

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

MINUTES
REGULAR MEETING
JUNE 12, 2024 – 10:31 a.m.
233 Fulton Street East

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman Justin Ewald, Mr. Philip Balkema, Ms. Donijo DeJonge, Mr. William Fabiano, Mr. Drew Robbins, and Ms. Holly Jackson.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board (virtual), Mr. Peter Woldman of Rehmann Robson, Police Officer Nathan Fynewever, and Fire Lieutenant Travis Gurd.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of May 15, 2024.
- Purchase of credited service by the following Police & Fire Retirement System member. All calculations have been prepared by this office and verified by the actuary.

Jack B. Johnson, Jr. \$62,411.79 21 months

- Purchase of military leave of absence – as provided for in Chapter 7, Section 1.243 (2) of City Code, Mr. Benjamin J. Ingersoll has requested to purchase the period of credited service during which he was on leave of absence for active military service. The period of service to be purchased for Mr. Ingersoll is ten (10) months and sixteen (16) days. The amount due of \$8,510.95 was calculated and verified by the Retirement Systems Office. Mr. Danny A. Roque has requested to purchase the periods of credited service during which he was on leave of absence for active military service. The period of service to be purchased for Mr. Roque is four (4) months and twenty-one (21) days. The amount due of \$3,969.39 was calculated and verified by the Retirement Systems Office.
- KEIP participants: The Board of Trustees of the Police and Fire Retirement System received requests by the following members of the plan to enter the KEIP Program:

KEIP Entry

Michael D. Maycroft Police Captain
KEIP Date: July 5, 2024
Tentative KEIP End Date: July 4, 2029

Kathleen M. Thompson Battalion Fire Chief
KEIP Date: July 3, 2024
Tentative KEIP End Date: July 2, 2026

Jeffrey G. VanderWall Fire Equipment Operator
 KEIP Date: July 2, 2024
 Tentative KEIP End Date: July 1, 2027

- Payment of administrative expenses of \$5,738.90 for the period 05/01/24 – 05/31/24.
- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 06/30/24 fees as follows:

Benefit Payments	\$5,185.26
GASB 67-Money Weighted Return Report	\$162.50
Custody	<u>\$8,125.00</u>
Total	\$13,472.76

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/24 – 09/30/24. The Retirement Systems Office staff projected a need for \$3,750,000 to be transferred to the cash account as follows: \$1,250,000 on July 1st, \$1,250,000 on August 1st and \$1,250,000 on September 3rd. Ms. Korzen recommended, and Mariner agreed, making the transfers as follows:

July 1 st	NTAM	\$1,250,000
August 1 st	To be determined	\$1,250,000
September 3 rd	To be determined	<u>\$1,250,000</u>
Total		\$3,750,000

The report was received and filed by the Chairman.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$494,680,102 on April 30, 2024. The report was received and filed by the Chairman.

The actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the period of 07/01/24 – 06/30/25 was presented to Trustees. The annual fee requested is \$39,600, in quarterly increments of \$9,900, which represents a 2.9% increase 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 Mr. Fabiano and carried.

Mr. Peter Woldman of Rehmann Robson presented Trustees with the annual audit for the fiscal year ending December 31, 2023. Mr. Woldman noted that based upon the controls presently in place, there are no issues. Mr. Woldman 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. He reviewed the Independent Auditors’ Report on Internal Controls provided by Rehmann and presented some of its highlights. The report was received and filed by the Chairman.

The Executive Director next addressed the non-duty disability retirement request from Fire Lieutenant Travis Gurd. Mr. Fabiano made the motion to approve the non-duty disability retirement request from Fire Lieutenant Travis Gurd based on the medical findings and reports that were presented. The motion was seconded by Mr. Balkema and carried. Trustees thanked Mr. Gurd for his service and wished him well in his retirement.

The Executive Director next addressed the duty disability retirement request from Police Officer Nathan Fynewever. Chairman Hawkins suggested going in to closed session to discuss the application, as it contains information that is exempt from the Freedom of Information Act and is also medically privileged, and to include Mr. Fynewever, Ms. Korzen, Mr. Michaud, and Ms. Balkema. Roll call vote: yeas: 7, nays: 0. Trustees concluded their closed session and re-entered open session. Trustees voiced their concern regarding causation in this case. Chairman Hawkins stated it would be prudent to obtain more information regarding causation from Mr. Fynewever's physician and asked for Mr. Fynewever's patience in the interim. Ms. Korzen will draft a letter to Mr. Fynewever's physician to request his opinion on causation and First Responders Syndrome; this request was tabled until the August 2024 Board meeting.

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. Benjamin Hawkins and stated his opinion that Mr. Hawkins is not physically and mentally able and capable of resuming his duty as a Police Sergeant and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled. Dr. Harvey Organek conducted a medical records review for Mr. Mark Klassen and stated his opinion that Mr. Klassen is not physically and mentally able and capable of resuming his duty as a Fire Fighter and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled. The reports were received and filed by the Chairman.

The Death of Member Section 1.251(3) discussion was tabled to a future Board meeting.

There were no comments on items not on the agenda.

Ms. Korzen next addressed the service purchase by Fire Fighter David Burnett, Jr. She noted that on October 27, 2022 Mr. Burnett came into the office to select his multiplier. At that time, the ordinance allowed for multiplier selections to be effective at the member's next six-month service increment, which would have been January 24, 2023. He elected to increase his multiplier to 2.8%, effective January 24, 2023. While at the office he asked about purchasing credited service at his current salary but at 2.8%. Because his multiplier wouldn't be 2.8% until January, he was informed that he could either purchase service at 2.0% using his current salary, or at 2.8% and his increased salary after January 24, 2023. On June 27, 2023 Mr. Burnett signed to purchase 4 years of credited service. Ms. Korzen stated that the office now has clarification that Fire members can purchase multipliers retroactively, and Mr. Burnett has elected to make his multiplier selection effective as of July 24, 2022 (the earliest possible date – 6 months after his date of hire). Per the agreement between the IAFF and the City, members who were not previously permitted to increase their multiplier retroactively were given a one-time window to do so. Mr. Burnett has requested that the office recalculate his service purchase cost to reflect the salary that was in effect on the date he first asked to purchase it at 2.8%, and to refund the difference to him via a rollover to his deferred compensation account. Following Trustee discussion, Mr. Fabiano made the motion to recalculate Mr. Burnett's credited service purchase as outlined above and refund the difference in the purchase price to him via rollover to his deferred compensation account. The motion was seconded by Mr. Ewald and carried.

Vice Chairman Ewald commented that he has had discussions with the Police Chief regarding the increase in PTSD claims in the department, to determine ways in which the Board can maintain the health of the system while not impacting genuine claims. Options discussed included rescinding the "no light duty" policy and implementing more stringent employment screening. He will continue discussing this issue with the Police Chief and bargaining units.

The meeting adjourned at 11:07 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, August 21, 2024, at 8:00 a.m., 233 Fulton Street East, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System