

POLICE and FIRE RETIREMENT SYSTEM  
and  
GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
SPECIAL JOINT MEETING  
April 14, 2010 - 8:00 a.m.  
233 East Fulton Street

The meeting was called to order by Chairman J. Patrick Scripps. Other members present: Mr. David Tryc, Mr. Craig VanderWall, Mr. Martin Timkovich, Mr. Thomas VanderPloeg, Mr. James Stokes, Ms. Dianette Hight, Mr. Michael Hawkins, Mr. Philip Balkema and Mr. Walter Gutowski.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement Systems and Ms. Elizabeth White, Deputy City Attorney and Legal Advisor to the Boards.

There were no comments regarding agenda items.

This special joint meeting was called to consider retention of a consultant for the purpose of conducting a wage and benefit study for the position of Executive Director of the City of Grand Rapids Retirement Systems and to consider amendment of the minutes of the February 17, 2010 Joint Meeting in order to make a technical correction.

Ms. Korzen noted that the minutes of the February 17, 2010 Joint Meeting were updated due to the revision of the pricing of a few securities by The Northern Trust Company after receipt of the Executive Summaries from Wilshire for the quarter ending 12/31/09. Mr. VanderPloeg made the motion to approve the revised minutes of the February 17, 2010 Joint Meeting. The motion was seconded by Mr. Tryc and carried.

Mr. Hawkins provided Trustees with an update on the Executive Director's compensation and classification study by noting that the committee has received proposals from five firms: 1) Beene Garter, Grand Rapids, MI, 2) Hudepohl & Associates, Dublin, OH, 3) Janet L. Huyser, Holland, MI, 4) Municipal Consulting Services, LLC, Ann Arbor, MI and 5) The Segal Group, Inc., Washington, D.C. Mr. Hawkins stated it is the committee's recommendation to hire Municipal Consulting Services, LLC (MCS) to perform this study. He reviewed the areas that were asked to be addressed in the proposals: 1) a review of the duties of the current position of Executive Director and what that position should be, 2) the appropriate compensation for the position, 3) guidance with respect to establishing a performance criteria for this position and 4) developing a performance-based approach to the total compensation package. Mr. Hawkins stated that the committee asked each firm to respond to the same set of questions. Ms. Hight commented that she had contacted the firms to ensure each one had the correct information and that there were no ambiguities in the type of services sought. Mr. Gutowski stated that although MCS is not a Grand Rapids firm, they are a Michigan company and based upon the criteria set forth in the RFP, MCS seems to be the best candidate for the study. Ms. Hight stated that one of the references for MCS came from the City of Grand Rapids as they have utilized MCS before for job reclassifications. Mr. Stokes voiced his concern that if there is a local firm that conducts these types of studies then the local firm should be hired. Mr. Hawkins stated that the committee tried to give preference to local firms in this process; however, the committee wanted to ensure that this process is handled in the right manner and select the firm that will be able to meet the stated objectives. Mr. VanderPloeg noted that the MCS proposal provides all of the services that are needed at a lower cost.

Chairman Scripps stated that his concern wasn't with having a local firm, rather having a firm that will be looking at this process objectively. Ms. Hight stated that MCS has a software program that will perform an analysis not only on other comparable positions, but it will also filter the data and apply it to the local economy. Mr. Hawkins stated that MCS has individuals that will meet with the committee, Trustees and the Executive Director to solicit input during this process. He stated that MCS quoted a fee not to exceed \$5,500 and an additional \$700 travel allowance if needed. Mr. Hawkins stated this process has not been right for some time and it is critical for all Trustees to address this issue and implement a proper process going forward in a transparent and equitable manner. Ms. Hight suggested that the committee be permitted to authorize the contract with MCS for up to \$7,500 in the event that other unforeseen expenses arise. Following Trustee discussion, Mr. Balkema made the motion to enter into a contract with Municipal Consulting Services, LLC for the purpose of conducting a wage and benefit study for the position of Executive Director of the City of Grand Rapids Retirement Systems per the terms of their proposal dated March 2010 for a sum not to exceed \$7,500. The motion was seconded by Mr. Timkovich and carried. Mr. Stokes voted no. Chairman Scripps thanked the committee for their work in this process. Mr. Hawkins commented that MCS estimated that from the point of engagement the study could take up to 60 days to complete. Ms. White stated that the Executive Director's current contract is set to expire July 31, 2010 and absent any action prior to June 30, 2010 will renew for another six-month period. Any changes would need to be made by June 30, 2010. Mr. Balkema stated that although this process may take up to 60 days and a new contract with the Executive Director might not feasibly take place prior to June 30, 2010, Trustees could discuss this issue at next month's joint meeting to devise a strategy on perhaps extending the current contract by 60 days or whatever seems appropriate so that the contract does not automatically renew for six months. Chairman Scripps asked Mr. Hawkins to ascertain from MCS what their best guess timetable is for this process and communicate that with Trustees and address it at next month's Board meeting.

There were no comments on items not on the agenda.

The meeting adjourned at 8:38 a.m.

Peggy Korzen  
Executive Director  
Police & Fire and General Retirement Systems