

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
AUGUST 17, 2011 – 9:05 a.m.
233 East Fulton Street

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

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Ms. Elizabeth White, Deputy City Attorney and Legal Advisor to the Board and Mr. William Bensur of Wilshire Associates, Inc.

Mr. Hawkins made the motion to excuse the absence of Mr. Stokes. The motion was seconded by Mr. Gutowski and carried.

There were no public comments regarding agenda items.

Moved by Mr. Gutowski and seconded by Vice Chairman Tryc, the following items were approved by the Board of Trustees pursuant to a consent agenda:

- Minutes of the Regular Meeting of June 15, 2011.
- Purchase of credited service by the following General Retirement System members:

Donald F. Brzezinski	\$15,259.74	24 months
Thomas H. Forshee	\$12,081.22	24 months
Nancy L. Meyer	\$15,471.34	24 months
James R. Modzeleski	\$13,961.30	24 months
Donna M. Munro	\$12,604.26	24 months
Eileen L. Pierce	\$27,051.84	24 months
David D. Romanowski	\$12,370.94	24 months
Gregory K. Schutter	\$15,356.46	24 months
Gary B. Slykhouse	\$23,660.10	24 months
Breese W. Stam	\$25,868.88	24 months
Cynthia A. VanderBerg	\$14,147.90	24 months
Linda L. Wright	\$19,384.18	24 months

- Retirements: four age and service and two deferred early:

Age and Service Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Fox, Charles E. Option B-Pop-25: Life of Member Beneficiary: Carmen J. Fox, Wife Pop-up potential of \$1,478.97 if beneficiary predeceases retiree	14 yrs. 0 mo.	10/13/2011	\$46,951.33	<u>\$1,417.61</u> \$354.40 (potential to beneficiary)
Gumbis, Tiu A. Option B-Pop-25: Life of Member Beneficiary: Britt Lenfield, Daughter Pop-up potential of \$3,339.22 if beneficiary predeceases retiree	22 yrs. 5 mo.	07/16/2011	\$66,205.00	<u>\$2,976.08</u> \$744.02 (potential to beneficiary)
Soucey, Eric W. Option A-Straight Life: Life of Member	30 yrs. 0 mo.	07/28/2011	\$88,959.00	\$6,004.73
Workman, Sandra S. Option A-Straight Life: Life of Member	11 yrs. 0 mo.	09/10/2011	\$41,955.33	\$1,038.39

Deferred Early Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Midkiff, Rodger Option B-100, Life of Member Beneficiary: Betsy Midkiff, Wife	20 yrs. 8 mo.	07/01/2011	\$69,596.00	<u>\$1,800.82</u> \$1,800.82 (potential to beneficiary)
Tellier, Jaclynn Option A-Straight Life: Life of Member	24 yrs. 2 mo.	07/01/2011	\$66,147.00	\$1,604.87

- Payment of administrative expenses of \$27,570.18 for the period 06/01/11 – 07/31/11.
- Payment of the investment management invoices as listed below for the quarter ending 06/30/11. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:
 - \$24,891.99 – Baird Advisors for management of fixed income assets
 - \$34,204.52 – ING Clarion for management of global real estate assets (quarter ending 03/31/11)
 - \$36,316.00 – ING Clarion for management of global real estate assets
 - \$52,225.67 – Lotsoff Capital Management for management of equity assets
 - \$7,459.97 – Northern Trust Global Investments for management of equity assets
 - \$69,946.01 – Wellington Management Company for management of equity assets
 - \$37,898.83 – Western Asset Management for management of fixed income assets

- Ms. Korzen noted payment of custody fees to Northern Trust for the quarter ending 06/30/11:

Benefit Payments	\$7,498.80
Custody	\$7,379.01
Global Custody	\$658.51
Global Transactions	<u>\$4,017.00</u>
Total	<u>\$19,553.32</u>

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing market values of \$358,933,110 on June 30, 2011 and \$353,713,331 on July 31, 2011. {Ms. Hight arrived at 9:07 a.m.} The reports were received and filed by the Chairman. (Analyses on pages)

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the quarter ending 06/30/11 that disclosed a withdrawal of \$46,882.06 by one vested and seven non-vested former members. The report was received and filed by the Chairman. (Report found on page)

The Executive Director presented Trustees with the Quarterly Report of Income for the quarter ending 06/30/11. Total Securities Lending income for the period was \$6,646.36 and total Class Action Settlement receipts for the period were \$1,030.14. Chairman Scripps received and filed the report. (Report found on page)

Trustees reviewed an Eligible Domestic Relations Order (EDRO) for Ms. Donna B. Stokes. Ms. Korzen stated that an EDRO has been filed to assign a portion of Ms. Stokes' retirement benefits to an alternate payee, James R. Stokes, in accordance with the Eligible Domestic Relations Order Act. The EDRO has been reviewed by the actuary and it was noted that it complies with the General Retirement System plan provisions. The EDRO will become part of Ms. Stokes' file and will be paid according to its provisions. The order was received and filed by the Chairman.

Ms. Korzen presented the Annual Accounting for the period 07/01/10 – 06/30/11 to Trustees. She noted that it was decided by Trustees to review both Annual Accountings at the same time each year, and therefore a committee should be established. Mr. Hawkins and Vice Chairman Tryc volunteered to serve. Ms. Korzen will coordinate a time with the committee and staff to review the Annual Accountings.

Ms. Korzen next presented an appeal of the denial of the non-duty disability retirement request from Ms. Martha A. Borrello. Following Trustee discussion, Ms. Hight made the motion to deny the appeal of the denial of the non-duty disability retirement request from Ms. Martha Borrello due to the absence of any supporting documentation. The motion was seconded by Mr. Gutowski and carried.

The Executive Director provided Trustees with an update on the disability re-examination process and noted that one of the retirees selected by Trustees earlier this year to be re-examined, Mr. Rick Cochran, has had his medical evaluation. Dr. Richard Ilka stated his opinion that Mr. Cochran is still totally incapacitated for performance of his duty as an employee with the City of Grand Rapids and recommended that he remain retired as disabled. She stated that she is waiting on some additional medical records for the other disability retiree to be re-examined, Mr. Robert Martin. Ms. Hight asked what the status is of Mr. Thomas Armock's re-examination process; Ms. Korzen stated that she wrote to the Retirement System's physician, Dr. Hollander, to ask for clarification on his report. Once she receives information from Dr. Hollander she will report back to the Board.

There were no comments on items not on the agenda.

Ms. Korzen reported that The Northern Trust Company completed their annual death audit of the General Retirement Systems' retirees and beneficiaries. There were no retirees or beneficiaries on the list that the Retirement Systems office was not already aware of.

Ms. Korzen commented that at the June Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for August and September 2011. After recent review of the investment accounts, Mr. Bensur agreed with the Executive Director's recommendation to transfer \$1,275,000 from the NTGI account to the Cash Account on August 1, 2011 and \$1,275,000 from the ING account to the Cash Account on September 1, 2011.

The meeting adjourned at 9:15 a.m.

The next General Retirement System Board Meeting will be held Wednesday, September 21, 2011, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System