

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
JUNE 15, 2016 – 8:00 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, and Mr. Phillip Mitchell. Absent: Mr. Jon O'Connor.

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 Mr. O'Connor. The motion was seconded by Mr. Butts and carried.

There were no public comments regarding agenda items.

Moved by Vice Chairman Tryc and seconded by Mr. Mitchell, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of May 11, 2016.
- Purchase of credited service by the following General Retirement System members:

Martin P. Hueter	\$9,023.08	12 months
Donald L. Jakel	\$23,076.24	24 months
Stephen R. Schmuker	\$21,901.66	24 months
- Retirements: three age and service, one deferred, one early, and two non-duty disability.

Age and Service Retirements:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Demmon, Margaret A.	12 yrs. 9 mo.	07/02/2016	\$47,254.33	\$1,322.14
Jakel, Donald L.	11 yrs. 1 mo.	07/02/2016	\$74,944.00	\$1,617.19
Timkovich, Martin P.	35 yrs. 2 mo.	07/09/2016	\$86,535.33	\$5,994.54

Deferred Retirement:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Ryskamp, Joan F.	10 yrs. 0 mo.	06/01/2016	\$20,663.60	\$360.77

Early Retirement:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
King, Gayle L.	27 yrs. 2 mo.	07/12/2016	\$47,339.67	\$2,256.41

Non-Duty Disability Retirements:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Butler, Jr., Charles E.	15 yrs. 9 mo.	05/11/2016	\$42,326.67	\$1,391.49
Meyer, Nancy L.	25 yrs. 6 mo.	06/02/2016	\$69,833.67	\$3,721.11

- Payment of administrative expenses of \$1,287.65 for the period 05/01/16 – 05/31/16.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 03/31/16. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$35,639.20 – Western Asset Management (Fixed Income)

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/16 – 09/30/16. The Retirement Systems Office staff projected a need for \$5,925,000 to be transferred to the cash account as follows: \$1,975,000 on July 1st, \$1,975,000 on August 1st and \$1,975,000 on September 1st. Ms. Korzen recommended, and Mr. Marlin Pease of Wilshire Associates agreed, making the transfers as follows:

July 1 st	Harvest Fund Advisors	\$1,000,000
	NTAM	\$975,000
August 1 st	To be determined	\$1,975,000
September 1 st	To be determined	<u>\$1,975,000</u>
Total		\$5,925,000

The report was received and filed by the Chairman. (Cash Account Report found on page)

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$388,143,144 on April 30, 2016 and \$389,022,729 on May 31, 2016. The reports were received and filed by the Chairman. (Analyses found on pages)

The actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the fiscal year 07/01/16 – 06/30/17 was presented to Trustees. The annual fee requested is \$32,720, in quarterly increments of \$8,230, which represents an \$320 increase (approximately 1.0%) over last year's fee. GRS has requested a fee not to exceed \$10,000 for GASB 67 required reporting. Ms. Korzen noted that it has been suggested by GRS to combine the GASB 67 (for the Retirement System) and GASB 68 (for the City) reports into one as all but four pages are the same information. If the two reports were combined into one report, it would save the Retirement System and the City money. Following Trustee discussion, it was agreed to have Ms. Korzen pursue having

GRS issue one combined GASB 67/68 report. Ms. Korzen stated that if the two reports are combined, it would not impact the timing for the report. 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. Butts and carried. Mr. Timkovich commented that GRS indicated if there is to be one combined report, then it would need to be determined who the client is for the report; Mr. Michaud stated that the Retirement System would be considered the client.

Ms. Korzen next presented an update on the disability retiree re-examination process and noted that Dr. Gerald Levinson conducted a medical records review for Mr. Jason Thompson and stated his opinion that Mr. Thompson is not physically and mentally able and capable of resuming his duty as a Water Service Worker I and the incapacity is likely to be permanent; therefore, he should continue to be retired as disabled.

Ms. Korzen next provided Trustees with an annual budget proposal. The numbers on the proposed document represent the dollar amounts Trustees expect to be expended for the FYE 06/30/17. Ms. Korzen stated that a formal budget that is approved by Trustees annually is now a requirement under P.A. 314 and once approved by Trustees, the information will be available on the Retirement Systems' website. Vice Chairman Tryc made the motion to approve the budget as presented. The motion was seconded by Mr. Timkovich and carried.

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

Ms. Korzen commented that at the March Board meeting, it was unclear at that time as to which investment management account funds should be transferred from for Cash Account needs for June 2016. After recent review of the investment accounts, Mr. Pease and the Executive Director agreed to transfer \$1,100,000 from the PIMCO account and \$675,000 from the Western Asset Management account to the Cash Account on June 1, 2016.

The meeting adjourned at 8:08 a.m.

The next General Retirement System Board Meeting will be held Wednesday, August 17, 2016, at 8:15 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System