

**CITY OF KALAMAZOO EMPLOYEES' RETIREMENT SYSTEM
PENSION BOARD OF TRUSTEES MINUTES
WEDNESDAY, September 6, 2017**

A meeting of the Pension Board of Trustees was held on Wednesday, September 6, 2017 at 8:00 a.m. in the Third floor Conference Room of City Hall.

Members Present: City Manager Jim Ritsema, Chair Randy Eberts, Thomas Maher and Robert Bauckham

Members Absent: Commissioner Shannon Sykes

Also Present: Melissa Fuller, Chris Hancox, Michelle Mater, Tom Skrobola and Patricia Vargas

Jim Ritsema motioned and Robert Bauckham supported to excuse Commissioner Shannon Sykes. The motion was passed by voice vote:

Ayes: City Manager Jim Ritsema, Tom Maher, and Rob Bauckham

Nays: None

Approval of Minutes

Jim Ritsema motioned and Rob Bauckham supported to approve the Pension Board minutes of June 7, 2017. The motion was passed by voice vote:

Ayes: City Manager Jim Ritsema, Tom Maher, and Rob Bauckham

Nays: None

2017 Approval of Retirement Applications – 2nd Qtr.

Last Name	First Name	Group	Date	Type	Benefit	Method	FAC	Yrs
Huntley	Patricia	KMEA	05/04/17	Regular	\$1,198.16	50% J & S	\$36,213.56	20.0000
Buchtrup	John	NBU	05/20/17	Regular	\$2,854.70	100% J & S	\$65,672.89	26.5000
Phelps	Michael	KPSOA	06/02/17	Regular	\$3,958.81	100% J & S	\$77,203.65	25.0000
Beauchamp	Brian	KPSOA	06/30/17	Regular	\$4,618.26	Straight Life	\$81,829.71	25.0833

Rob Bauckham motioned and Tom Maher supported to approve the retirement applications. The motion was passed by voice vote:

Ayes: City Manager Jim Ritsema, Tom Maher and Rob Bauckham

Nays: None

2017 Employee Refunds – 2nd Qtr.

Last Name	First Name	Amount	Group	Date	Method	Service Time
Hawkes III	Ernest	\$443.43	KPSOA	06/29/17	Distribution	3 months
Russell	Ryan	\$5,078.05	NBU	06/29/17	Distribution	4 years 3 months
Omillian	Chelsey	\$3,792.86	KPSOA	08/24/17	Distribution	1 year 2 months

Jim Ritsema motioned and Rob Bauckham supported to approve the refund applications. The motion was passed by voice vote:

Ayes: City Manager Jim Ritsema, Tom Maher and Rob Bauckham

Nays: None

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Approval of Recommendation for 2nd Pension

The Committee received the letter from City Attorney Clyde Robinson, accepting the opinion regarding the request for a 2nd Pension:

- Patricia Brogan

Jim Ritsema motioned and Rob Bauckham supported to receive and accept the opinion regarding the 2nd Pension request. The motion was passed by voice vote:

Ayes: City Manager Jim Ritsema, Tom Maher and Rob Bauckham

Nays: None

Changes Due to Death (Information only)

Last Name	First Name	Date of Birth	Date of Hire	Date of Death	Retiree Benefit	Beneficiary Benefit	Beneficiary Name
Petersen	Ethel	2/23/1924				\$469.33	
Costello	Judith	9/9/1936				\$936.28	
Underwood	Kenneth	12/22/1927	5/25/1965	10/19/1989	100% J&S		
Hippensteel	Lorraine	4/4/1949	2/12/1997	6/13/2012	Straight Life		
Smith	Jessie	2/19/1922	4/7/1971	7/9/1986	Straight Life		
Tiller	Charles	3/19/1934	8/1/1955	7/31/1993	50% Survivor	\$1,076.05	Florence A. Tiller
Lovelace	Gerhard	5/19/1935	2/25/1963	4/8/1988	Straight Life	\$982.71	Mary Lou Lovelace Frederick P. Ritsema
Ritsema	Lois	6/29/1934	8/5/1970	2/8/1992	50% Survivor	\$405.73	
Baker	Patricia	5/3/1941					

New Hires (Information only)

Last Name	First Name	EMP #	DOH	Sex	Ethnicity	Wage	Annual Wage	Group
Arnold	Ellen	14592	05/22/17	F	White	18.95		KPSOA
Baker	Allison	14597	05/22/17	F	White	18.95		KPSOA
Epps	Eric	14594	05/22/17	M	Black	18.95		KPSOA
Koch	Max	14598	05/22/17	M	White	18.95		KPSOA
Malarney	Rylan	14609	05/22/17	M	White	17.82		KMEA
Ostrander	Michael	14596	05/22/17	M	White	18.95		KPSOA
Phillips	Davion	14595	05/22/17	M	Two +	18.95		KPSOA
Walterhouse	Shelby	14593	05/22/17	F	White	18.95		KPSOA
Aguib	Mohamed	14588	06/05/17	M	White		65,715.00	NBU
Drabik	Donna	14621	06/05/17	F	White	13.17		KMEA
Wenzlick	Sarah	14626	06/05/17	F	White		54,248.00	NBU
Okeley	Jesse	14643	06/05/17	M	White	19.15		KMEA
Shive	Anthony	14656	06/26/17	M	White	16.71		AFSCME
Sutter	Stephen	14658	06/26/17	M	White	16.71		AFSCME
Stemaly	Charles	13662	06/19/17	M	White		58,788.00	NBU
Adkins	Matthew	14646	06/20/17	M	White	16.71		AFSCME
Anderson	Christina	14659	06/19/17	F	White		73,950.00	NBU
Burt	Jessica	14673	07/03/17	F	White	15.82		KMEA
Matson	Adam	14655	07/03/17	M	White	16.71		AFSCME
Smith	Beau	14657	07/03/17	M	White	16.71		AFSCME

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<u>Last Name</u>	<u>First Name</u>	<u>EMP #</u>	<u>DOH</u>	<u>Sex</u>	<u>Ethnicity</u>	<u>Wage</u>	<u>Annual Wage</u>	<u>Group</u>
Powers	Brent	14677	07/17/17	M	White		56,000.00	NBU
Kelley	Julie	14674	07/17/17	F	White		45,307.00	NBU
Buzzo	Michael	14679	07/31/17	M	White		51,740.64	NBU
Ridner Jr.	Leslie	14681	07/31/07	M	White	20.19		AFSCME
Rutherford	Karen	14680	07/31/17	F	White	13.23		KMEA

Second Quarter Investment Activity Period Ending June 30, 2017

The market value of portfolio assets increased from \$753.0 million to \$763.2 million during the second quarter of 2017, an increase of \$10.2 million or 1.35%.

The portfolio weighted average return for the quarter, net of manager fees, was 2.52%. The 1-year net return was 15.50%. The return since October 1982, net of manager fees, through the end of the quarter has been 11.08%.

Equities comprised 69.90% of the City portfolio at the end of the quarter. The equity portion of the City portfolio returned 2.92% for the quarter and 22.50% year-on-year.

Fixed income comprised 24.9% of the City portfolio at the end of the quarter. Total fixed income returned 1.60% for the quarter and negative 0.06% year-on-year.

At the end of the quarter, real estate investments were 5.2% of the portfolio. Real estate returned 1.57% for the quarter and 2.75% for one year.

The portfolio assets finished the quarter with 69.9% in equities, 24.9% in fixed income, 5.2% in real estate, and 0.0% in cash. The portfolio target allocation is 70% equities, 25% fixed income, and 5% real estate.

The inflation-adjusted, or real return, for the quarter was 2.05% as the inflation rate for the quarter was 0.47%. With a year-on-year inflation rate of 1.63%, the one year real return was 13.87%. Since October 1982, the return on the portfolio, net of manager fees, has been 11.08% nominal and 8.38% real.

Future Meetings:

Wednesday, December 6, 2017
 Wednesday, March 7, 2018
 Wednesday, June 6, 2018
 Wednesday, September 5, 2018

There being no further business, Chair Randy Eberts adjourned the meeting at 8:32 a.m.

Respectfully submitted,



Thomas C. Skrobola, Secretary