

MEETING NO. 4169  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
HELD WEDNESDAY, **NOVEMBER 16, 2016**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM  
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000  
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Lori Cetlinski	Trustee
Tasha L. Cowan	Trustee/Vice-Chair
Olga Johnson	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Gail Oxendine	Trustee
David Szymanski	Ex-Officio Trustee/City Treasurer
Thomas Sheehan	Trustee/Chair

TRUSTEES EXCUSED

Scott Benson	Ex-Officio Trustee/City Council Member
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TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
Michael VanOverbeke	General Counsel
David Cetlinski	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael Krushena	Assistant Investment Officer
TaKneisha Johnson	Recording Secretary

STAFF EXCUSED

LaMonica Arrington-Cabeau	Manager II
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CHAIRMAN

**THOMAS SHEEHAN**

The Board's Recording Secretary took a verbal Roll Call at 10:24 a.m. and Chairperson Sheehan called the meeting to order.

Present at Roll Call: Wendell Anthony, Lori Cetlinski, Tasha L. Cowan, Olga Johnson, June Nickleberry, Thomas Sheehan and David Szymanski

**Open Forum**

Chairperson **Thomas Sheehan** opened the meeting for public discussion:

City of Detroit employee **Donna M. Evans** addressed the Board regarding the following:

- Request for three month service credit to retire and request to expedite annuity withdrawal request. A discussion commenced and the Board did agree to expedite Ms. Evans annuity withdrawal request application, however she did not meet the plan provisions for retirement.

➤ ***Trustee Gail Oxendine entered the Board Meeting at 10:25 a.m.***

**Re: Service Retirement(s)**

Motion By: Trustee Szymanski - Supported By: Trustee Anthony

**RESOLVED**, that the application(s) for **SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	David Brown – TEO - Transportation
SERVICE CREDIT	19-10
EFFECTIVE DATE	10-02-16

NAME, TITLE, DEPARTMENT	Edmund Brown – Hsg Reh Spec-Ld Cert – Planning & Development
SERVICE CREDIT	19-00
EFFECTIVE DATE	09-17-16

NAME, TITLE, DEPARTMENT	Dwaine Hopkins – TEO - Transportation
SERVICE CREDIT	09-04
EFFECTIVE DATE	10-10-16

NAME, TITLE, DEPARTMENT	David Jackson – General Auto Mechanic - Transportation
SERVICE CREDIT	28-09
EFFECTIVE DATE	10-15-16

NAME, TITLE, DEPARTMENT	Jonathan Sandford – Auto Fleet Tech – Water & Sewerage
SERVICE CREDIT	27-11
EFFECTIVE DATE	10-12-16

Yeas: Anthony, Cetlinski, Cowan, Johnson, Nickleberry, Szymanski, Oxendine  
and Sheehan – 8

Nays: None

**Re: Vested Retirement(s)**

Motion By: Trustee Szymanski - Supported By: Trustee Anthony

**RESOLVED**, that the application(s) for **VESTED RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Keith E. Crook – Water Systems Helper – Water & Sewerage
SERVICE CREDIT	14-05
EFFECTIVE DATE	07-01-16

NAME, TITLE, DEPARTMENT	Arthur L. Harper – Counselor Aid – Human Services
SERVICE CREDIT	01-00
EFFECTIVE DATE	10-01-15

NAME, TITLE, DEPARTMENT	Lois D. Watkins – Asst Trans Dist Supt - Transportation
SERVICE CREDIT	16-07
EFFECTIVE DATE	10-01-15

Yeas: Anthony, Cetlinski, Cowan, Johnson, Nickleberry, Szymanski, Oxendine  
and Sheehan – 8

Nays: None

**Re: Hybrid Retirement(s)**

Motion By: Trustee Szymanski - Supported By: Trustee Anthony

**RESOLVED**, that the application(s) for **HYBRID RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Edmund Brown – Hsg Reh Spec-Ld Cert – Planning & Development
SERVICE CREDIT	02-03
EFFECTIVE DATE	09-17-16

NAME, TITLE, DEPARTMENT	Dwaine Hopkins – TEO - Transportation
SERVICE CREDIT	01-10
EFFECTIVE DATE	10-10-16

NAME, TITLE, DEPARTMENT	Jonnie Lockett – TEO - Transportation
SERVICE CREDIT	02-01
EFFECTIVE DATE	08-03-16

Yeas: Anthony, Cetlinski, Cowan, Johnson, Nickleberry, Szymanski, Oxendine  
and Sheehan – 8

Nays: None

**Re: Change of Computation from Duty/Non-Duty Disability to Service Retirement(s)**

Motion By: Trustee Szymanski – Supported By: Trustee Anthony

**RESOLVED**, that the application(s) for **CHANGE OF COMPUTATION FROM DUTY/NON-DUTY DISABILITY TO SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	James Hawthorne – Vehicle Operator III – General Services
SERVICE CREDIT	23-02
EFFECTIVE DATE	09-06-16

NAME, TITLE, DEPARTMENT	Jonnie Lockett – TEO - Transportation
SERVICE CREDIT	17-06
EFFECTIVE DATE	08-03-16

Yeas: Anthony, Cetlinski, Cowan, Johnson, Nickleberry, Szymanski, Oxendine  
and Sheehan – 8

Nays: None

Motion By: Trustee Szymanski - Supported By: Trustee Anthony

**RESOLVED**, that the application(s) for **OPTION CHANGE** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Wayne Robinson – Chief of Housing & Planning I – Building & Safety
SERVICE CREDIT	31-00
EFFECTIVE DATE	07-13-16
FROM:	Option A
TO:	Option A/Pop-Up
Yeas:	Anthony, Cetlinski, Cowan, Johnson, Nickleberry, Szymanski, Oxendine and Sheehan – 8

Nays: None

**Re: Auto II- Spouse**

Motion By: Trustee Szymanski - Supported By: Trustee Anthony

**RESOLVED**, that the application(s) for **AUTO II- SPOUSE** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Charnita Campbell (Quinard Jackson – Deceased) – General Welder – General Services
SERVICE CREDIT	24-00
EFFECTIVE DATE	10-11-16

Yeas: Anthony, Cetlinski, Cowan, Johnson, Nickleberry, Szymanski, Oxendine and Sheehan – 8

Nays: None

**Re: Receipts**

The receipts which are referenced below were **acknowledged**:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
10/31/16 - 11/11/16			
November 16, 2016			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
<b>RECEIPTS</b>			
FIRST INDEPENDENCE BANK	10/31/16	Loan Deductions	40,066.35
NOMURA ASSET ACCEPTANCE CORP.	10/31/16	Class Action Proceeds	250.41
CENTRAL EUROPEAN DISTRIBUTION CORP	11/03/16	Class Action Proceeds	159.13
POLICE & FIRE RETIREMENT SYSTEM	11/04/16	Reimburse Staff Wages	17,420.59
QUESTCOR PHARMACEUTICALS, INC.	11/07/16	Class Action Proceeds	1,657.95
L&L ENERGY INC	11/08/16	Class Action Proceeds	24.12
FIRST INDEPENDENCE BANK	11/09/16	Loan Deductions	49,154.93
CITY OF DETROIT	11/04/16	Weekly Mandatory Pension Contribution	87,631.25
CITY OF DETROIT	11/04/16	Weekly Annuity Contribution	64,994.58
CITY OF DETROIT	11/10/16	Weekly Mandatory Pension Contribution	197,845.50
CITY OF DETROIT	11/10/16	Weekly Annuity Contribution	126,448.97
<b>TOTAL RECEIPTS</b>			<b>\$ 585,653.78</b>

Prepared by Fort, BSA 11/16/16

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***DISCUSSION:***

**Re: List of Disbursements**

The Board of Trustees held a discussion with the Chief Investment Officer Ryan Bigelow and Assistant Investment Officer Michael Krushena regarding invoices/items on the list of disbursements.

*Note: Trustee Oxendine requested to have a project report from UHY on total payments made to UHY to date.*

*Note: Trustee Cowan previously requested a detailed billing from Plante Moran that to date has not been provided. Until that is done she states that Plante Moran's invoice should be held. The Board agreed on this matter. Trustee Cowan also requested a brief summary report describing companies who are put on the capital calls payee list.*

➤ ***Trustee John Naglick entered the Board Meeting at 10:51 a.m.***

**Re: Fees and Expenses**

Resolution Moved By: Trustee Anthony - Supported By: Trustee Szymanski

**WHEREAS**, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

**WHEREAS**, the Board has been requested to approve payment of said Fees and Expenses; **(excluding the Plante Moran invoice until further detail is provided)**  
**THEREFORE BE IT**

**RESOLVED**, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:



**Re: Fees and Expenses (cont'd)**

**Resolution Moved By: Trustee Anthony - Supported By: Trustee Szymanski**

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT  
LIST OF DISBURSEMENTS FOR BOARD APPROVAL  
FOR NOVEMBER 16, 2016

<b>PAYEE</b>	<b>DATE</b>	<b>INVOICE NO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>CAPITAL CALLS:</b>				
LANDMARK EQUITY PARTNERS XV, LP	11/7/2016		Due 11/18/16	\$305,129.00
USPF III LEVERAGED FEEDER FUND LP	11/9/2016		Due 11/29/16	\$1,599,034.00
Subtotal				<u>\$1,904,163.00</u>
<b>MANAGEMENT FEES:</b>				
BRANDYWINE GLOBAL INVESTMENT MANAGE	10/12/2016	20160930-224-5100-	Management Fees - 3rd Qtr '16	\$67,177.67
PZENA INVESTMENT MANAGEMENT, LLC	11/2/2016	16308-1-001	Management Fees - 3rd Qtr '16	\$61,196.83
Subtotal				<u>\$128,374.50</u>
<b>LEGAL FEES:</b>				
CLARK HILL, P.L.C.	10/26/2016	679133	Miscellaneous thru 9/30/16	\$1,804.75
CLARK HILL, P.L.C.	10/26/2016	679136	Oryx Capital Litigation thru 9/30/16	\$1,233.56
CLARK HILL, P.L.C.	10/26/2016	679137	ICG Gm Leaseback Litigation thru 9/30/16	\$437.76
CLARK HILL, P.L.C.	10/26/2016	679139	Alamerica Bank thru 9/30/16	\$6,007.18
CLARK HILL, P.L.C.	10/26/2016	679177	Keeler Litigation thru 9/30/16	\$2,415.66
CLARK HILL, P.L.C.	10/26/2016	679176	Chapter 9 Compliance & Implementation thru 9/30/16	\$1,160.68
Subtotal				<u>\$13,059.59</u>
<b>ADMINISTRATIVE EXPENSES:</b>				
500 WEBWARD LLC	11/1/2016	23754	Rent - November 2016	\$21,266.93
CHRYSALIS CONSULTING, LLC	10/31/2016	13014	Consulting Svcs	\$200.00
CREATIVE BREAKTHROUGHS INC	10/31/2016	1196167	IT Security Svcs	\$11,450.00
CREATIVE BREAKTHROUGHS INC	11/9/2016	1196195	IT Security Svcs	\$1,195.20
DIRECTV	10/24/2016	29791602367	Service Charges	\$33.99
FEDEX	10/9/2016	5-605-73923	FedEx Mailings	\$20.57
FEDEX	10/2/2016	5-597-60391	FedEx Mailings	\$61.13
GRAPHIC SCIENCES, INC	10/31/2016	0142469-IN	Software Services	\$3,204.00
IT STAFF WAGES	10/31/2016		IT Staff Wages for October 2016	\$43,415.50
OFFICE DEPOT	10/27/2016	87431964001	Office Supplies	\$23.99
<b>Total Disbursements for Board Approval</b>				<b><u>\$2,417,017.80</u></b>

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

**Re: Refunds of Accumulated Contributions**

Motion By: Trustee Szymanski - Supported By: Trustee Anthony

**RESOLVED**, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

**List No. 4186 - \$328,415.38**

**List No. 4187 - \$144,836.85 (as amended)**

including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

**Re: Employee Loan Program**

Motion By: Trustee Anthony – Supported By: Trustee Oxendine

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$21,700.00** including interest, be hereby **APPROVED**.

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

**Re: Employee Loan Program**

Motion By: Trustee Anthony – Supported By: Trustee Oxendine

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$42,444.00** including interest, be hereby **APPROVED**.

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

**Re: Minutes/Journal No. 4163 – (08/31/16)**

Motion By: Trustee Cetlinski – Supported By: Trustee Nickleberry

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting No. 4163, held on August 31, 2016, be hereby **APPROVED** as recorded and submitted.

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

**Re: Minutes/Journal No. 4165 – (09/21/16)**

Motion By: Trustee Cetlinski – Supported By: Trustee Nickleberry

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting No. 4165, held on September 21, 2016, be hereby **APPROVED** as recorded and submitted.

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

**ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

Assistant Executive Director, David Cetlinski had nothing to report.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Cynthia A. Thomas reported/discussed the following:

- **Plant Moran Engagement Letter (Scope of services for GASB 68 requirements)**

Re: Plante Moran Engagement Letter/Scope of Services

Resolution Moved By: Trustee Cowan – Supported By: Trustee Naglick

**RESOLVED**, that the Board hereby approve the Plant Moran Engagement Letter/Scope of Services as set forth and provided by the System's Executive Director:

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

- **Software Selection Committee Meeting**

*Note: Trustee Oxendine requests that UHY speak directly to how they plan to address Vitech's learning curve.*

*Executive Director Cynthia A. Thomas requests that Trustee Cowan and Trustee Cetlinski consider taking a tour of the Vitech Platform.*

*Trustee Cetlinski would also like UHY to address the ERP/Financial portion as well.*

- **August 17, 2016 Minutes**

**Motion by: Trustee Szymanski– Seconded by Trustee Anthony,** to amend the meeting minutes dated **August 17, 2016** consistent with the memorandum submitted by Executive Director Cynthia Thomas. The motion passed by a unanimous vote.

- **Retiree Hold for Pick Up memorandum**

*Trustee Cowan had the following questions:*

- ***What type of documentation is available that says that the process of holding checks is outdated and has been misused? Many retirees have their checks held for various reasons, and Trustee Cowan is not in agreement with taking away the retiree's right to physically pick-up their checks.***

**EXECUTIVE DIRECTOR'S REPORT (Cont'd)**

*Trustee Cowan had the following questions:*

- ***What does the 16-24 hours noted in the memorandum consist of? As the previous Paymaster, Trustee Cowan stated that the process di not take 16-24 hours.***

As the Executive Director, Cynthia A. Thomas may make the administrative decision to adopt a policy that allows Retirees to remain on the "hold check" list for no longer than six months.

*~Concludes Executive Director's Report~*

**CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer Ryan Bigelow and Assistant Investment Officer, Michael Krushena, addressed the Board and held discussion on the following:

- **American Realty will send over informational letters with regards to reduction of fees.**
- **Investment Committee meeting on Monday 12/5/2016 will have a very full schedule with a number of presenters.**
- **The audit report will not be available by the meeting date and the IC (Investment Committee) will likely approve via teleconference.**
- **Securities Lending/Litigation Policy Approval (The Board of Trustees had further discussion on the policy).**

**Re: Securities Lending/Litigation Policy**

Resolution Moved By: Trustee Szymanski – Supported By: Trustee Cowan

**RESOLVED**, that the Board hereby approve the Securities Lending/Litigation Policy as submitted by the Board's Assistant Investment Officer:

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Szymanski, Oxendine and Sheehan – 9

Nays: None

*~Concludes CIO/AIO's Report~*

- ***The Board recessed for lunch break at 11:55 a.m. and reconvened at 12:29 p.m.***

The Board's Recording Secretary took a verbal Roll Call at 12:29 p.m. and Chairperson Sheehan called the meeting to order:

Present at Roll Call: Wendell Anthony, Lori Cetlinski, Olga Johnson, June Nickleberry, John Naglick, Gail Oxendine, Thomas Sheehan and David Szymanski

### **GENERAL COUNSEL'S REPORT**

General Counsel, Michael VanOverbeke, submitted a Legal Report regarding the status of the items reflected below for discussion, in addition to matters referred to separately in these minutes:

- ***Trustee Tasha L. Cowan entered the Board Meeting at 12:45 p.m.***
- **Discussion of Annual Actuarial Valuation of Component I**
- ***Trustee David Szymanski excused himself from the Board Meeting at 12:52 p.m.***
- **Estate of Marilyn J. Simms**
- **Memorandum from Racine Law**
- **Income Stabilization Fund Certification sent to State Treasurer**

**GENERAL COUNSEL'S REPORT (cont'd)**

Re: Capozzoli Advisory for Pensions/Joe Capozzoli/Workforce Trust

Resolution Moved By: Trustee Naglick – Supported By: Trustee Cowan

**WHEREAS**, Special Legal Counsel, Racine & Associates has reported on the status of the Legal Proceedings and the matter of the status of the services of Stout Risius Ross, Inc. ("SRR") at this time, and

**WHEREAS**, Special Legal Counsel has requested, that the Board approve execution by Special Legal Counsel of the notice and response to SRR advising them to assign the matter to MK Forensics, and

**WHEREAS**, Special Legal Counsel has requested that the Board approve execution of the engagement letter presented to the Board between Racine & Associates on behalf of the General Retirement System of the City of Detroit and MK Forensics; and

**WHEREAS**, The Board has discussed this matter, **THEREFORE BE IT**

**RESOLVED**, that The Board approves the request of Special Legal Counsel and expressly authorizes Special Legal Counsel to provide notice to Stout Risius Ross that they are authorized to assign this matter to MK Forensics, and **Be It Further**

**RESOLVED**, that the MK Forensics engagement letter is approved for execution by two Trustees and Special Legal Counsel, and **Be It Further**

**RESOLVED**, that prior to Special Legal Counsel requesting any services from MK Forensics, authorization be obtained from the Board Chair and General Counsel, and notification be provided to the Board and **Be It Further**

**RESOLVED**, that a copy of this resolution be immediately forwarded to Racine & Associates (Attention: Marie T. Racine), 1001 Woodward Avenue, Suite 1100, Detroit, MI 48226; Stout Risius Ross (Attention: John R Bone, Managing Director), 4000 Town Center, 20<sup>th</sup> floor, Southfield, MI 48075; and MK Forensics (Attention: Michael N. Kahaian), Mick@mkforensics.com

Yeas: Anthony, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, and Sheehan- 8

Nays: None

*~Concludes Legal Report~*

**PUBLIC RELATIONS REPORT**

The Board's Public Relations professional Tina Bassett addressed the Board on the following:

- **New Investment newsletter**

**ADJOURNMENT**

There being no further business before the Board, **Chairman Sheehan** adjourned the meeting at 1:20 p.m. The Board's next meeting is scheduled for **Wednesday, November 30, 2016**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



David Cetlinski  
Assistant Executive Director