



CITY OF GRAND RAPIDS
 POLICE & FIRE RETIREMENT SYSTEM
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SUMMER 2016
 ISSUE A

The Retirement Register

Summary Report of Plan Operations/Expenses

How much does it cost to manage the Police & Fire Retirement System? For the period 01/01/15 – 12/31/15, it cost the Retirement System a little more than \$1.5 million. Most of this amount (\$959,770) was for investment manager fees. The balance of the expenses, \$618,973, paid for asset custody, auditors, actuaries, attorneys, independent medical evaluations, office rent, staff salaries and training. The costs to run the plan are 0.42% (42 basis points) of the market value of assets, whereas the national average is higher. All fees and expenses are paid in cash, as the Plan does not employ soft dollar arrangements. Audits, annual accountings, and actuarial valuations may be reviewed at the Retirement Systems Office.

Funded Status

<u>Actuarial Accrued Liabilities</u>	<u>Applied Assets</u>	<u>% Funded</u>
\$461,091,743	\$386,363,384	83.8%

Police & Fire Retirement System Investments and Allocations

Market values for the City of Grand Rapids Police & Fire Retirement System assets as of June 30, 2016 were as follows:

	<u>June 30, 2016</u>	<u>Target Allocation by Asset Class</u>	
Aberdeen Asset Management (Private Equity)	\$3,479,396	Equities	22.5%
Adams Street Partners (Private Equity)	\$6,282,671	Non-U.S. Equities	22.5%
Baird Advisors (Fixed Income)	\$47,246,915	Fixed Income	25.0%
Brown Brothers Harriman (TIPS)	\$38,098,224	Real Estate	5.0%
CBRE Clarion (Real Estate)	\$19,386,205	MLPs	5.0%
Harding Loevner (ADRs)	\$27,755,083	TIPS	10.0%
Harvest Fund Advisors (MLP)	\$21,339,018	Private Equity	5.0%
Neuberger Berman (International Equity)	\$54,813,476	Commodities	5.0%
Northern Trust Asset Management (S&P 500 Index)	\$61,290,434		
PIMCO StocksPlus (Enhanced Index)	\$10,818,133		
Wellington Management Company (Small Cap Equity)	\$23,810,598		
Wellington Management Company (Commodities)	\$14,144,160		
Western Asset Management (Fixed Income)	\$47,821,210		
Cash Account	\$1,129,607		
Total Assets:	\$377,415,130		

New Retirees

The Trustees and staff of the Police & Fire Retirement System are pleased to congratulate the following new retirees:

Jeffrey Madura	(Fire)	01/04/16	Brent Robinson*	(Police)	06/01/16
Timmy Szotko	(Fire)	01/04/16	Joseph Garcia*	(Police)	07/01/16
Denis Hatt	(Fire)	01/06/16	Scott DeVoll	(Fire)	07/05/16
Laura Knapp	(Fire)	01/09/16	Roger Singleton	(Police)	07/07/16
Kevin Sehlmeier	(Fire)	01/12/16	Joseph Worthy	(Police)	07/15/16
Daniel Overbeek	(Fire)	02/29/16	Paul Johnson	(Police)	07/17/16
Paul Beckett, Jr.*	(Police)	04/01/16	Stanley Burns	(Fire)	07/22/16

*Deferred member

Board of Trustees and Upcoming Election

The City of Grand Rapids Police & Fire Retirement System has two new Trustees: Commissioner Jon O'Connor, and Mr. Phillip Mitchell. The Board of Trustees for the City of Grand Rapids Police & Fire Retirement System is as follows:

Michael Hawkins—Chairman, Citizen Trustee	Jane Hofmeyer—Citizen Trustee
Craig VanderWall—Vice Chairman, Fire Member Trustee	Commission Jon O'Connor - Employer Trustee
Thomas VanderPloeg—Police Member Trustee	Phillip Mitchell - Citizen Trustee
Philip Balkema—Citizen Trustee	

The term of office for Mr. Craig VanderWall will be expiring on January 2, 2017. In September 2016 a posting will be distributed to the Fire department with information on the election process.

In Memory of Departed Friends

Larry Borgman	12/20/15	Peter DeMeester	02/05/16	Richard Scanlon	06/06/16
Burton Kleeves	12/29/15	Vincent Vicarie	05/24/16	Irene Sanok*	06/19/16
Raymond Russell, Jr.	01/13/16	Dennis Parks	04/01/16	Virginia DeRyke*	06/26/16
Maxine Keizer*	01/15/16	Kay Rybicki*	05/09/16	Arnold DePung	07/12/16

*Denotes Beneficiary

Credited Service Purchase Rates and Final Average Salary Adjustment Factor Information

Active members may elect to purchase up to forty-eight (48) months of additional credited service. The present cost for Police Officers/Sergeants, Police Command and Fire Fighters is:

<u>Group</u>	<u>Rate</u>	<u>Group</u>	<u>Rate</u>
Police Officers hired prior to 12/20/11	20.62%	Fire Fighters hired prior to 01/20/12	18.73%
Police Command hired prior to 12/20/11	19.97%	Fire Fighters hired on or after 01/20/12	13.38%
Police Officers hired on or after 12/20/11	14.73%		
Police Command hired on or after 12/20/11	14.26%		

Any permanent, full-time uniformed member of the Police & Fire Retirement System is eligible for this purchase. The purchase can be accomplished by a lump sum payment, payroll deduction (on a pre-tax or after-tax basis) for up to five years, a combination of an initial lump sum after-tax payment and payroll deduction, or a lump sum rollover from the member's deferred compensation account. Please make sure that if you purchase credited service you will not exceed your bargaining unit's credited service cap (years of service plus credited service purchased).

The Final Average Salary Adjustment Factors for retirement dates of 07/01/16–06/30/17 are as follows:

Police: 12.1% Fire: 9.2%