

GENERAL RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CITY OF GRAND RAPIDS  
MICHIGAN

MINUTES  
REGULAR MEETING  
SEPTEMBER 18, 2019 – 9:42 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 and Mr. Thomas Michaud, Legal Advisor to the Board.

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 August 21, 2019.
- Payment of administrative expenses of \$3,452.24 for the period 08/01/19 – 08/31/19.
- **Custody Fees:** The attached invoices from Northern Trust divide the quarter ending 03/31/19 and 06/30/19 fees as follows:

**Quarter Ending 03/31/19:**

Benefit Payments	\$6,911.48
Custody	<u>\$7,486.32</u>
Total	\$14,397.80

**Quarter Ending 06/30/19:**

Benefit Payments	\$7,712.43
Custody	<u>\$7,447.75</u>
Total	\$15,160.18

**The motion carried.**

Ms. Korzen next presented a report of Cash Account transfers for the period 10/01/19 – 12/31/19. The Retirement Systems Office staff projected a need for \$5,250,000 to be transferred to the cash account as follows: \$1,750,000 on October 1<sup>st</sup>, \$1,750,000 on November 1<sup>st</sup> and \$1,750,000 on December 2<sup>nd</sup>. Ms. Korzen recommended, and Mr. David Lindberg of Wilshire Associates agreed, making the transfers as follows:

October 1 <sup>st</sup>	Baird Advisors	\$1,250,000
	Western Asset Management	\$500,000
November 1 <sup>st</sup>	To be determined	\$1,750,000
December 2 <sup>nd</sup>	To be determined	<u>\$1,750,000</u>
Total		\$5,250,000

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 \$417,288,223 on July 31, 2019. The report was received and filed by the Chairman. (Analysis found on page )

Ms. Korzen presented the Annual Accounting for the period 07/01/18 – 06/30/19 to Trustees. She noted that it was decided by Trustees to review the Annual Accountings of both retirement systems at the same time each year, and therefore a committee should be established. Vice Chairman Tryc and Mr. Mitchell volunteered to serve. Ms. Korzen noted she will coordinate a date to review the accountings within approximately the next 30 days and the Trustees will report their findings to the Board at a future meeting.

Ms. Korzen next addressed the 13<sup>th</sup> Check calculations by noting that the five-year average book value rate of return was 5.11% for the General Retirement System. Per City Code, in order for a 13<sup>th</sup> 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 13<sup>th</sup> Check on January 31, 2020. The report was received and filed by the Chairman.

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

Ms. Korzen noted that the term of office for Mr. Bill Butts will be expiring the first Monday in 2020. The election process has begun and nominating petitions are due in the Retirement Systems office by this Friday. Mr. Butts has been the only person to submit a nominating petition thus far. She will keep Trustees informed of the progress in the election process.

The meeting adjourned at 9:46 a.m.

The next General Retirement System Board Meeting will be held Wednesday, November 20, 2019, at 8:00 a.m., 233 E. Fulton, Suite 216, Grand Rapids, Michigan.

Peggy Korzen  
Executive Director  
General Retirement System