

GENERAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
AUGUST 19, 2020 – 11:05 a.m.
VIA ONLINE CONFERENCE

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman David Tryc, Mr. Martin Timkovich, Mr. William Butts, and Ms. Donijo DeJonge. Absent: Mr. Phillip Mitchell and Mr. Nathaniel Moody.

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

Ms. DeJonge made the motion to excuse the absences of Mr. Mitchell and Mr. Moody. 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. Butts, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of June 17, 2020.
- Purchase of credited service by the following General Retirement System members. All calculations have been prepared by this office and verified by the actuary.

Jordan M. Cope	\$10,480.04	24 months
Sue A. Dykman	\$15,228.86	24 months
Becky J. Glover	\$19,219.33	12 months

- Retirements: three age & service, one deferred, and one early.

Age and Service Retirements:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Clark, Donald E.	13 yrs. 6 mo.	09/19/2020	\$69,108.33	\$1,795.42
Russell, Deborah A.	37 yrs. 2 mo.	08/04/2020	\$62,577.00	\$5,027.45
Tubergen, Douglas A.	19 yrs. 2 mo.	08/05/2020	\$52,224.33	\$2,071.10

Deferred Retirement:

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
Krick, Jr., James P.	21 yrs. 6 mo.	08/01/2020	\$54,962.00	\$2,190.84

Early Retirement:

<u>Name</u>	<u>Credited Svc.</u>	<u>Ret. Date</u>	<u>Avg. Salary</u>	<u>Pension</u>
Fiebig, Lawrence L.	21 yrs. 8 mo.	09/12/2020	\$62,577.00	\$2,254.15

- Payment of administrative expenses of \$7,397.86 for the period 06/01/20 – 07/31/20.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 06/30/20. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$26,615.94 – Baird Advisors (Fixed Income)
\$5,846.28 – BlackRock (Global Low Volatility – quarter ending 03/31/20)
\$22,687.91 – CenterSquare Investment Management (Real Estate)
\$46,113.00 – Harding Loevner (ADRs)
\$24,328.28 – Harvest Fund Advisors (MLPs)
\$1,890.45 – NTAM (Equities)
\$25,090.45 – Wellington Management Company (Equities)
\$29,013.80 – Wellington Management Company (Commodities)
\$37,849.91 – Western Asset Management (Fixed Income)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 12/31/19 fee as follows:

Benefit Payments	\$7,142.71
Money Weighted Return Report	\$650.00
Custody	<u>\$8,125.00</u>
Total	\$15,917.71

The motion carried.

Ms. Korzen presented the Public Act 314 Asset Analyses showing a market value of \$395,987,623 on May 31, 2020 and \$402,672,479 on June 30, 2020. The reports were received and filed by the Chairman. (Analyses found on pages)

Ms. Korzen next presented Trustees with the Quarterly Report of Account Refunds for the period 04/01/20 – 06/30/20; she noted that no former members withdrew their contributions and interest. 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 06/30/20. Total Securities Lending income for the period was \$30,438.57. Total Class Action Settlement receipts for the period were \$103.91. Chairman Hawkins received and filed the report. (Report on page)

Ms. Korzen next discussed the issue of the upcoming Member Trustee election. She commented that due to COVID-19 it might be necessary to permit the signatures of the 25 members to be accomplished by electronic signature. She stated that currently the 25 member signatures represents only 6% of the total membership so it is not an issue now, but in the future this may need to be adjusted as the number of active employees declines. Vice Chairman Tryc asked how he should go about obtaining the 25 member signatures that are required; Mr. Butts stated that there are a number of City employees working from home; however, several employees are back at work in City Hall. Ms. Korzen stated that perhaps Vice Chairman Tryc (and any other candidates) could email the

nomination petition to the eligible members and then have the members either physically sign the petition or electronically sign the petition and email it back to Vice Chairman Tryc or herself. Mr. Michaud agreed and stated that the policy indicates the member must sign the petition, whether it is handwritten or electronic. Mr. Timkovich asked if an email back from the eligible member would suffice since it is presumed each member has control over his/her email; Mr. Michaud said no, because the policy requires a signature. Mr. Butts asked if Vice Chairman Tryc had access to a list of eligible members; Ms. Korzen stated she would provide the list to him.

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

Ms. Korzen next addressed the 13th Check calculations by noting that the five-year average market value rate of return was 4.84% for the General Retirement System. Per City Code, in order for a 13th Check to be issued, the five-year average market value rate of return must exceed 8.0%. Therefore, there are not sufficient reserves to issue a 13th Check on January 31, 2021. The report was received and filed by the Chairman.

Ms. Korzen reported that The Northern Trust Company completed their quarterly 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.

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 2020. After recent review of the investment accounts, Mr. Lindberg and the Executive Director agreed to transfer \$550,000 from the Wellington Management (equities) account and \$1,500,000 from the Western Asset Management account to the Cash Account on August 3, 2020 and \$1,050,000 from the NTAM account to the Cash Account on September 1, 2020. She noted that the full requested amount of \$2,050,000 was reduced by \$1,000,000 as the City of Grand Rapids recently made an extra \$1,000,000 contribution to the plan.

The meeting adjourned at 11:22 a.m.

The next General Retirement System Board Meeting will be held Wednesday, September 16, 2020, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
General Retirement System