

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

MINUTES  
REGULAR MEETING  
JANUARY 18, 2023 – 8:00 a.m.  
233 E. Fulton, Suite 216

The meeting was called to order by Chairman Michael Hawkins. Other members present: Mr. Philip Balkema, Mr. Phillip Mitchell, Ms. Donijo DeJonge, Mr. Justin Ewald, and Mr. William Fabiano. Absent: Mr. Nathaniel Moody.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, and Ms. Molly Clarin, Chief Financial Officer for the City of Grand Rapids.

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

There were no public comments regarding agenda items.

Chairman Hawkins welcomed Mr. Fabiano to the Board.

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

- Minutes of the regular meeting of November 16, 2022, and December 21, 2022.
- Purchase of credited service by the following Police & Fire Retirement System member. As provided for in Chapter 7, Section 1.243(4) of City Code, the member listed below requested to purchase credited service. All calculations have been prepared by this office and verified by the actuary.

David A. Noorman	\$4,107.64	2 months
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- The following Resolution No. 860.

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

**Age & Service Retirements:**

Derrick D. Learned, will retire February 7, 2023 from the Police Department as a Police Officer,

Credited Service: Thirty-one years and one month

Pension: \$6,726.80,

and . . .

Matthew J. Ostapowicz, will retire February 2, 2023 from the Police Department as a Police Captain,

Credited Service: Thirty-two years

Pension: \$9,591.19,

and . . .

**Duty Disability Retirement:**

Jason P. VanSpronsen, retired January 4, 2023 from the Police Department as a Police Officer,

Credited Service: Twenty-one years and four months

Pension: \$5,696.85.

RESOLVED, that the retirements be approved. Mr. Balkema noted the distinguished career of Mr. Ostapowicz.

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

**KEIP Entry**

<u>David A. Noorman</u> ,	Fire Battalion Chief
KEIP Date:	February 4, 2023
Tentative KEIP End Date:	February 3, 2024
KEIP Benefit:	\$8,361.84

- Payment of administrative expenses of \$2,972.91 for the period 12/01/22 – 12/31/22.

**The motion carried.**

Ms. Korzen next presented the Public Act 314 Asset Analysis showing a market value of \$471,796,283 on November 30, 2022. The report was received and filed by the Chairman.

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 10/01/22 – 12/31/22; there were no member withdrawals. Two KEIP members withdrew their KEIP funds totaling \$252,176.13 from the Police & Fire Retirement System. The report was received and filed by the Chairman.

The Executive Director presented Trustees with the Quarterly Report of Income for the quarter ending 12/31/22. Total Securities Lending income for the period was \$25,643.20. Total Class Action Settlement receipts for the period were \$125.95. Chairman Hawkins received and filed the report.

The Executive Director next discussed the appeal of the denial of the duty disability retirement request from Fire Lieutenant Jason A. Druckenmiller that was tabled at the September 21, 2022 Board meeting. Ms. Korzen noted at that time Mr. Druckenmiller asked for 3 additional weeks to submit information supporting his appeal; it was granted. Mr. Druckenmiller then asked for an extension, which was approved by the Chairman due to not having a scheduled meeting in October. The November 2022 Board meeting was canceled. No materials were submitted before the December meeting so Trustees set a deadline of January 6, 2023. Ms. Korzen received an email from Mr. Druckenmiller on January 5, 2023 stating that he had not received the documents from his physician, and therefore he would withdraw his appeal. Mr. Druckenmiller's withdrawal was received and filed by the Chairman.

Mr. Balkema made the motion to nominate Mr. Michael Hawkins to serve as Chairman and Mr. Justin Ewald to service as Vice Chairman of the Board of Trustees for the year 2023; the motion was seconded by Mr. Fabiano and carried. Mr. Balkema made the motion to have Chairman Hawkins, Vice Chairman Ewald, and Ms. Korzen sign the appropriate resolutions in order to act as authorized parties for the Police & Fire Retirement System. The motion was seconded by Mr. Balkema and carried.

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

Ms. Korzen noted that there was no need for transfers to the Cash Account for February 2023 as the system received sufficient private equity and private credit distributions to cover monthly cash account needs.

Mr. Michaud informed Trustees that it had recently come to the Executive Director's attention that payments to Mr. Daniel Caillouet have not been made consistent with his court order (EDRO). He explained the process that is employed for calculating an EDRO split of benefits. The calculation that was used resulted in an underpayment of benefits to Mr. Caillouet but also an overstatement of potential benefits to his current beneficiary. Mr. Caillouet sent an email to the Executive Director requesting that he be permitted to change the beneficiary option he selected when he retired, due to this realization. Trustees inquired if the actuary had all the necessary information sent to them at the time Mr. Caillouet retired. Ms. Korzen noted that there was a misinterpretation of the EDRO calculations at the time and the actuaries were not provided all the necessary documentation. Mr. Michaud stated that while the ordinance requires that any payment errors be corrected it does not permit retirees to change their benefit option once they have retired and started receiving benefits. Following Trustee discussion, Mr. Balkema made the motion to deny Mr. Caillouet's request to change his benefit option as per the City of Grand Rapids ordinance, as the board does not have the authority to allow such a change. The motion was seconded by Mr. Ewald and carried.

The meeting adjourned at 8:21 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, February 15, 2023, at 9:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
Police & Fire Retirement System