

GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
REGULAR MEETING  
JUNE 19, 2019 – 8:30 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. Phillip Mitchell, Ms. Donijo DeJonge, and Mr. Nathaniel Moody.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Alex Ford of Wilshire Associates, Inc., and Mr. John Globensky, City Treasurer.

There were no public comments regarding agenda items.

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

- Minutes of the regular meeting of May 15, 2019.
- Purchase of credited service by the following General Retirement System member:

Douglas J. Stek                                      \$25,688.78                                      24 months

- Retirements: four age & service.

**Age & Service Retirements:**

Name	Credited Svc.	Ret. Date	Avg. Salary	Pension
<b>Gillean, Douglas G.</b>	32 yrs. 5 mo.	08/07/2019	\$83,723.00	\$5,638.48
<b>Maskell, Jack E.</b>	23 yrs. 6 mo.	09/04/2019	\$56,596.00	\$2,580.53
<b>Spidell, Sheryl L.</b>	21 yrs. 4 mo.	07/02/2019	\$60,545.67	\$2,469.83
<b>Stek, Douglas J.</b>	24 yrs. 3 mo.	07/12/2019	\$83,723.00	\$4,239.69

- Payment of administrative expenses of \$2,479.55 for the period 05/01/19 – 05/31/19.
- **Investment Manager Fees:** Listed below are routine invoices for the quarter ending 03/31/19. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$38,371.52 – CBRE Clarion (Global REIT)  
\$6,386.76 – NTAM (Domestic Equity)  
\$34,270.33 – Wellington Management Company (Equities)  
\$32,508.33 – Wellington Management Company (Commodities)  
\$38,615.23 – Western Asset Management (Fixed Income)

**The motion carried.**

Ms. Korzen next presented a report of Cash Account transfers for the period 07/01/19 – 09/30/19. The Retirement Systems Office staff projected a need for \$3,500,000 to be moved to the cash account as follows: \$0 on July 1<sup>st</sup>, \$1,750,000 on August 1<sup>st</sup> and \$1,750,000 on September 3<sup>rd</sup>. Ms. Korzen noted that the City of Grand Rapids made an additional \$1 million contribution on June 10, 2019. Ms. Korzen recommended, and Mr. Alex Ford of Wilshire Associates agreed, making the transfers as follows:

August 1 <sup>st</sup>	To be determined	\$1,750,000
September 3 <sup>rd</sup>	To be determined	<u>\$1,750,000</u>
Total		\$3,500,000

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

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$416,218,014 on April 30, 2019. The report was received and filed by Chairman Hawkins. (Analysis found on page )

The actuarial services retainer fee from Gabriel, Roeder, Smith and Company (GRS) for the fiscal year 07/01/19 – 06/30/20 was presented to Trustees. The annual fee requested is \$35,080, in quarterly increments of \$8,770, which represents an increase of \$800 (2.3%) over last year’s fee. GRS has requested a fee (shared with the City) not to exceed \$13,000 for GASB 67/68 required reporting. Mr. Mitchell asked if an RFP for actuarial services had been sent recently or would be sent soon. Ms. Korzen stated that neither retirement system has sent an RFP out since Gabriel, Roeder, Smith was hired. Mr. Timkovich stated that it is now required by state law to either conduct a peer review or replace the system’s actuary every eight years. Chairman Hawkins commented that it would be prudent for the Operations Committee to discuss this issue soon and bring back their recommendations to the full Board at a future Board meeting. 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.

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 operational expenses for the FYE 06/30/20. 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. Following Trustee discussion, Mr. Timkovich made the motion to approve the budget as presented. The motion was seconded by Vice Chairman Tryc and carried.

Ms. Korzen next presented an update on the disability retiree re-examination process, noting 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.

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

Mr. Timkovich asked Mr. Ford if it would be prudent for Trustees to revisit the allocation to commodities as they have not been performing well for some time. Mr. Ford commented that even though the commodities market has not been a strong performer as of late, Wilshire still believes over the long-term it would be prudent to have an allocation to this space as it will turn around. He stated that Trustees could discuss this issue at a future Board meeting if they desire.

The meeting adjourned at 8:48 a.m.

The next General Retirement System Board Meeting will be held Wednesday, August 21, 2019, at 8:00 a.m., 233 East Fulton, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
General Retirement System