

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
JUNE 16, 2010 – 9:11 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. James Stokes and Mr. Michael Hawkins. Absent: Mr. Walter Gutowski.

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

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

There were no public comments regarding agenda items.

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

- Minutes of the Regular Meeting of May 19, 2010.
- Purchase of credited service by the following General Retirement System members:

Douglas R. Gay	\$17,250.40	24 months
Barbara A. Sheler	\$12,874.04	24 months
Kenneth J. Soli	\$18,631.86	24 months
Raymond G. Williams	\$6,915.23	12 months

- Retirements: five age & service, one early, one deferred early and two non-duty disability:

Age & Service Retirements:

<u>Name/Option</u>	<u>Birth Date</u>	<u>Credited Svc.</u>	<u>Ret. Age, Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Buffington, Roger P.	04/02/1956	32 yrs. 1 mo.	54, 07/07/2010	\$75,944.67	<u>\$5,099.59</u>
Option B-Pop-75: Life of Member					\$3,824.69
Beneficiary: Martha Buffington, Wife					(potential to
Pop-up potential of \$5,482.25 if beneficiary predeceases retiree					beneficiary)

Mattix, Edward I.	12/15/1947	25 yrs. 7 mo.	62, 07/31/2010	\$46,411.00	<u>\$2,256.37</u>
Option B-Pop-100: Life of Member					\$2,256.37
Beneficiary: Roberta C. Mattix, Wife					(potential to beneficiary)
Pop-up potential of \$2,671.53 if beneficiary predeceases retiree					
Potts, Denise M.	01/01/1956	30 yrs. 0 mo.	54, 07/20/2010	\$48,166.33	\$3,251.23
Option A-Straight Life: Life of Member					
Westcomb, Harold D.	02/08/1948	11 yrs. 0 mo.	62, 08/26/2010	\$49,385.00	<u>\$997.15</u>
Option B-Pop-100: Life of Member					\$997.15
Beneficiary: Carol L. Westcomb, Wife					(potential to beneficiary)
Pop-up potential of \$1,222.28 if beneficiary predeceases retiree					
Zuidema, Raymond T.	12/23/1944	21 yrs. 0 mo.	65, 06/25/2010	\$54,599.00	<u>\$2,194.07</u>
Option B-50: Life of Member					\$1,645.55
Beneficiary: Patricia L. Zuidema, Wife					(potential to beneficiary)

Early Retirement:

<u>Name/Option</u>	<u>Birth Date</u>	<u>Credited Svc.</u>	<u>Ret. Age, Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Gillis, Margaret A.	12/11/1948	13 yrs. 4 mo.	61, 07/10/2010	\$35,435.67	\$978.73
Option A-Straight Life: Life of Member					

Deferred Early Retirement:

<u>Name/Option</u>	<u>Birth Date</u>	<u>Credited Svc.</u>	<u>Ret. Age, Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Alexander, Erik R.	11/22/1957	13 yrs. 9 mo.	52, 06/04/2010	\$51,469.67	\$658.50
Beneficiary: Deanna J. Morse, Widow					
Option B-100 (Survivor Allowance): Life of Member					

Non-Duty Disability Retirements:

<u>Name/Option</u>	<u>Birth Date</u>	<u>Credited Svc.</u>	<u>Ret. Age, Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Cadenhead, Daryl	02/14/1951	10 yrs. 0 mo.	59, 05/19/2010	\$50,689.00	<u>\$986.03</u>
Option B-75: Life of Member					\$739.52
Beneficiary: Alicia Jones-Cadenhead					(potential to beneficiary)
Vinson, Gwendolyn	01/25/1953	19 yrs. 2 mo.	57, 05/19/2010	\$41,905.00	\$1,807.16
Option A-Straight Life: Life of Member					

- Payment of administrative expenses of \$13,072.74 for the period 05/08/10 – 06/04/10.
- Payment of the investment management invoices as listed below for the quarter ending 03/31/10. Fee calculations, fees applied and stated amounts under management have been verified by the Retirement Systems office as correct:

\$29,485.62 – ING Clarion for management of global real estate assets
 \$72,282.01 – Neuberger Berman for management of international equity assets

The motion carried.

The Executive Director presented Trustees with a revised Cash Account Funding Policy. The change is requested because quarterly cash account needs have exceeded the approved policy amount of \$4,500,000 and it is likely to continue for the foreseeable future due to the recent spike in retirements, leading to increased benefit payments. It is Ms. Korzen’s recommendation to increase the approved amount to \$5,750,000 per quarter. Trustees asked if it would be more prudent to increase the approval amount to \$6,000,000. Following Trustee discussion, Mr. Timkovich made the motion to approve the revised Cash Account Funding Policy with a limit of \$6,000,000 per quarter. The motion was seconded by Ms. Hight and carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/10 – 09/30/10. The Executive Director noted that due to the recent increase in retirements, there was a need for additional funding at the end of May; \$250,000 was transferred from the Baird Advisors account to the Cash Account on May 28th to cover benefit payments. The Retirement Systems Office staff projected a need for \$5,250,000 to be transferred to the cash account as follows: \$225,000 on June 30th, \$1,675,000 on July 1st, \$1,675,000 on August 2nd and \$1,675,000 on September 1st. Ms. Korzen recommended, and Mr. Marlin Pease of Wilshire Associates agreed, making the transfers as follows:

June 30 th	NTGI	\$225,000
July 1 st	Wellington Management Company	\$1,675,000
August 2 nd	To be determined	\$1,675,000
September 1 st	To be determined	<u>\$1,675,000</u>
Total		\$5,250,000

As these accounts are overfunded, the transfers will serve to bring them back toward their target percentages. (Cash Account Report found on page)

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$310,066,147 on May 31, 2010. The report was received and filed by the Chairman. (Analysis found on page)

The Actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the fiscal year 07/01/10 – 06/30/11 was presented to Trustees. The annual fee requested is \$28,400, in quarterly increments of \$7,100, which represents approximately a 2.9% increase of \$800 over last year’s fee. Vice Chairman Tryc made the motion to approve the renewal retainer fee request with Gabriel, Roeder, Smith and Company. The motion was seconded by Mr. Timkovich and carried. Mr. Stokes asked if the Retirement Systems should consider asking GRS for a reduction in fees due to the current economic conditions; Chairman Scripps

commented, and Mr. Timkovich agreed, that the Retirement Systems receive quality work from GRS at a fair price.

There were no comments on items not on the agenda.

The meeting adjourned at 9:20 a.m.

The next General Retirement System Board Meeting will be held Wednesday, August 18, 2010, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System