

MEETING NO. 4173
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **JANUARY 04, 2017**

10:00 A.M.

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

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
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

None

TRUSTEES ABSENT

None

ALSO PRESENT

Michael VanOverbeke	General Counsel
LaMonica Arrington-Cabeau	Manager II
Ryan Bigelow	Chief Investment Officer
Michael Krushena	Assistant Chief Investment Officer
TaKneisha Johnson	Administrative Assistant II

STAFF EXCUSED

Cynthia A. Thomas	Executive Director
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CHAIRMAN

THOMAS SHEEHAN

The Board's Recording Secretary took a verbal Roll Call at 10:14 a.m. and Chairperson Sheehan called the meeting to order.

Present at Roll Call: Scott Benson, Lori Cetlinski, Tasha L. Cowan, Olga Johnson, John Naglick, June Nickleberry, Gail Oxendine, Thomas Sheehan and David Szymanski

Re: Receipts

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

The General Retirement System of the City of Detroit			
Receipts for Acknowledgement			
12/19/16-12/30/16			
Meeting #3124			
January 4, 2017			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
COBO Center	12/19/16	Pension & Annuity Contributions	9,604.19
BLOOMFIELD INST OPP	12/21/17	Distribution	554,167.00
LANDMARK XV	12/22/16	Distribution	114,231.00
USPF II Inst FD LP	12/22/16	Distribution	223,785.00
AEW Partners V LP	12/27/16	Distribution	87,450.00
USPF III Feeder LP	12/29/16	Distribution	370,370.36
ARA Genesis Value FD	12/29/16	Distribution	32,928.00
MESIROW	12/30/16	Distribution	600,000.00
FIRST INDEPENDENCE BANK	12/28/16	Loan Deductions	39,044.36
FIRST INDEPENDENCE BANK	12/28/16	Loan Deductions	53,922.88
CITY OF DETROIT	12/22/16	Weekly Mandatory Pension Contribution	202,328.61
CITY OF DETROIT	12/22/16	Weekly Annuity Contribution	127,163.44
TOTAL RECEIPTS			\$ 2,414,994.84

Re: Monthly Pension Payroll

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

RESOLVED, that the Board **APPROVE** the following Pension Payroll:

The General Retirement System of the City of Detroit			
Monthly Pension Payroll for Approval			
1/4/2017			
January 4, 2017	PAYEE NAME	DESCRIPTION	AMOUNT
DISBURSEMENTS			
	First Independence Bank	Pension Payroll - Legacy Direct Deposit	14,893,083.53
	MISDU	Child Support Deductions	23,141.17
	First Independence Bank	Pension Payroll - Hybrid Direct Deposit	5,925.82
	First Independence Bank	Pension Payroll - Hybrid Checks	20,142.97
	First Independence Bank	Pension Payroll - Legacy Checks	1,765,949.95
	Diversified Members Credit Union	Loan Payment Deductions	619,995.67
	Detroit Employee Benefit Plan	Benefit Payments - Life Insurance	3,580.65
	Detroit Employee Benefit Plan - VEBA (to RHC)	Benefit Payments - Health, Eye & Dental	431,031.66
	Federal Tax	Withholding	1,794,629.73
	State Tax & Assoc. Fees	Withholding	313,297.57
		TOTAL DISBURSEMENTS	\$ 19,870,778.72

Prepared by Witt, Alec 1/3/2017

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

Nays: None

Re: Fees and Expenses

Resolution Moved By: Trustee Oxendine - Supported By: Trustee Nickleberry

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; **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:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR JANUARY 4, 2017

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
LEGAL FEES:				
RACINE & ASSOCIATES	11/9/2016	12047	DGRS v. Capozzoli: 11/1/16-11/30/16	\$21,789.76
RACINE & ASSOCIATES	12/9/2016	12043	DGRS v. Gracia: 11/1/16-11/30/16	\$1,590.05
Subtotal				<u>\$23,379.81</u>
ADMINISTRATIVE EXPENSES:				
ADP, INC	12/16/2016	484780431	Check Printing Services	\$8,579.04
DALTON COMMERCIAL CLEANING CORP.	12/31/2016	234313	Carpet Cleaning	\$1,057.50
FEDEX	12/14/2016	5-641-95430	FedEx Mailings	\$20.77
IRON MOUNTAIN	11/30/2016	201169603	Storage CDs	\$647.26
NEOFUNDS BY NEOPOST	12/4/2016	120416	Postage	\$715.00
RICOH	12/6/2016	97959540	Contract Services	\$136.85
STAR INSURANCE COMPANY	1/4/2017	010417	Workers Compensation: 10/10/15-10/10/16	\$348.00
Subtotal				<u>\$11,504.42</u>
Total Disbursements for Board Approval				<u>\$34,884.23</u>

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

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Szymanski - Supported By: Trustee Cetlinski

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

List No. 7290 - \$731,224.46

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

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

Nays: None

Re: Minutes/Journal No. 4171 – (12/07/16)

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. 4171, held on December 07, 2016, be hereby **APPROVED** as recorded and submitted.

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

Nays: None

Open Forum

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

City of Detroit Retiree **Cedric Cook** addressed the Board regarding the following:

- Request for personal compensation

MANAGER'S REPORT

The Retirement System's Manager, LaMonica Arrington-Cabean, had nothing to report to the Board.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer Ryan Bigelow and Assistant Investment Officer, Michael Krushena, discussed the following with the Board:

- Investment Committee Agenda- Hedge Fund Allocation (Approval of termination of Mesirow)
- NEPC reduction of fees
- Edgewood presentation on January 18, 2017 at 11:00

***Direction of Chair:** Provide a detailed memo outlining all details regarding change/reduction of NEPC's fees and bring back to the next meeting for Board approval.*

Motion by: Trustee Szymanski– Seconded by Trustee Naglick, to approve and authorize the termination/removal of Mesirow. The motion passed by a unanimous vote.

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:

- Garfield Building, LLC Discharge of mortgages

Motion by: Trustee Naglick– Seconded by Trustee Szymanski, to execute two discharges for the Retirement System's two prior mortgages in the Garfield Building, LLC property. The motion passed by a unanimous vote.

- Joint Personnel Committee Charter- additional copies are available if needed and adoption is expected after Board review. (General Counsel would like approval by the next Board meeting on January 18, 2017).
- RSCD Opportunity Fund has been settled.
- Software System implementation is still underway
- All reporting requirement compliances have been met and submitted to the Foundation for Detroit's Future.
- Great Lakes Water Authority Pension Reporting Agreement

➤ **Trustee Wendell Anthony** joined the Board Meeting at 10:47 a.m.

~Concludes Legal Report~

New/Old Business

Chairperson Sheehan had questions regarding the following:

- American Realty Report CIO Ryan Bigelow states that the report is forthcoming and that there are no recommendations or offers pending right now. However, the Gulfport property is for sale.
- Status of Rhumblin ownership structure
- Plante Moran audit report -has been approved by the Investment Committee (IC) and has been forwarded to the Foundation for Detroit's future

Trustee Johnson had questions regarding the ability to take more Finance classes to enhance her role as Trustee. She'd like to be reimbursed for the classes and also like approval to attend the upcoming NEPC conference.

Motion by: Trustee Szymanski – Seconded by Trustee Cowan, to allow any Trustee to attend the NEPC client conference. The motion passed by a unanimous vote.

Motion by: Trustee Szymanski – Seconded by Trustee Anthony, to allow Trustee Johnson \$1000.00 toward her college level #7290 Finance course.

The motion failed by vote as follows:

Yeas: Anthony, Benson, Johnson, Naglick and Szymanski – 5

Nays: Cetlinski, Cowan, Nickleberry, Oxendine and Sheehan - 5

Motion by: Trustee Johnson – Seconded by Trustee Anthony, to allow Trustee Benson to attend the International Foundation of Employee Benefit Plans (IFEBP) Advance Trustees and Administrators Institute Training conference in Florida from February 20th through 22nd 2017. The motion passed by a unanimous vote.

There being no further business before the Board, **Chairperson Sheehan** adjourned the meeting at 11:21 a.m. The Board's next meeting is scheduled for **Wednesday, January 18, 2017**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, reading "Lamonica Arrington-Cabeau". The signature is written in a cursive style with a large initial 'L'.

LAMONICA ARRINGTON-CABEAN
MANAGER II