

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
NOVEMBER 15, 2023 – 8:00 a.m.
233 Fulton Street East

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman David Tryc, Mr. Martin Timkovich, Mr. William Butts, and Ms. Donijo DeJonge. Absent: 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, and Mr. Jim Anderson of Gabriel, Roeder, Smith, and Company.

Ms. DeJonge made the motion to excuse the absences of Mr. Mitchell and Mr. Moody. The motion was seconded by Vice Chairman Tryc 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 September 20, 2023 and Special Meeting of October 18, 2023.
- Retirements: five age & service and one deferred.

Age & Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>
Anderson, Mark A.	32 yrs. 0 mo.	10/17/2023
Deering, Ken J.	23 yrs. 0 mo.	01/09/2024
Hawkins, Katherine A.	15 yrs. 3 mo.	11/04/2023
Owens, Dannie	21 yrs. 0 mo.	01/03/2024
Wasilenski, Wayne T.	32 yrs. 8 mo.	01/03/2024

Deferred Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>
Small, Barbara A.	25 yrs. 0 mo.	11/01/2023

- Payment of administrative expenses of \$16,147.62 for the period 09/01/23 – 10/31/23.

- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 09/30/23. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:
 - \$26,840.69 – Baird Advisors (Fixed Income)
 - \$6,475.19 – BlackRock (Global Low Volatility)
 - \$25,522.96 – CenterSquare Investment Management (Real Estate)
 - \$44,276.86 – Harding Loevner (ADRs)
 - \$43,136.33 – Harvest Fund Advisors (MLPs)
 - \$2,533.54 – NTAM (Equities)
 - \$14,782.32 – Wellington Management Company (Equities)
 - \$35,705.41 – Wellington Management Company (Commodities)
- Payment of Legal Services fees of \$4,625.60 to VanOverbeke, Michaud & Timmony, P.C. for the period 01/01/23 – 06/30/23

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$434,356,656 on August 31, 2023, and \$421,100,070 on September 30, 2023. The reports were received and filed by the Chairman.

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 07/01/23 – 09/30/23; there were no member withdrawals from the General 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 09/30/23. Total Securities Lending income for the period was \$39,667.99. Total Class Action Settlement receipts for the period were \$45.90. Chairman Hawkins received and filed the report.

Mr. Jim Anderson of Gabriel, Roeder, Smith and Company (GRS) presented the 56th Annual Actuarial Valuation for the year ending June 30, 2023. Mr. Anderson noted that General Retirement System assets equal 76% of computed accrued liabilities. He also noted that the City's contribution rate for the fiscal year beginning 07/01/24 will be 60.10% of covered payroll, as specified in Section 1.221(3) of City Code. He provided a detailed report that included a ratio of active to retired employees of 0.3 to 1, a recognized rate of return of 5.83%, and an initial computed employer rate of 7.51% amortized over a period of 24.35 years. He noted that liabilities exceeded assets (\$140,398,220 debit to unfunded actuarial accrued liability). He noted that the ratio of assets computed under funding value relative to the market value of assets is 103.1% and provided an overview on the projection of future amortization payments. Mr. Anderson reviewed the derivation of valuation assets and corresponding statistical data and reviewed the next section of the report covering risks associated with measuring the accrued liability and actuarially determined contribution. Mr. Timkovich made the motion to approve the actuary's recommendation for transfers. (Ending balances in each reserve fund as of June 30, 2023, were assumed to be: Member Deposit Fund - \$36,197,988; Employer Accumulation Fund – (\$132,460,073); Benefit Reserve Fund - \$421,042,764; Income-Expense Fund - \$0). Seconded by Vice Chairman Tryc, the motion carried. The report was received and filed by the Chairman.

Mr. Anderson of Gabriel, Roeder, Smith and Company (GRS) provided Trustees with a GASB 67 and 68 review and the GASB 67 Plan Report and Accounting Schedules as of June 30, 2023. Mr. Anderson reviewed the GASB 68 tables of information that the City of Grand Rapids needs to complete their reporting. He reviewed the GASB 67 Plan Report and provided some background on the various tables contained in the report. He noted that the net pension liability as of June 30, 2023 was \$154,052,425 and the net position as a percentage of total pension liability was 73.94%. The single discount rate was 6.75%, as was the long-term expected rate of return. Mr. Anderson reviewed the schedule of changes in fiduciary net pension, changes in the employer's net pension liability, the schedule of employer's net pension liability, and schedule of contributions. The report was received and filed by the Chairman.

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

The Executive Director commented that there was only one nominating petition received for the Member Trustee election this fall; therefore Mr. Butts is presumed re-elected. He will serve a four-year term that will expire the first Monday in January 2028.

Ms. Korzen commented that at the September Board meeting, it was unclear which investment management account funds should be transferred from for Cash Account needs for November and December 2023. After recent review of the investment accounts, Wilshire and the Executive Director agreed to transfer \$700,000 from the BlackRock account and \$700,000 from the Wellington Management (Commodities) account to the Cash Account on November 1, 2023, and utilize \$400,000 from Private Equity distributions. The City of Grand Rapids made an additional \$2,250,000 million contribution on November 2, 2023 so no transfer will be necessary for December.

The meeting adjourned at 8:25 a.m.

The next General Retirement System Board Meeting will be held Wednesday, December 20, 2023, at 8:10 a.m., 233 Fulton Street East, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System