

**MEETING NO. 4228**  
**JOURNAL OF PROCEEDINGS**  
**BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM**  
**OF THE CITY OF DETROIT**  
**HELD WEDNESDAY, FEBRUARY 20, 2019**

10:00 A.M.

RETIREMENT SYSTEMS CONFERENCE ROOM  
ALLOY CENTER, 500 WOODWARD AVENUE; SUITE 3000  
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee/ Vice- Chairperson
Kimberly Hall-Wagner	Trustee
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Tasha L. Cowan	Trustee
Crystal Perkins	Trustee

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 10:09 a.m. and Chairperson Nickleberry called the meeting to order.

**Present at Roll Call: Scott Benson, Lori Cetlinski, Christa Mclellan, John Naglick and Thomas Sheehan**

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

Motion By: Trustee Cetlinski - Supported By: Trustee Mclellan

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

NAME, TITLE, DEPARTMENT	Angela G. McCants – Environmental Control Inspector – Building & Safety
SERVICE CREDIT	14-06
EFFECTIVE DATE	01-17-19

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

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

Motion By: Trustee Cetlinski - Supported By: Trustee Mclellan

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

NAME, TITLE, DEPARTMENT	Michael Jenkins – Plant Technician – Water & Sewerage
SERVICE CREDIT	18-10
EFFECTIVE DATE	01-01-19

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

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

Motion By: Trustee Cetlinski - Supported By: Trustee Mclellan

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

NAME, TITLE, DEPARTMENT	Stephen Kuplicki – Manager – Sewerage
SERVICE CREDIT	01-06
EFFECTIVE DATE	01-01-19

NAME, TITLE, DEPARTMENT	Orvin M. Smith – Vehicle Operator I - DPW
SERVICE CREDIT	02-02
EFFECTIVE DATE	01-01-19

NAME, TITLE, DEPARTMENT	Darlene Williams – Asst. Ombudsman- Gr111- Ombudsman
SERVICE CREDIT	04-07
EFFECTIVE DATE	01-15-19

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: Change of Computation(s)**

Motion By: Trustee Cetlinski - Supported By: Trustee Mclellan

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

NAME, TITLE, DEPARTMENT	Nick T. Di Cresce – Paramedic – Fire (Civilian)
SERVICE CREDIT	25-06
EFFECTIVE DATE	01-01-19

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: AUTO-II Spouse**

Motion By: Trustee Cetlinski - Supported By: Trustee Mclellan

**RESOLVED**, that the application(s) for **AUTO-II Spouse Benefits** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Ramona Smith (Eddie L. Smith – Deceased) – Supvg Mech Inspector – Building & Safety
SERVICE CREDIT	24-00
EFFECTIVE DATE	01-11-19

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: Early Retirement(s)**

Motion By: Trustee Cetlinski - Supported By: Trustee Mclellan

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

NAME, TITLE, DEPARTMENT	Jessie Uduma – Financial Analyst III - Finance
SERVICE CREDIT	20-11
EFFECTIVE DATE	02-08-19

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

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

Cash Receipts  
Company: RSCD-General  
Cash Account: HYBLIQRES  
Start Date: 1/28/2019  
End Date: 2/18/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
2/1/2019	CA	Cash Entry	001439	Post tax annuity contributions 2-1-19	R/C	126,519.56
2/1/2019	CA	Cash Entry	001443	Pretax mandatory pension contributions 2-1-19	R/C	265,508.06
2/1/2019	CA	Cash Entry	001444	Post tax annuity contributions 2-1-19	R/C	37,343.76
2/8/2019	AR	Payment	000044	Qrtly Employer Match July 1 to September 30, 2018	R/C	2,745,649.44
2/8/2019	CA	Cash Entry	001451	Post tax Annuity contributions 2-8-19	R/C	73,871.01
2/8/2019	CA	Cash Entry	001452	Pretax Pension Contributions 2-8-19	R/C	108,534.95
						3,357,426.78

Cash Receipts  
Company: RSCD-General  
Cash Account: LIQ.RESERV  
Start Date: 1/28/2019  
End Date: 2/18/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
1/31/2019	CA	Cash Entry	001438	Loan Deduction Program 1-25-19(\$36,555.10)	R/C	36,555.10
2/6/2019	CA	Cash Entry	001446	Loan Deduction Program 2-1-19 (\$37,377.65)	R/C	37,377.65
						73,932.75

**Total Receipts** 3,431,359.53

**Re: Fees and Expenses**

Resolution Moved By: Trustee Cetlinski- 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 3  
Date: 2/18/2019 7:19 AM

Account	Payment Meth	Currency			
LIQ RESERV	WIRE	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
BNY Mellon			111-2019-0003574	Management Fees - 4th Qtr '18	41,304.30
Bridgett Hardy			013119BH	IT Contractual Wages - January 2019	3,482.98
James R. Hollins			013119JH	IT Contractual Wages - January 2019	3,236.37
Raymond R. Tchou			013119RT	IT Contractual Wages - January 2019	6,434.66
Venkat Rallapalli / Highbrow Systems, Inc.			013119VR	IT Contractual Wages - January 2019	5,202.25
			<b>Cash Account/Payment Method Total:</b>	<b>5 Documents</b>	<b>59,660.56</b>
HUNT - VEN	ACH	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
500 WEBWARD LLC			64142	October 2018 Rent	24,998.49
500 WEBWARD LLC			945235	Electrical Billing: 12/28/18-1/30/19, Meter #16055044	944.23
500 WEBWARD LLC			945236	Electrical Billing: 12/28/18-1/30/19, Meter #16055070	1,790.13
ADP, INC			528224170	Check Printing Services	490.50
Barrow, Hanley, Mewhinney & Strauss, LLC			4Q18	Management Fees - 4th Qtr '18	40,710.00
BRANDYWINE GLOBAL INVESTMENT MGMT			20181231-224-5100-	Management Fees - 4th Qtr '18	64,991.87
Cogent Communications, Inc.			020119	Internet Service	1,023.00
EARNEST PARTNERS, LLC			4Q18 DETGRS	Management Fees - 4th Qtr '18	39,450.22
EARNEST PARTNERS, LLC			4Q18 DETINTRL	Management Fees - 4th Qtr '18	228,897.83
MONDRIAN INVESTMENT PARTNERS			229270	Management Fees - 4th Qtr '18	109,858.37
PIEDMONT INVESTMENT ADVISORS			INV12063	Management Fees - 4th Qtr '18	17,942.55
PROCENTIA, INC			2307	Procentia Implementation	33,106.82
PZENA INVESTMENT MANAGEMENT			19030-1-025	Management Fees - 4th Qtr '18	56,276.50
RHUMBLINE ADVISERS			detgen2018Q4	Management Fees - 4th Qtr '18	15,297.00
SALIENT CAPITAL ADVISORS			4Q18	Management Fees - 4th Qtr '18	57,475.12
SSI INVESTMENT MANAGEMENT			002019-0018	Management Fees - 4th Qtr '18	47,485.00
THE TOWNSEND GROUP			US201-0000041	Professional Services - December 2018	9,562.50
UHY Advisors MI, Inc.			1280616	Professional IT Services for January 2019	10,800.00
UHY Advisors MI, Inc.			1280617	Professional IT Services for January 2019	74,212.50

**Re: Fees and Expenses- Continued**

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
WESTFIELD CAPITAL MANAGEMENT	20181231-107-123-B	Management Fees - 4th Qtr '18	109,427.24
<b>Cash Account/Payment Method Total:</b>		<b>20 Documents</b>	<b>944,739.87</b>

HUNT - VEN      CHECK      US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
ALLEGRA	59960011	GRSD Retirement Benefits Brochure	250.60
ALLEGRA	60014011	Jan 2019 Newsletter Print and Mail	2,209.15
BASSETT & BASSETT	16689	Web Development - December 2018	113.85
CHRYSALIS CONSULTING, LLC	25019	Consulting Services 12/1/18-12/31/18	2,575.00
CHRYSALIS CONSULTING, LLC	25177	Consulting Services 1/1/18-1/31/19	3,484.37
CINTAS CORPORATION-300	1900409035	Carpet Cleaning (Administration Side)	997.51
DEROY & DEVEREAUX	4Q18	Management Fees - 4th Qtr '18	25,336.00
DIRECTV	35805920917	Service Charges 1/23/19-2/22/19	45.83
FEDEX	6-438-25832	FedEx Mailing	25.49
FEDEX	6-445-29565	FedEx Mailing	25.79
FEDEX	6-452-22439	FedEx Mailing	25.79
First CHOICE Coffee Services	600289	Coffee Supplies	132.95
GABRIEL, ROEDER, SMITH & CO	444735	Actuarial Services for January 2019	19,700.00
GABRIEL, ROEDER, SMITH & CO	444740	EDRO Calculations for Gregory Meeks	1,350.00
Iron Mountain Records Management	ALMU470	Records Storage	1,678.18
METCOM	107068	Business Cards	226.86
METCOM	107234	Spirit Business Card Master Run	603.50
NEPC, LLC	4Q18391	Management Fees - 4th Qtr '18	125,000.00
NEPC, LLC	6M18391	Expenses - 2nd Qtr '18	1,936.91
NEPC, LLC	9M18391	Expenses - 3rd Qtr '18	4,840.76
OFFICE DEPOT	266770192001	Office Supplies	25.01
OFFICE DEPOT	266770193001	Office Supplies	37.28
OFFICE DEPOT	266770194001	Office Supplies	83.00
OFFICE DEPOT	266770196001	Office Supplies	24.99
OFFICE DEPOT	266880940001	Office Supplies	10.99
OFFICE DEPOT	268327119001	Office Supplies	166.99
OFFICE DEPOT	268327120001	Office Supplies	24.99
PROVIDENCE OCCUPATIONAL HEALTH	340674	Disability Re-Exam Fee	250.00
QUILL CORPORATION	4346665	Office Supplies	309.74
QUILL CORPORATION	4380274	Office Supplies	28.29

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
QUILL CORPORATION	4872148	Office Supplies	152.73
RACINE & ASSOCIATES	12452	DGRS v. Capozzoli - January 2019	4,699.83
RICOH	5055831881	Printer Maintenance	204.88
SHRED-IT USA	8126459078	Shredding Service Charges	49.72
TASHA L COWAN	020619TLC	Trustee Parking	28.00
THOMAS SHEEHAN	021319	Trustee Stipend	866.67
TRUSCOTT ROSSMAN GROUP LLC	INV-3323	Public Relations	1,980.00
VERIZON WIRELESS	9823027775	Wireless Charges 12/26/18-1/25/19	369.50
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	101670428	Printer Maintenance	129.10
WENDELL ANTHONY	021319	Trustee Stipend	866.67
XEROX	095870193	Printer Maintenance	21.33
<b>Cash Account/Payment Method Total:</b>		<b>41 Documents</b>	<b>200,888.25</b>

\* Payment amount is estimated based on the effective date 2/18/2019

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: Refunds of Accumulated Contributions**

Resolution Moved By: Trustee Sheehan- 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. 7400 - \$109,676.01**

**List No. 7401 - \$589,154.49**

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

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: Employee Loan Program February 13, 2019**

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

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$26,748.00** including interest, be hereby **APPROVED**.

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

**Re: Employee Loan Program February 20, 2019**

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

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$25,998.00** including interest, be hereby **APPROVED**.

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None



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

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4226**, held on **January 23, 2019**, be hereby **APPROVED** as recorded and submitted.

Yeas: Benson, Cetlinski, Mclellan, Naglick, Sheehan and Chairperson Nickleberry– 6

Nays: None

### **Open Forum**

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

**Retiree Michael McElgunn** addressed the Board regarding the following:

- Annuity Recoupment

**President of NASP Detroit (National Association of Securities Professionals) Kathleen Colin** addressed the Board regarding the following:

- General Investment Committee Independent Member selection
- ***Trustee Wendell Anthony entered the Boardroom at 10:13 a.m.***
- ***The Board of Trustees engaged in extensive discussion regarding the method of selection of Independent Investment Committee members. The Board will revisit this concern and listen to General Investment Committee meeting audio and make an appropriate decision at the Board's next regular meeting.***
- ***Trustee Wendell Anthony excused himself from the Boardroom at 10:55 a.m.***

**ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

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

- Website Training
  - Training on the maintenance of the new website was held for staff on February 14, 2019. Website is being updated with the latest information. We hope to launch before the end of February 2019. Those interested in taking a preliminary look at the website are welcome to view it at the end of the Board meeting.
- Department/Division Presentations
  - Presentations are currently scheduled for:
  - Bridging Neighborhood – Mayor's Office (February 21, 2019)
  - OCFO – Accounting & Risk Management (February 22, 2019)
  - DWSD has requested presentations for the entire department. Scheduling is currently being coordinated.
- Retired Member – John Corso
  - The beneficiary of member John Corso, Clara Corso, was overpaid benefits in the amount of \$16,691.61. The overpayment was due to late notification of member John Corso's death. Approval of the overpayment amount and options as indicated on the attached letter is required in accordance with the Board's Correction of Errors – Overpayments/Underpayments Policy. The actuarial calculations and policy have also been attached for your reference.
- Summary Annual Report.
  - The Report is provided for review; Board approval is required.

**Re: Approval of General Retirement System of the City of Detroit Components I and II Summary Annual Report**

Thomas Sheehan moved to acknowledge receipt of and approval of the **Summary Annual Report of Components I and II** as submitted. Lori Cetlinski supported. The motion passed unanimously.

**Re: Recoupment of Beneficiary Overpayment**

Thomas Sheehan moved to acknowledge receipt of and approve the **Recoupment of Beneficiary Overpayment** to Clara Corso as presented. Kimberly Hall-Wagner supported. The motion passed unanimously.

**EXECUTIVE DIRECTOR'S REPORT**

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

- Acknowledgement of Incumbent Trustees intent to seek re-election

**Re: Acknowledgement of Incumbent Trustee Thomas Sheehan's intent to seek re-election**

Christa Mclellan moved to acknowledge receipt of Trustee Thomas Sheehan's written intent to seek re-election to the General City Board of Trustees dated Wednesday February 20, 2019. John Naglick supported. The motion passed unanimously.

**Re: Acknowledgement of Incumbent Trustee Lori Cetlinski's intent to seek re-election**

John Naglick moved to acknowledge receipt of Trustee Lori Cetlinski's written intent to seek re-election to the General City Board of Trustees dated Wednesday February 20, 2019. Kimberly Hall-Wagner supported. The motion passed unanimously.

**PRESENTATION:**

**UHY Advisors**

Representatives Corey McNeley discussed the following with the Board:

- Process and ERP Implementation update
- Update regarding Paylocity and issues involving 1099s

➤ ***The Board recessed for a lunch break at 11:37 p.m. and resumed at 12:16 p.m.***

➤ ***Trustee Wendell Anthony returned to the Boardroom at 12:03p.m.***

**CHIEF INVESTMENT OFFICER'S REPORT**

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

- General City Investment Committee February 11, 2019 meeting re-cap and approvals:
  - Raven Fund IV- Approved by General City Investment Committee
  - Investment Policy Revision- Approved by General City Investment Committee
  - NEPC will come before the Board sometime in March
  - Advent Capital management will be in attendance at the March 6<sup>th</sup>, 2019 Board meeting.
- Raven Asset Based Opportunity Fund IV
- Revised Investment Policy Statement
- GRS Kona/Oasis Funding Request
- Life Assurance Fund

**Re: Opportunistic Credit/Raven Asset Based Opportunity Fund IV:**

John Naglick moved to approve the recommendation by the Board's Chief Investment Officer and NEPC to commit \$20 million dollars to Raven Asset Base Opportunity Fund IV. Christa Mclellan supported. The motion **FAILED** by vote as follows:

Yeas – Anthony, Cetlinski, Mclellan and Naglick - 4

Nays – Benson, Hall-Wagner, Sheehan and Chairperson Nickleberry - 4

**Re: Investment Policy Statement**

Lori Cetlinski moved to accept and approve the revised Investment Policy Statement as presented. Wendell Anthony supported. The motion passed unanimously.

**Re: GRS Kona/Oasis Funding Request**

Thomas Sheehan moved to approve the 2019 Budget for GRS Kona/Oasis based on the Forecasted 2018 expenses. Lori Cetlinski supported. The motion passed unanimously.

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

- *Trustee John Naglick excused himself from the Boardroom at 12:49 p.m.*

**Re: Life Assurance Fund Recommendation**

Thomas Sheehan moved to approve the recommendation by the Board's Chief Investment Officer to advance \$500,000 (\$250,000 per System) to Life Assurance Fund Account at First Independence Bank in order to pay the next 4-6 months in premiums. Wendell Anthony supported. The motion passed unanimously.

**GENERAL COUNSEL'S REPORT**

General Counsel Michael VanOverbeke, had no formal legal report but discussed the following matters with the Board:

- ASF Recoupment Calculations

**Re: Withdrawn Motion**

Christa Mclellan moved to institute repayment option five as presented to the Board by General Counsel. Christa Mclellan then withdrew her motion.

- The Board will revisit the ASF discussion at the next Board meeting.

**NEW BUSINESS/OLD BUSINESS**

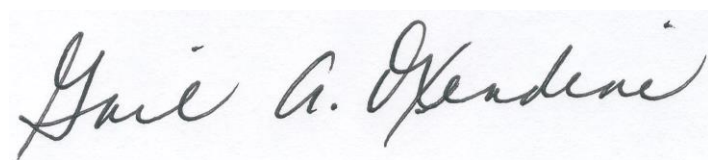
- Happy Birthday Trustee Sheehan!
- The monthly newsletter will be available via the RSCD website.

**ADJOURNMENT**

***Trustee Anthony moved to adjourn meeting #4228; Trustee Hall-Wagner supported.***

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 2:10 p.m. The Board's next meeting is scheduled for **Wednesday, March 06<sup>th</sup>, 2019**, 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