

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
AUGUST 17, 2016 – 10:08 a.m.
233 East Fulton Street

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman David Tryc, Mr. Martin Timkovich, Mr. William Butts, Mr. Jon O'Connor, and Mr. Phillip Mitchell. Absent: Ms. Jane Hofmeyer.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, and Mr. Thomas Michaud, Legal Advisor to the Board.

Vice Chairman Tryc made the motion to excuse the absence of Ms. Hofmeyer. The motion was seconded by Mr. Butts and carried.

There were no public comments regarding agenda items.

Moved by Mr. O'Connor and seconded by Mr. Timkovich, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of June 15, 2016.
- Purchase of credited service by the following General Retirement System members:

Michael P. Bussey	\$21,685.76	24 months
Donald E. Fraker	\$12,096.36	24 months
Margo A. Lawrence	\$15,694.86	24 months
Paul M. Schaut	\$19,996.46	24 months
Michael Tarr	\$14,045.04	24 months
Mark W. VanderLaan	\$17,463.02	24 months

- Retirements: four age and service, one deferred, two early, and three revised.

Age and Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Birdsall, Jr., William F.	32 yrs. 7 mo.	09/10/2016	\$75,644.67	\$5,082.18
Bonczyk, Peter C.	26 yrs. 3 mo.	09/02/2016	\$56,664.00	\$2,719.71
Lawrence, Margo A.	28 yrs. 9 mo.	09/03/2016	\$50,939.33	\$3,295.14
Sullivan, Bruce A.	32 yrs. 4 mo.	07/28/2016	\$71,770.00	\$4,414.73

Deferred Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Coughlan, Charles A.	16 yrs. 7 mo.	08/01/2016	\$68,630.67	\$2,453.54

Early Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Bosch, Elaine M.	12 yrs. 4 mo.	09/10/2016	\$66,628.00	\$1,059.79
Gray, Cheryl A.	16 yrs. 0 mo.	09/07/2016	\$45,543.00	\$1,120.64

Revised Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Revised Pension</u>
Demmon, Margaret A.	12 yrs. 9 mo.	07/02/2016	\$47,959.33	\$1,341.86
Jakel, Donald L.	11 yrs. 1 mo.	07/02/2016	\$76,021.33	\$1,640.44
Timkovich, Martin P.	35 yrs. 2 mo.	07/09/2016	\$86,816.33	\$6,014.00

- Payment of administrative expenses of \$12,367.61 for the period 06/01/16 – 07/31/16.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 06/30/16. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$26,183.48 – Baird Advisors (Fixed Income)
\$36,071.29 – CBRE Clarion (Real Estate)
\$39,449.00 – Harding Loevner (ADRs)
\$39,901.74 – Harvest Fund Advisors (MLPs)
\$6,959.95 – NTAM (Equities)
\$36,874.34 – Wellington Management Company (Equities)
\$27,078.40 – Wellington Management Company (Commodities)
\$36,761.21 – Western Asset Management (Fixed Income)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 06/30/16 fee as follows:

Benefit Payments	\$8,683.63
Custody	<u>\$7,429.00</u>
Total	\$16,112.63

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$390,064,118 on June 30, 2016 and \$399,009,836 on July 31, 2016. The reports were received and filed by the Chairman. (Analyses found on page)

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 04/01/16 – 06/30/16 that disclosed a withdrawal of \$54,223.98 by four non-vested former members. The report was received and filed by the Chairman. (Report on page)

The Executive Director presented Trustees with the Quarterly Report of Income for the quarter ending 06/30/16. Total Securities Lending income for the period was \$23,068.46. Total Class Action Settlement receipts for the period were \$37,089.40. Chairman Hawkins received and filed the report. (Report found on page)

Ms. Korzen next presented an update on the disability retiree re-examination process and noted that Dr. Jack Carr conducted a medical records review for Mr. John Bolinger and stated his opinion that Mr. Bolinger is not physically and mentally able and capable of resuming his duty as a Heavy Equipment Mechanic and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled. She also noted that Dr. Michael Grof conducted a medical records review for Ms. Beth Troyer and stated his opinion that Ms. Troyer is not physically and mentally able and capable of resuming her duty as an Administrative Services Officer II and the incapacity is likely to be permanent; therefore, she should continue to be retired as disabled.

There were no public 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 2016. After recent review of the investment accounts, Mr. Ruscetti and the Executive Director agreed to transfer \$1,000,000 from the Harvest Fund Advisors account and \$975,000 from the Northern Trust Asset Management account to the Cash Account on August 1, 2016 and \$500,000 from the Northern Trust Asset Management account, \$500,000 from the Western Asset Management account, \$500,000 from the Brown Brothers Harriman account, and \$475,000 from the Harvest Fund Advisors account to the Cash Account on September 1, 2016.

Ms. Korzen reported that The Northern Trust Company completed their annual retiree data verification of the General Retirement System's retirees and beneficiaries. There were no deceased retirees or beneficiaries reported on the list that the office was unaware of.

The meeting adjourned at 10:11 a.m.

The next General Retirement System Board Meeting will be held Wednesday, September 21, 2016, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System