

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
AUGUST 15, 2012 – 8:00 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, Mr. Michael Hawkins, Mr. Walter Gutowski and Mr. William Butts. Absent: Mr. Bill Alphenaar.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Ms. Elizabeth White, Deputy City Attorney and Legal Advisor to the Board, Ms. Mari Beth Jelks of the City of Grand Rapids Human Resources Department, and Mr. William Bensusan and Mr. Steven Marshall of Wilshire Associates, Inc.

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

There were no public comments regarding agenda items.

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

- Minutes of the Regular Meeting of June 20, 2012.
- Purchase of five (5) years, two (2) months and fourteen (14) days prior credited service by the following General Retirement System member: Ms. Sheila Brow - \$4,918.44. The Retirement Systems office calculated and reviewed the purchase amount and credited service period to be restored.
- Purchase of prior military service – as required by Section 1.202 (5) of City Code, the approval of the purchase of one (1) year and six (6) months of prior military service by Mr. Mark Greenfield was requested. The Retirement Systems Office noted substantiation by the Department of Defense Form 214 and actuarial approval of the amount and calculations.
- Purchase of credited service by the following General Retirement System members:

Asante D. Cain	\$23,824.66	24 months
David Karcis	\$10,899.77	16 months
Bonnie L. Olexa	\$12,250.82	24 months
Eric Pratt	\$2,985.93	4 months
Tracey A. Roerig	\$13,598.32	24 months
- Retirements: four age and service, one deferred, two deferred early and one early:

Age and Service Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Ausberger, Charles P. Option B-Pop-100: Life of Member Beneficiary: Sue A. Ausberger, Wife Pop-up potential of \$4,329.48 if beneficiary predeceases retiree	36 yrs. 1 mo.	08/25/2012	\$53,327.00	<u>\$2,713.16</u> \$2,713.16 (potential to beneficiary)
Duron, Yolanda R. Option B-Pop-75: Life of Member Beneficiary: Albert S. Molina, Sr., Partner Pop-up potential of \$853.00 if beneficiary predeceases retiree	10 yrs. 0 mo.	08/24/2012	\$37,911.00	<u>\$742.65</u> \$556.99 (potential to beneficiary)
Gardeski, James J. Option B-Pop-50: Life of Member Beneficiary: Mary L. Gardeski, Wife Pop-up potential of \$2,110.19 if beneficiary predeceases retiree	30 yrs. 0 mo.	09/05/2012	\$31,262.00	<u>\$1,970.18</u> \$985.09 (potential to beneficiary)
Mesman, Linda S. Option A-Straight Life: Life of Member	26 yrs. 0 mo.	09/16/2012	\$44,410.33	\$2,598.00

Deferred Retirement:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Kimball, Kurt F. Option B-Pop-75, Life of Member Beneficiary: Randy R. Kimball, Wife Pop-up potential of \$535.20 if beneficiary predeceases retiree	8 yrs. 4 mo.	08/01/2012	\$35,031.60	<u>\$476.32</u> \$357.24 (potential to beneficiary)

Deferred Early Retirements:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Smith, John C. Option B-100, Life of Member Beneficiary: Kathryn A. Smith, Wife	21 yrs. 6 mo.	07/01/2012	\$40,622.22	<u>\$1,182.88</u> \$1,182.88 (potential to beneficiary)
*Alternate payee: Ms. Wendy S. Smith receives \$683.31 per month, payable over her lifetime beginning 07/01/12, per EDRO accepted by Trustees at the 08/20/03 Board meeting.				
Webb, Laura B. Option B-100: Life of Member Widow of former deferred employee, Lloyd M. DeVormer, Jr., deceased 09/07/02	11 yrs. 3 mo.	08/04/2012	\$36,844.33	\$668.76

Early Retirement:

Name/Option	Credited Svc.	Ret. Date	Avg. Salary	Pension
Gates, Sam Option B-Pop-100, Life of Member Beneficiary: Pamela Gates, Wife Pop-up potential of \$1,950.72 if beneficiary predeceases retiree	27 yrs. 10 mo.	09/18/2012	\$42,858.00	<u>\$1,692.68</u> \$1,692.68 (potential to beneficiary)

- Payment of administrative expenses of \$22,858.57 for the period 06/01/12 – 07/31/12.
- Payment of the investment management invoices as listed below for the quarter ending 06/30/12. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:

\$26,868.59 – Baird Advisors for management of fixed income assets
 \$33,282.81 – CBRE Clarion for management of global real estate assets
 \$7,436.76 – Northern Trust Global Investments for management of equity assets
 \$64,999.18 – Wellington Management Company for management of equity assets
 \$39,150.46 – Western Asset Management for management of fixed income assets
 \$49,088.28 – Ziegler Lotsoff Capital Management for management of equity assets

- Ms. Korzen noted payment of custody fees to Northern Trust for the quarter ending 06/30/12:

Benefit Payments	\$6,334.09
Custody	<u>\$7,381.32</u>
Total	\$13,715.41

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$350,875,582 on June 30, 2012. The report was received and filed by the Chairman. (Analysis on page)

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the quarter ending 06/30/12 that disclosed a withdrawal of \$182,720.52 by five vested and two 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 06/30/12. Total Securities Lending income for the period was \$6,606.80 and total Class Action Settlement receipts for the period were \$1,087.99. Chairman Scripps received and filed the report. (Report found on page)

Ms. Korzen next presented a non-duty disability retirement request from Ms. Gail Anderson. Following Trustee discussion, Mr. Timkovich made the motion to approve the non-duty disability retirement request from Ms. Anderson. The motion was seconded by Vice Chairman Tryc and carried.

The Executive Director provided Trustees with an update on the disability re-examination process of Mr. Thomas Armock and noted that there have been a number of doctors consulted on this case to form a majority opinion; the medical committee collectively believes that Mr. Armock continues to be disabled for duty as an employee and should remain retired as disabled.

There were no comments on items not on the agenda.

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 2012. After recent review of the investment accounts, Mr. Bensur agreed with the Executive Director's recommendation to transfer \$700,000 from the NTGI account and \$750,000 from the PIMCO account to the Cash Account on August 1, 2012 and \$500,000 from the NTGI account,

\$500,000 from the PIMCO account and \$450,000 from the Ziegler Lotsoff Capital Management account to the Cash Account on September 4, 2012.

Ms. Korzen reported that The Northern Trust Company completed their annual death audit of the General Retirement System's retirees and beneficiaries. There were no retirees or beneficiaries on the list.

The meeting adjourned at 8:10 a.m.

The next General Retirement System Board Meeting will be held Wednesday, September 19, 2012, at 8:45 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System