mr. Timkovich made the motion to nominate Mr. Michael Hawkins to serve as Chairman of the Board of Trustees for the year 2022; the motion was seconded by Ms. DeJonge and carried. Mr. Timkovich made the motion to

nominate Mr. David Tryc to serve as Vice Chairman of the Board of Trustees for the year 2022. The motion was seconded by Ms. DeJonge and carried. Mr. Timkovich made the motion to have Chairman Hawkins, Vice Chairman Tryc, and Ms. Korzen sign the appropriate resolutions in order to act as authorized parties for the General Retirement System. The motion was seconded by Ms. DeJonge and carried.

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

Mr. Timkovich asked if any Trustees had concerns over the plan's investment rate of return and inflation assumptions due to the current market environment. He asked if someone from Gabriel, Roeder, Smith and Company could provide an educational piece at the February 2022 Board meeting as that is typically the time Trustees review investment return assumptions. Mr. Born stated that 20% of the plan's investments are invested in inflation-sensitive products and are doing well so far and he did not envision inflation expectations over 7% over the next 10 years. Ms. DeJonge asked if there are any state requirements regarding investment rates of return for pension plans. Mr. Michaud stated there are no state requirements; however, they have benchmarks of 60% funding for pension plans and a 6.85% investment rate of return. Chairman Hawkins asked Ms. Korzen to contact Gabriel, Roeder, Smith and Company and ask them to prepare an educational piece to be distributed to Trustees at the February 2022 Board meeting.

The meeting adjourned at 8:15 a.m.

The next General Retirement System Board Meeting will be held Wednesday, February 16, 2022, at 9:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System