

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

MINUTES  
REGULAR MEETING  
JUNE 20, 2018 – 11:24 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, and Mr. Phillip Mitchell. Absent: Ms. Donijo DeJonge.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, and Mr. Paul Matz and Mr. Peter Woldman of Rehmann Robson.

Vice Chairman VanderWall made the motion to excuse the absence of Ms. DeJonge. The motion was seconded by Mr. Mitchell and carried.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of May 9, 2018.
- Purchase of credited service by the following Police & Fire Retirement System members:

Jonathan P. Baak	\$59,028.72	48 months
Bryan A. Boone	\$59,028.72	48 months
Kurt D. Hintz	\$29,514.36	24 months
Ernest M. Stafford	\$59,028.72	48 months
Todd D. VanderWall	\$32,681.90	24 months
Richard L. Veldkamp	\$28,663.64	24 months

- The following Resolution No. 826.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received requests for two Age & Service and one Non-Duty Disability retirement from the following members of the plan:

**Age & Service Retirements:**

Jonathan P. Baak, will retire July 6, 2018 from the Police Department as a Police Officer,

Credited Service: Twenty-two years and seven months

Pension: \$3,803.83

and. . .

Brian A. Brewer, will retire July 2, 2018 from the Fire Department as a Fire Lieutenant,

Credited Service: Twenty-eight years and two months

Pension: \$5,289.51,

and. . .

**Non-Duty Disability Retirement:**

Mark A. Rinkevicz, retired May 9, 2018 from the Fire Department as a Fire Fighter,

Credited Service: Twenty-seven years

Pension: \$4,736.57

RESOLVED, that the retirements be approved.

- KEIP participants: The Board of Trustees of the Police and Fire Retirement System has received requests by six members of the plan to join the KEIP Program and two members to exit the KEIP Program; there is one revised KEIP participant benefit due to a change in the gross-up factor:

**Entering the KEIP Program:**

<u>Bryan A. Boone</u> ,	Police Officer
KEIP Date:	July 3, 2018
Tentative KEIP End Date:	July 2, 2023
KEIP Benefit:	\$5,642.00

<u>Dennis K. Newton</u> ,	Police Officer
KEIP Date:	July 6, 2018
Tentative KEIP End Date:	July 5, 2023
KEIP Benefit:	\$5,995.47

<u>Tony A. Rohloff</u> ,	Fire Equipment Operator
KEIP Date:	July 2, 2018
Tentative KEIP End Date:	July 1, 2023
KEIP Benefit:	\$5,845.90

<u>Ernest Stafford</u> ,	Police Officer
KEIP Date:	July 10, 2018
Tentative KEIP End Date:	July 9, 2023
KEIP Benefit:	\$5,484.73

<u>Walter G. Tett</u> ,	Police Officer
KEIP Date:	July 6, 2018
Tentative KEIP End Date:	July 5, 2023
KEIP Benefit:	\$4,595.39

<u>Richard L. Veldkamp</u> ,	Fire Lieutenant
KEIP Date:	July 6, 2018
Tentative KEIP End Date:	July 5, 2020
KEIP Benefit:	\$6,262.81

**Exiting the KEIP Program:**

Michael A. Blumke, will exit the KEIP Program on July 19, 2018 from the Police Department as a Police Officer,

Credited Service: Thirty-five years and nine months

Pension: \$6,132.42

and . . .

Nancy J. Boss, will exit the KEIP Program on July 10, 2018 from the Fire Department as a Battalion Chief,

Credited Service: Thirty-three years and one month

Pension: \$7,482.96

**Revised KEIP Benefit:**

<u>Steven T. Przybysz</u> ,	Fire Equipment Operator
KEIP Date:	July 6, 2018
Tentative KEIP End Date:	July 5, 2019
Revised KEIP Benefit:	\$4,724.25
Refer to Minutes:	05/09/18

- Payment of administrative expenses of \$10,411.85 for the period 05/01/18 – 05/31/18.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 03/31/18. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$27,025.54 – Baird Advisors (Fixed Income)  
\$36,048.99 – CBRE Clarion (Real Estate)  
\$7,077.48 – NTAM (Equities)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 03/31/18 fee as follows:

Benefit Payments	\$4,031.56
Custody	<u>\$7,417.25</u>
Total	\$11,448.81

**The motion carried.**

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/18 – 09/30/18. The Retirement Systems Office staff projected a need for \$4,050,000 to be transferred to the cash account as follows: \$1,350,000 on July 2<sup>nd</sup>, \$1,350,000 on August 1<sup>st</sup> and \$1,350,000 on September 4<sup>th</sup>. Ms. Korzen recommended, and Mr. Alex Ford of Wilshire Associates agreed, making the transfers as follows:

July 2 <sup>nd</sup>	Neuberger Berman	\$1,350,000
August 1 <sup>st</sup>	To be determined	\$1,350,000
September 4 <sup>th</sup>	To be determined	<u>\$1,350,000</u>
Total		\$4,050,000

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

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$416,386,802 on April 30, 2018 and \$420,339,167 on May 31, 2018. The reports were received and filed by the Chairman. (Analyses found on pages )

The actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the period of 07/01/18 – 06/30/19 was presented to Trustees. The annual fee requested is \$34,400, in quarterly increments of \$8,600, which represents an \$780 increase (approximately 2.3%) over last year's fee. GRS has requested a fee (shared with the City) not to exceed \$13,000 for GASB 67/68 required reporting. Mr. Balkema made the motion to

approve the renewal retainer fee request with Gabriel, Roeder, Smith and Company. The motion was seconded by Vice Chairman VanderWall and carried.

Mr. Paul Matz and Mr. Peter Woldman of Rehmann Robson presented Trustees with the annual audit for the fiscal year ending December 31, 2017. Mr. Matz noted that based upon the controls presently in place, there are no issues. Mr. Matz highlighted some of the features of the statements; he noted that there were no issues with the Retirement Systems Office staff. He also reviewed some of the highlights from the Management's Discussion and Analysis and the Notes to Financial Statements sections. Mr. Matz reviewed the Independent Auditors' Report on Internal Control provided by Rehmann and presented some of its highlights. The report was received and filed by the Chairman.

The Executive Director next presented a request for a duty disability retirement by Fire Fighter Michael Lundeen. Following Trustee discussion, Vice Chairman VanderWall made the motion to approve the duty disability retirement request for Fire Fighter Michael Lundeen, based on the medical findings presented. The motion was seconded by Mr. Balkema and carried.

The Executive Director presented Trustees with a revised Cash Account Funding Policy. The change is requested because although quarterly cash account needs have not yet exceeded the approved policy amount of \$4,500,000 they are likely to do so in the near future due to increased retirement benefit payments. It is Ms. Korzen's recommendation to increase the approved amount to \$6,000,000 per quarter. Following Trustee discussion, Vice Chairman VanderWall made the motion to approve the revised Cash Account Funding Policy with a limit of \$6,000,000 per quarter. The motion was seconded by Mr. Mitchell and carried.

Ms. Korzen next presented an update on the disability retiree re-examination process, noting that Dr. Jeffrey Devitt conducted a medical records review for Mr. Patrick Douglas and stated his opinion that Mr. Douglas is not physically and mentally able and capable of resuming his duty as a Police Officer and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled.

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

The meeting adjourned at 11:39 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, August 15, 2018, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
Police & Fire Retirement System