

MEETING NO. **4221**  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
HELD **WEDNESDAY, NOVEMBER 7, 2018**

10:00 A.M.

RETIREMENT SYSEMS' CONFERENCE ROOM  
ALLY DETROIT CENTER, 500 WOODWARD AVENUE, SUITE 3000  
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Lori Cetlinski	Trustee/ Vice- Chairperson
Tasha L. Cowan	Trustee
Kimberly Hall-Wagner	Trustee
June Nickleberry	Trustee/Chairperson
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Scott Benson	Ex-Officio Trustee/City Council Member
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
JoAnn Harrison	Administrative Support

STAFF EXCUSED

TaKneisha Johnson	Administrative Assistant IV
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CHAIRPERSON

**June Nickleberry**

The Board's Administrative Support took a verbal Roll Call at 10:07 a.m. and Chairperson Nickleberry called the meeting to order.

**Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Kimberly Hall-Wagner, Crystal Perkins, Thomas Sheehan and Chairperson Nickleberry**

**Re: Hybrid Plan Service Retirement(s)**

Motion By: Trustee Sheehan - Supported By: Trustee Perkins

**RESOLVED**, that the application(s) for retirement from the **COMPONENT I (HYBRID) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Tommy Bankston – Field Services Techn – Water & Sewerage
SERVICE CREDIT	04-04
EFFECTIVE DATE	10-19-18

NAME, TITLE, DEPARTMENT	Derry Fletcher – TEO - Transportation
SERVICE CREDIT	04-03
EFFECTIVE DATE	10-05-18

NAME, TITLE, DEPARTMENT	Elizabeth Ogan – Librarian III – Library
SERVICE CREDIT	04-04
EFFECTIVE DATE	10-22-18

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry - 6

Nays: None

**Re: Legacy Plan Service Retirement(s)**

Motion By: Trustee Sheehan - Supported By: Trustee Perkins

**RESOLVED**, that the application(s) for retirement from the **COMPONENT II (LEGACY) PLAN** as outlined below be hereby **APPROVED**:

NAME, TITLE, DEPARTMENT	Labrenda J. Asberry -Clerk – Water & Sewerage
SERVICE CREDIT	11-04
EFFECTIVE DATE	10-15-14

NAME, TITLE, DEPARTMENT	Tommy Bankston - Field Services Techn – Water & Sewerage
SERVICE CREDIT	20-06
EFFECTIVE DATE	10-19-18

NAME, TITLE, DEPARTMENT	Walter B. Cechanowicz – Finish Painter – General Services
SERVICE CREDIT	26-06
EFFECTIVE DATE	09-11-18

NAME, TITLE, DEPARTMENT	Donald C. Dixon – Laborer A - DPW
SERVICE CREDIT	11-10
EFFECTIVE DATE	10-13-18

NAME, TITLE, DEPARTMENT	Derry Fletcher – TEO - Transportation
SERVICE CREDIT	16-02
EFFECTIVE DATE	10-05-18

NAME, TITLE, DEPARTMENT	Edward C. Jackson – General Auto Mechanic - Transportation
SERVICE CREDIT	26-10
EFFECTIVE DATE	10-01-18

NAME, TITLE, DEPARTMENT	Elizabeth Ogan – Librarian III – Library
SERVICE CREDIT	12-09
EFFECTIVE DATE	10-22-18

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry - 6

Nays: None

**Re: Legacy Plan Vested Retirement(s)**

Motion By: Trustee Sheehan - Supported By: Trustee Perkins

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

NAME, TITLE, DEPARTMENT	Dwayne A. Brown – Delivery Driver - Transportation
SERVICE CREDIT	28-00
EFFECTIVE DATE	09-29-18
NAME, TITLE, DEPARTMENT	Billy J. Harper – Materials Mgt Specs – Water & Sewerage
SERVICE CREDIT	24-04
EFFECTIVE DATE	11-01-18
NAME, TITLE, DEPARTMENT	Patricia A. Holts – Security Officer – Water & Sewerage
SERVICE CREDIT	14-01
EFFECTIVE DATE	11-01-18
NAME, TITLE, DEPARTMENT	Nancy S. Ninowski – Supv Asst Corp Cnsl - Law
SERVICE CREDIT	11-04
EFFECTIVE DATE	08-01-18
NAME, TITLE, DEPARTMENT	Christopher D. Rosemond – Maintenance Techn - Sewerage
SERVICE CREDIT	13-06
EFFECTIVE DATE	11-01-18
NAME, TITLE, DEPARTMENT	Emmett Stewart – Rfrg Equip Oper-1CL – General Services
SERVICE CREDIT	17-10
EFFECTIVE DATE	11-01-18

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: Change of Computation**

Motion By: Trustee Sheehan - Supported By: Trustee Perkins

**RESOLVED**, that the application(s) for **CHANGE OF COMPUTATION** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Ramona Bullock – Building Attendant A - Health
SERVICE CREDIT	15-10
EFFECTIVE DATE	09-28-18

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry – 6

Nays: None

**RECEIPTS: The Board received the following receipts for Acknowledgment:**

Cash Receipts		HYBLIQRES	
RSCD-General	Start Date:	10/20/2018	
	End Date:	11/2/2018	

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
10/20/2018	CA	Cash Entry		Mandatory Pre-tax Pension Contributions 10/19/18		108,540.82
10/20/2018	CA	Cash Entry		After tax annuity 10/19/18		72,686.90
10/26/2018	CA	Cash Entry	001279	Mandatory Pre-tax Pension Contributions 10/26/18	R/C	261,774.80
10/26/2018	CA	Cash Entry	001278	After tax annuity 10/26/18	R/C	150,066.98
						593,069.50

Cash Receipts		LIQ RESERV	
RSCD-General	Start Date:	10/20/2018	
	End Date:	11/2/2018	

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
10/19/2018	CA	Cash Entry	001281	Loan Deduction Program 10/12/18 (\$31,194.71)	R/C	31,194.73
10/25/2018	CA	Cash Entry	001281	Loan Deduction Program 10/19/18 (\$39,094.61)	R/C	39,094.61
						70,289.34
<b>Total Receipts</b>						<b>663,358.84</b>

**Re: Fees and Expenses**

Resolution Moved By: Trustee Cowan - Supported By: Trustee Sheehan

**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:

Disbursements

Page: 1 of 2  
Date: 11/2/2018 2:45 PM

Account	Payment Method	Currency			
HUNT - VEN	ACH	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
500 WEBWARD LLC			66329	November 2018 Rent	24,998.49
500 WEBWARD LLC			919777	Electrical Billing: 9/28/18-10/30/18, Meter #16055044	662.60
500 WEBWARD LLC			919778	Electrical Billing: 9/28/18-10/30/18, Meter #16055070	1,414.92
ADP, INC			521624889	Check Printing Services	628.39
ADP, INC			523171065	Check Printing Services	610.73
CRESTWOOD ASSOCIATES L.L.C.			INV037471	Acumatica Training & Implementation	325.00
CRESTWOOD ASSOCIATES L.L.C.			INV038688	Acumatica Training & Implementation	125.00
FRANK RUSSELL COMPANY			1652008770	Russell Indexes Standard Service 7/1/18-9/30/18	125.00
PROCENTIA, INC			2285	Procentia Implementation	68,688.20
TGAM Churchill Middle Market Senior Loan Fund, LP			110718	Capital Call	3,137,615.83
THL CREDIT SELECT SERIES CLO EQUITY FUND			102418	Capital Call	734,659.66
UHY Advisors MI, Inc.			1268956	Professional IT Services for September 2018	8,437.50
UHY Advisors MI, Inc.			1268960	Professional IT Services for September 2018	43,912.50
ULTIMATE PARKING MANAGEMENT LLC			174791	Parking - November 2018	2,112.00
ULTIMATE PARKING MANAGEMENT LLC			174979	New Parker - October 2018	10.64
ULTIMATE PARKING MANAGEMENT LLC			174980	New Parker - November 2018	110.00
Bridgett Hardy			103118BH	IT Contractual Wages - October 2018	4,698.79
James R. Hollins			103118JH	IT Contractual Wages - October 2018	3,974.32
Raymond R. Tchou			103118RT	IT Contractual Wages - October 2018	4,233.86
Scott D. Vrooman			093018SV	IT Contractual Wages - September 2018	819.00
Venkat Rallapalli / Highbrow Systems, Inc.			103118VR	IT Contractual Wages - October 2018	5,502.00
			<b>Cash Account/Payment Method Total:</b>	<b>21 Documents</b>	<b>4,043,664.43</b>
HUNT - VEN	CHECK	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
ARMELLA JUNE NICKLEBERRY-CLARK			102918JN	Trustee Parking	62.00
BASSETT & BASSETT			16128	Web Development - September 2018	113.85
CHRYSALIS CONSULTING, LLC			22570	Consulting Services 7/1/18-7/31/18	1,042.50

HUNT - VEN	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
CHRYSALIS CONSULTING, LLC	23211	Consulting Services 9/1/18-9/30/18	5,564.16	
COMCAST	101718	High Speed Internet	182.94	
DELL MARKETING, LP	10271548441	Computer Equipment	1,251.46	
DIRECTV	35310440697	Service Charges 10/23/18-11/22/18	29.36	
FEDEX	6-340-49750	FedEx Mailing	25.98	
FEDEX	6-347-74428	FedEx Mailing	26.10	
GOVERNMENT FINANCE OFFICERS ASSOCIATION	2901555	DCAO Job Posting	75.00	
GRAPHIC SCIENCES, INC	0148152-IN	Software Renewal	3,557.42	
HEADSETS.COM, INC	2874142	Office Equipment	142.35	
HEADSETS.COM, INC	2876132	Office Equipment	99.90	
MILLER LAW	62857	Services Rendered thru September 2018	24,976.25	
NEOPOST	56165179	Mailing System Annual Maintenance and Meter Rental	4,052.30	
OFFICE DEPOT	217092713001	Office Supplies	37.23	
OFFICE DEPOT	217092714001	Office Supplies	69.59	
RACINE & ASSOCIATES	12385	DGRS v. Capozzoli - August & September 2018	2,257.25	
RACINE & ASSOCIATES	12386	DGRS v. Gracia - September 2018	3,334.58	
SHRED-IT USA	8125831822	Shredding Service Charges	49.72	
THOMAS SHEEHAN	101918TS	Trustee Parking	78.00	
THOMAS SHEEHAN	110218	Trustee Stipend	866.67	
TRUSCOTT ROSSMAN GROUP LLC	INV-3140	Public Relations	3,060.00	
VANOVERBEKE MICHAUD & TIMMONY, P.C.	102518	General Counsel Matters for August 2018	24,906.00	
WENDELL ANTHONY	110218	Trustee Stipend	866.67	
<b>Cash Account/Payment Method Total:</b>			<b>25 Documents</b>	<b>76,727.28</b>

\* Payment amount is estimated based on the effective date 11/2/2018

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry - 6

Nays: None

**Re: Refunds of Accumulated Contributions**

**Resolution Moved By: Trustee Hall-Wagner- Supported By: Trustee Cowan**

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

**List No. 7385 - \$731,606.65**

**List No. 7386 - \$186,961.29**

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

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry – 6

Nays: None

**Re: Employee Loan Program October 31, 2018**

Resolution Moved By: Trustee Hall-Wagner- Supported By: Trustee Cowan

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$36,485.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry – 6

Nays: None

**Re: Minutes/Journal No. 4219**

Motion By: Trustee Sheehan - Supported By: Trustee Cowan

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4219** held on **October 3, 2018**, be hereby **APPROVED** as recorded and submitted. The motion passed unanimously.

Yeas: Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan and Chairperson Nickleberry - 6

Nays: None

**Open Forum**

**Chairperson Nickleberry** opened the meeting for public discussion:

**Ross Franklin** addressed the Board regarding the following:

- Receiving his Vested Deferred Benefits.

**Veronica Kimbrough and Willie Mitchell** from Local 26 addressed the Board regarding the following:

- Recoupment
- Hybrid and Legacy Annuity Rate of Return

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director, **David Cetlinski** had nothing to report.



## **ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

Assistant Executive Director, **Gail A. Oxendine**, addressed the following with the Board of Trustees:

- Ms. Audrey Pogue. - A letter has been prepared to inform Ms. Pogue she is eligible to receive her first legacy pension, but ineligible to receive her second legacy and hybrid pensions at this time.
- First Newsletter – Approval to publish and distribute.
- Website Launch – Website was delayed due to some information migration issues. Expect the new website to be launched prior to the end of November 2018.
- Draft letter regarding Annuity Savings Fund recoupment.

## **CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer **Ryan Bigelow** addressed the following matters with the Board:

- October 29, 2018 Investment Committee Actions/Recommendations
  - Upcoming December 10, 2018 Investment Committee Meeting
  - Funding Policy Committee
- ***Trustee Wendell Anthony entered the Boardroom at 10:38 a.m.***

**Motion By: Trustee Cetlinski - Supported By: Trustee Hall-Wagner**, motion to approve the recommendation of Staff and NEPC to hire Mariner Atlantic with respect to the Diversifying Strategies allocation, subject to contract and fee negotiations. The motion passed by vote as follows:

Yeas: Anthony, Cetlinski, Hall-Wagner, Perkins and Chairperson Nickleberry - 5

Nays: Cowan and Sheehan - 2

**Motion By: Trustee Cetlinski - Supported By: Trustee Hall-Wagner**, motion to approve the recommendation of Staff and NEPC to hire Select Equity Group with respect to the Diversifying Strategies allocation, subject to contract and fee negotiations. The motion passed unanimously.

**Motion By: Trustee Cetlinski - Supported By: Trustee Hall-Wagner**, motion to approve the recommendation of Staff and NEPC to hire Engadine Partners with respect to the Diversifying Strategies allocation, subject to contract and fee negotiations. The motion passed unanimously.

**CHIEF INVESTMENT OFFICER'S REPORT - continued**

**Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner**, motion to approve the recommendation of Staff and NEPC to hire Blackrock – Strategic Income Opportunities fund, subject to contract and fee negotiations. The motion passed unanimously.

**Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner**, motion to approve the recommendation of Staff and NEPC to hire Axiom and Fidelity to manager emerging markets equity mandates, subject to contract and fee negotiations. The motion passed unanimously.

**GENERAL COUNSEL'S REPORT**

General Counsel Michael VanOverbeke, in addition to his legal report, discussed the following matters with the Board:

- **Financial Investment News FOIA Request**
- **Ross Franklin Opinion**
- **2018 Safe Harbor Notice**
- **Hubert W. Draw Jr. v. General Retirement System of the City of Detroit Wayne County Circuit Case No. 18-010257-CZ**
- **Eligible Rollover Distributions**

**Re: Eligible Rollover Distributions**

**Motion By: Trustee Hall-Wagner - Supported By: Trustee Cowan**

**WHEREAS**, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

**WHEREAS**, the Board of Trustees acknowledges that Section 402(f) of the Internal Revenue Code (the "Code") requires the Board to provide written notice and explanation to recipients of eligible rollover distributions from the Retirement System (hereinafter, the "Safe Harbor Notice"), and

**WHEREAS**, applicable tax law and regulations require said Safe Harbor Notice to be provided within a reasonable period of time in advance of such distributions, and

**WHEREAS**, the Internal Revenue Service recently published Notice 2018-74 which modifies the safe harbor explanations that may be used to satisfy the requirements of Code Section 402(f), and

**GENERAL COUNSEL'S REPORT- continued**

**Re: Eligible Rollover Distributions - continued**

**WHEREAS**, legal counsel has prepared a revised Safe Harbor Notice consistent with the requirements of Section 402(f) and Notice 2018-74, and

**WHEREAS**, the Board of Trustees has discussed this matter with legal counsel, therefore be it

**RESOLVED**, that the Retirement System is hereby amended to comply with and shall be administered in accordance with the requirements of Notice 2018-74, and further

**RESOLVED**, that the Board of Trustees hereby adopts the revised Safe Harbor Notice consistent with the requirements of Notice 2018-74, and further

**RESOLVED**, that the Safe Harbor Notice be provided to recipients of eligible rollover distributions from the Retirement System consistent with Code Section 402(f), and further

**RESOLVED** that a copy of this resolution shall be retained in accordance with the Retirement System's record retention policy and provided to all appropriate parties.

Yeas: Anthony, Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan  
and Chairperson Nickleberry - 7

Nays: None

**Re: Entering into Closed Session**

Resolution Moved By: Trustee Sheehan – Supported By: Trustee Anthony

**WHEREAS**, the Retirement System is subject to the limitation of the Open Meetings Act ("OMA") being MCL 15.261et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

**RESOLVED**, that the Board enter into Closed Session to discuss pending litigation matters with the Board's legal counsel:

A Roll Call Vote was taken as follows:

Yeas: Anthony, Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan  
and Chairperson Nickleberry - 7

Nays: None

The Board entered into Closed Session at 11:27 a.m.

**Re: Open Session**

Motion By: Trustee – Supported By: Trustee

**RESOLVED**, that the Board come out of Closed Session.

Yeas: Anthony, Cetlinski, Cowan, Hall-Wagner, Perkins, Sheehan  
and Chairperson Nickleberry – 7

Nays: None

The Board returned to **Open Session** at 11:47 a.m.

**Re: Capozzoli Advisory For Pensions/Joe Capozzoli/Pamela Capozzoli Workforce Trust**

Motion By: Trustee Sheehan – Supported By: Trustee Perkins

**WHEREAS**, Special Legal Counsel, Racine & Associates legal report dated November 6, 2018 was reviewed and discussed in closed session on the status of the legal proceedings relating to bankruptcy filings by Mr. Capozzoli and Mrs. Capozzoli, and

**WHEREAS**, Special Legal Counsel has requested that the Board authorize Special Legal Counsel to proceed with the litigation strategy as recommended and discussed in closed session, and

**WHEREAS**, the Board has discussed this matter, therefore be it

**RESOLVED**, that the Board authorizes Special Legal Counsel to proceed with the litigation strategy as recommended and discussed in closed session, and be it further

**RESOLVED**, that the cap on legal fees for these matters be increased to \$20,000, 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 Michigan 48226.

Yeas: Anthony, Cetlinski, Cowan, Perkins, Sheehan and Chairperson Nickleberry – 6

Nays: Hall-Wagner - 1

**Motion By: Trustee Sheehan – Supported By: Trustee Cowan**, motion acknowledging receipt of the November 6, 2018 opinion from the Board's general counsel regarding Ross Franklin's vested deferred benefits. The Board noting its concurrence in the opinions and conclusion expressed therein and thereby granting Mr. Franklin his benefits effective with his earlier date of application dated November 1, 2014. The motion passed unanimously.

**NEW BUSINESS/OLD BUSINESS**

- The Board will reschedule the January 2, 2019 Board meeting and January 16, 2019 meeting to January 9<sup>th</sup> and January 23<sup>rd</sup>, 2019 respectively.

**Motion By: Trustee Cowan - Supported By: Trustee Cetlinski**, motion to approve the calendar for 2019 scheduled Board meetings. The motion passed by a unanimous vote.

Chief Accounting Officer, **Ramzee Jackson**, addressed the following with the Board of Trustees:

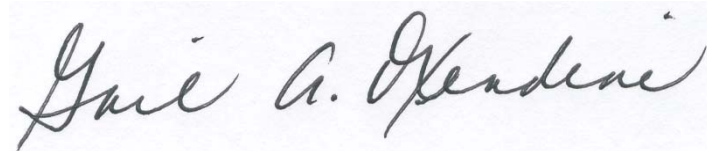
- Third Quarter Budget

**ADJOURNMENT**

***Trustee Hall-Wagner moved to adjourn meeting #4221; Trustee Cetlinski supported.***

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 12:24 p.m. The Board's next meeting is scheduled for **Wednesday, December 5, 2018**, at 10:00 a.m. in the Retirement System's Conference Room, 500 Woodward Avenue, Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script that reads "Gail A. Oxendine". The signature is written in black ink on a light-colored background.

GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR