

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
FEBRUARY 17, 2016 – 9:05 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, Ms. Jane Hofmeyer, Mr. Jon O'Connor, and Mr. Phillip Mitchell.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, and Ms. Sara VanderWerff, City Comptroller.

Chairman Hawkins and Trustees welcomed Mr. Phillip Mitchell to the Board as Citizen Trustee.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of January 20, 2016.
- Purchase of credited service by the following General Retirement System members:

Martin P. Hueter	\$9,023.08	12 months
Bonnie B. Hunter	\$22,993.16	24 months
- Retirements: three age and service, one deferred, and one duty disability.

Age and Service Retirements:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Chapman, Patricia L.	29 yrs. 4 mo.	03/19/2016	\$89,145.33	\$5,301.47
Nawrot, Kathy M.	19 yrs. 8 mo.	02/27/2016	\$43,832.00	\$1,819.03
Tanner, Dennis H.	25 yrs. 7 mo.	04/02/2016	\$58,552.33	\$2,801.75

Deferred Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Johnson, Ralph A.	9 yrs. 9 mo.	03/01/2016	\$74,974.33	\$1,345.08

Duty Disability Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Christopher, Debra L.	22 yrs. 2 mo.	01/20/2016	\$45,993.00	\$1,864.50

- Payment of administrative expenses of \$2,260.79 for the period 01/01/16 – 01/31/16.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 12/31/15. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$26,316.35 – Baird Advisors (Fixed Income)
\$34,849.63 – CBRE Clarion (Real Estate)
\$28,742.40 – Harvest Fund Advisors (MLPs)
\$36,719.41 – Wellington Management Company (Equities)
\$25,545.12 – Wellington Management Company (Commodities)
\$38,255.32 – Western Asset Management (Fixed Income)

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$369,104,470 on January 31, 2016. The report was received and filed by the Chairman. (Analysis found on page)

The Executive Director next addressed the situation regarding a retiree, Ms. Evelyn Shafer. Ms. Korzen noted that Ms. Shafer retired September 21, 2002 with a non-duty disability pension. Per the administrative policy in place, disability retirees are required annually to submit copies of the first page of their Federal 1040 tax form and other documents to ensure compliance with City Code Section 1.209.2, Limitation on Death or Disability Pensions. Ms. Shafer complied with the request for a few years but ceased turning in the required documents beginning with the 2011 tax year. Ms. Shafer's pension payments were suspended after the May 31, 2012 pension payment. A representative from the sheriff's office was sent to the last known address for Ms. Shafer and her daughter informed the officer that Ms. Shafer passed away June 16, 2013. Ms. Korzen spoke with the daughter and informed her that if Ms. Shafer did pass away June 16, 2013, then her estate would be owed monies, but only after compliance with City Code for the 2011 and 2012 tax years and a death certificate have been provided to the retirement system. Ms. Korzen noted that to date they have not received any correspondence from the daughter and Ms. Shafer does not appear on any Social Security death searches nor has an obituary been found. Ms. Korzen spoke with Mr. Thomas Michaud regarding this situation and he recommended that Trustees approve considering that Ms. Shafer is deceased as of the last date of her pension payment, and until someone can prove to the retirement system otherwise her file will be closed out. If someone provides the necessary documentation then her file will be reopened and benefits will be paid to her date of death. Mr. Butts made the motion to treat Ms. Evelyn Shafer as deceased as of the date of her last pension payment, May 31, 2012, subject to an authorized party providing substantiating documentation regarding her death and the required tax information from 2011 and 2012. The motion was seconded by Ms. Hofmeyer and carried.

There were no public comments on items not on the agenda.

Ms. Korzen commented that at the December Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for March 2016. After recent review of the investment accounts, Mr. Pease and the Executive Director agreed to transfer \$800,000 from the Neuberger Berman account, \$400,000 from the Baird Advisors account, and \$400,000 from the Brown Brothers Harriman account to the Cash Account on March 1, 2016.

The meeting adjourned at 9:12 a.m.

The next General Retirement System Board Meeting will be held Wednesday, March 16, 2016, at 8:00 a.m.,
233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System