

MEETING NO. 4224
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, DECEMBER 19, 2018**

10:00 A.M.

RETIREMENT SYSTEMS CONFERENCE ROOM
ALLOY 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
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

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

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

None

CHAIRPERSON

June Nickleberry

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

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

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

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

NAME, TITLE, DEPARTMENT	David Anderson – Parking Meter Repair Worker – Municipal Parking
SERVICE CREDIT	16-05
EFFECTIVE DATE	11-26-18

NAME, TITLE, DEPARTMENT	Elaine Ellis – Emergency Medical Technician – Fire (Civilian)
SERVICE CREDIT	17-01
EFFECTIVE DATE	11-21-18

NAME, TITLE, DEPARTMENT	Susan E. Hyter – Vehicle Operator III - DPW
SERVICE CREDIT	13-01
EFFECTIVE DATE	01-19-19

NAME, TITLE, DEPARTMENT	Darlene Williams – Asst. Ombudsman Grade III - Ombudsman
SERVICE CREDIT	11-06
EFFECTIVE DATE	01-15-19

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

Nays: None

Re: Change of Computation(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

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

NAME, TITLE, DEPARTMENT	Daniel Beels – Bricklayer – Water & Sewerage
SERVICE CREDIT	27-06
EFFECTIVE DATE	01-01-17

NAME, TITLE, DEPARTMENT	Lawrence Bradley – Water System Repair Worker – Water & Sewerage
SERVICE CREDIT	10-11
EFFECTIVE DATE	09-18-18

NAME, TITLE, DEPARTMENT	Eric D. Bridges – Laborer A - DPW
SERVICE CREDIT	22-07
EFFECTIVE DATE	09-19-18

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

Nays: None

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

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

NAME, TITLE, DEPARTMENT	Kuriakose Cheeramvelil – Chemist – Water & Sewerage
SERVICE CREDIT	01-06
EFFECTIVE DATE	12-01-18

NAME, TITLE, DEPARTMENT	Susan E. Hyter – Vehicle Operator III - DPW
SERVICE CREDIT	04-07
EFFECTIVE DATE	01-19-19

NAME, TITLE, DEPARTMENT	Mariamamma Mathew – Chemist – Water & Sewerage
SERVICE CREDIT	01-06
EFFECTIVE DATE	12-01-18

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

Nays: None

Re: Legacy Plan Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

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

NAME, TITLE, DEPARTMENT	Kuriakose Cheeramvelil – Chemist – Water & Sewerage
SERVICE CREDIT	22-06
EFFECTIVE DATE	12-01-18

NAME, TITLE, DEPARTMENT	Terry Cook – General Auto Mechanic - DPW
SERVICE CREDIT	20-01
EFFECTIVE DATE	12-01-18

NAME, TITLE, DEPARTMENT	Willard E. Crawford – Emergency Medical Technician – Fire (Civilian)
SERVICE CREDIT	13-01
EFFECTIVE DATE	11-01-18

NAME, TITLE, DEPARTMENT	Philbert R. Dargin – Electrical Worker- General – Water & Sewerage
SERVICE CREDIT	10-04
EFFECTIVE DATE	11-01-18

NAME, TITLE, DEPARTMENT	Lloyd Feurtado, Jr. – General Auto Mechanic - DPW
SERVICE CREDIT	19-02
EFFECTIVE DATE	12-01-18

NAME, TITLE, DEPARTMENT	Phillip Henderson – TEO - Transportation
SERVICE CREDIT	21-01
EFFECTIVE DATE	11-01-18

NAME, TITLE, DEPARTMENT	Mariamamma Mathew – Chemist – Water & Sewerage
SERVICE CREDIT	13-08
EFFECTIVE DATE	12-01-18

NAME, TITLE, DEPARTMENT	Earl M. Moore – Water System Repair Worker – Water & Sewerage
SERVICE CREDIT	18-03
EFFECTIVE DATE	12-01-18

Re: Legacy Plan Vested Retirement(s)- Continued

NAME, TITLE, DEPARTMENT	Calvin L. Morrow - Water System Repair Worker – Water & Sewerage
SERVICE CREDIT	19-08
EFFECTIVE DATE	12-01-18

NAME, TITLE, DEPARTMENT	Phyllis Owens – Office Assistant II – Water & Sewerage
SERVICE CREDIT	15-10
EFFECTIVE DATE	11-01-18

NAME, TITLE, DEPARTMENT	Audrey D. Pogue – Govtl Analyst - DPW
SERVICE CREDIT	12-11
EFFECTIVE DATE	08-24-18

NAME, TITLE, DEPARTMENT	Pamela T. Van Buren – Ex Asst Mayor I – Mayor's Office
SERVICE CREDIT	10-07
EFFECTIVE DATE	11-01-18

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

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts HYBLIQRES
RSCD-General Start Date: 11/30/2018
End Date: 12/14/2018

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
11/30/2018	CA	Cash Entry	001343	Post tax Annuity Contributions 11/30/18	R/C	78,000.86
11/30/2018	CA	Cash Entry	001344	Pre Tax Pension Contributions 11/30/18	R/C	109,095.87
12/7/2018	CA	Cash Entry	001357	Employee After tax annuity Contributions 12-7-18	R/C	152,583.28
12/7/2018	CA	Cash Entry	001358	Employee Pre-tax Pension Contributions 12-7-18	R/C	263,022.70
						<u>602,702.71</u>

Cash Receipts LIQ RESERV
RSCD-General Start Date: 11/30/2018
End Date: 12/14/2018

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
11/30/2018	CA	Cash Entry	001345	Loan Deduction Program (\$36,853.83)	R/C	36,853.83
12/5/2018	CA	Cash Entry	001347	Loan Deductions Program 11/30/18(\$38,199.41)	R/C	38,199.41
						<u>75,053.24</u>

Total Receipts 677,755.95

Re: Fees and Expenses

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

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:

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Date: 12/17/2018 10:19 AM

Disbursements

Account	Payment Method	Currency		
HUNT - VEN	ACH	US		
Vendor Name	Invoice Number	Invoice Description		Amount To Pay
500 WEBWARD LLC	68207	December 2018 Rent		24,998.49
500 WEBWARD LLC	927962	Electrical Billing: 10/31/18-11/29/18, Meter #16055044		765.12
500 WEBWARD LLC	927963	Electrical Billing: 10/31/18-11/29/18, Meter #1605507C		1,415.56
8x8, INC.	2279338	Phone System Services		1,361.16
Banyan Realty Advisors, LLC	3Q18	Advisory Fees - 3rd Qtr '18		16,339.38
CLARK HILL, PLC	826660	MD&A Review for Statements for October 2018		181.69
Cogent Communications, Inc.	120118	Internet Service		1,023.00
CRESTWOOD ASSOCIATES L.L.C.	INV040134	Acumatica Subscription Renewal		11,360.00
PLANTE & MORAN	1605557	Financial Statement Audit for Year-Ended 6/30/18		36,300.00
PROCENTIA, INC	2299	Procentia Implementation		91,313.34
Republic Underwriters, Inc.	85655	Fiduciary Liability Renewal Policies 12/21/18-12/21/19		630,022.00
THE TOWNSEND GROUP	201-0000000057	Professional Services - July 2018		9,562.50
THE TOWNSEND GROUP	201-0000000058	Professional Services - August 2018		9,562.50
THE TOWNSEND GROUP	201-0000000059	Professional Services - September 2018		9,562.50
THE TOWNSEND GROUP	201-0000000060	Professional Services - October 2018		9,562.50
UHY Advisors MI, Inc.	1274465	Professional IT Services for November 2018		51,150.00
UHY Advisors MI, Inc.	1274477	Professional IT Services for November 2018		10,125.00
CLARK HILL, PLC	686997	Onyx Capital Litigation for December 2016		2,643.71
CLARK HILL, PLC	686998	Alamerica Bank for November 2016		3,027.28
CLARK HILL, PLC	702072	EBT/IT Contracts for February 2017		1,058.68
CLARK HILL, PLC	711803	Onyx Capital Litigation for April 2017		993.65
CLARK HILL, PLC	711806	Alamerica Bank for April 2017		1,504.50
CLARK HILL, PLC	711807	Angela Keeler for April 2017		618.98
CLARK HILL, PLC	717917	Onyx Capital Litigation for May 2017		1,231.86
CLARK HILL, PLC	717923	Angela Keeler for May 2017		618.98
CLARK HILL, PLC	717929	Todd Interests for May 2017		559.30
CLARK HILL, PLC	727933	Donald V. Watkins, et al. Litigation for July 2017		1,111.95
CLARK HILL, PLC	727940	Onyx Capital Litigation for July 2017		239.70
CLARK HILL, PLC	728022	Onyx Capital Litigation for July 2017		59.93

GENERAL RETIREMENT SYSTEM
 CITY OF DETROIT
Re: Fees and Expenses- Continued

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CLARK HILL, PLC	741911	Onyx Capital Litigation for October 2017	7,468.11
CLARK HILL, PLC	741935	Donald V. Watkins, et al, Litigation for October 2017	5,545.25
CLARK HILL, PLC	741936	Todd Interests for October 2017	199.75
CLARK HILL, PLC	797930	Onyx Capital Litigation for July 2017	1,129.65
CLARK HILL, PLC	829196	Chapter 9 Compliance & Implementation for Novembe	262.22
VanOverbeke, Michaud & Timmony, P.C	9765	Bankruptcy Litigation	9,964.50
VanOverbeke, Michaud & Timmony, P.C	9766	General Counsel Matters	23,600.20
VanOverbeke, Michaud & Timmony, P.C		General Counsel Matters	30,761.60
VanOverbeke, Michaud & Timmony, P.C		Bankruptcy Litigation	9,243.00
Cash Account/Payment Method Total:		38 Documents	1,016,447.54

HUNT - VEN	CHECK	US			
Vendor Name	Invoice Number	Invoice Description		Amount To Pay	
CRAIN'S DETROIT BUSINESS	112618RB	Crain's Detroit Classic Member Subscription		10.00	
CREATIVE BREAKTHROUGHS INC	INV0873	Software Maintenance		11,400.00	
FEDEX	6-382-96899	FedEx Mailing		25.74	
First CHOICE Coffee Services	587667	Coffee Supplies		74.67	
GABRIEL, ROEDER, SMITH & CO	443200	Actuarial Services for November 2018 & ASF Recoup		20,200.00	
GOVERNMENT FINANCE OFFICERS ASSOC	120418	Membership Renewal Fees: 2/1/19-1/31/20		690.00	
HUDSON & MUMA, INC	493948	Insurance Premium 2/28/19-2/28/20		4,050.00	
IRON MOUNTAIN	157696	Data Domain Service		2,210.40	
IRON MOUNTAIN	201772505	Storage CDs		711.87	
Iron Mountain Records Management	AJHE194	Records Storage		1,662.68	
MILLER LAW	63152	GRS/City of Dertroit Services for October 2018		46,759.33	
QUILL CORPORATION	3030994	Office Supplies		231.63	
RACINE & ASSOCIATES	12405	DGRS v. Capozzoli - October 2018		3,449.70	
RACINE & ASSOCIATES	12406	DGRS v. Gracia - October 2018		8,557.05	
RACINE & ASSOCIATES	12422	DGRS v. Capozzoli - November 2018		7,499.53	
SHRED-IT USA	8126044985	Shredding Service Charges		99.45	
TRANSUNION RISK & ALT DATA SOLUTIONS INC	120118	TLOxp Research Services		25.00	
TRUSCOTT ROSSMAN GROUP LLC	INV-3220	Public Relations		2,610.00	
VERIZON WIRELESS	9819157390	Wireless Charges 10/26/18-11/25/18		362.98	
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	101409370	Printer Maintenance		135.56	
XEROX	095263885	Printer Maintenance		387.88	
Cash Account/Payment Method Total:		21 Documents		111,153.47	

* Payment amount is estimated based on the effective date 12/17/2018

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

Nays: None

Re: Refunds of Accumulated Contributions

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

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

List No. 7391 - \$196,414.23

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

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

Nays: None

Re: Employee Loan Program December 12, 2018

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

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$55,658.00** including interest, be hereby **APPROVED**.

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

Nays: None

➤ ***Trustee Wendell Anthony entered the Boardroom at 10:26 a.m.***

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

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

- End-of-year Luncheon Reminder:
 - The Staff end-of-year luncheon is scheduled for Friday, December 21, 2018. Trustees are invited to attend.
- Disability Re-examination recommendation

Re: Annual Re-examinations

Motion By: Trustee Sheehan – Supported By: Trustee Cowan

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability/Non-Duty Disability Retirement Payroll with no further exams necessary:

Eric Rivers

Yeas: Anthony, Cetlinski, Cowan, Hall-Wagner, Mclellan, Perkins, Sheehan
and Chairperson Nickleberry– 8

Nays: None

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- ASF Recoupment discussion
- January 2, 2019 pension payment update
- ***Trustee Christa Mclellan excused herself from the Boardroom at 10:45 a.m.***
- ***Trustee Wendell Anthony excused himself from the Boardroom at 10:52 a.m.***
- ***Trustee John Naglick entered the Boardroom at 10:55 a.m.***

CHIEF INVESTMENT OFFICER'S REPORT

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

- Investment Committee Actions re-cap
- Approval of AQR Delta Termination
- Private Equity markets

Motion by: Trustee Sheehan– Supported by Trustee Cetlinski, motion to approve the termination of relationship with AQR Delta and reallocate ½ of the capital from the AQR product to Corbin. Investment staff will come back to the Board with additional hedge fund allocations that will supplement the Corbin allocation. The Motion passed by a unanimous vote.

- ***Trustee John Naglick excused himself from the Boardroom at 11:00 a.m.***
- ***Trustee Wendell Anthony returned to the Boardroom at 11:03 a.m.***

GENERAL COUNSEL'S REPORT

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

- ***Trustee John Naglick returned to the Boardroom at 11:25 a.m.***
- Letter from DAREA (Detroit Active and Retired Employee Association) to Trustee Benson regarding Board composition.
- Legislative update
 - Marie Racine litigation report/update
 - Miller Firm litigation report/update
- “Lame Duck” legislation update with respect to retirement issues
- Gateway Marketplace update
- Public Plan IQ FOIA Request
- Sixth and Seventh Semi Annual Compliance Reports and Special Certifications
- The General City Investment Committee approved the Audit as well as the GASB 67 and 68 reports of Components I and II
- Hubert W. Draw Jr. v. General Retirement System of the City of Detroit; Wayne County Circuit Court Case No. 18-010257-CZ litigation update

Motion by: Trustee Hall-Wagner– Supported by Trustee Cetlinski, motion to direct General Counsel to prepare a response to Mr. Davis of DAREA (Detroit Active and Retired Employee Association) with respect to Board Composition. The Motion passed by a unanimous vote.

NEW BUSINESS/OLD BUSINESS

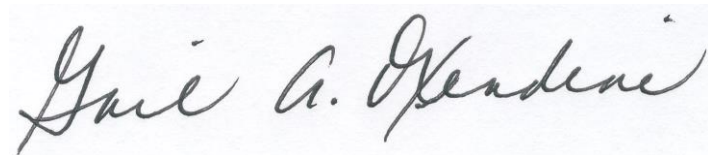
- Trumbull Properties update
- Deputy Chief Accounting Officer position update
 - The position will be reposted in January 2019
 - VEBA tender update
- Vacant General City Investment Committee seat update

ADJOURNMENT

Trustee Hall-Wagner moved to adjourn meeting #4224; Trustee Cetlinski supported.

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 11:52 a.m. The Board's next meeting is scheduled for **Wednesday, January 9th, 2019**, at 10:00 a.m. in the Retirement System's Conference Room; 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR