

MEETING NO. 4232  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
HELD **WEDNESDAY, APRIL 17, 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
Tasha L. Cowan	Trustee
Kimberly Hall-Wagner	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Christa Mclellan	Ex-Officio Trustee/City Treasurer
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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 Recording Secretary took a verbal Roll Call at 10:03 a.m. and Chairperson Nickleberry called the meeting to order.

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

- ***Trustee John Naglick entered the Boardroom at 10:04 a.m.***

**PRESENTATION:**

**New England Pension Consultants**

Representatives Kristin Finney-Cooke, CAIA, Senior Consultant; Kim Kaczor, Senior Analyst; and Oliver Fadly, Research Consultant, Private Markets from the Board's Investment Consulting firm, NEPC, discussed the following:

- Raven Fund IV Update
- 2019 Private Equity Program Review and Pacing Plan
- 4Q18 Investment Performance Analysis
- 3Q18 Private Equity Report
- 3Q18 Private Debt Report (Credit Opportunities)
- Investment Performance Review

- ***Trustee Scott Benson entered the Boardroom at 10:16 a.m.***
- ***Trustee Wendell Anthony entered the Boardroom at 10:29 a.m.***

**Re: Raven Fund IV:** Thomas Sheehan moved to follow the recommendation of NEPC and Investment Staff to fund an allocation of \$20,000,000.00 to Raven Asset Based Opportunity Fund IV LP, managed by Raven Capital Management. The fund allocation is subject to Raven's ability to raise of \$250,000,000.00 in capital for this fund. Tasha L. Cowan supported. The motion passed unanimously.

**Re: Pacing Plan:** Thomas Sheehan moved to follow the recommendation of NEPC and Investment Staff to consider (up to) a \$60 million allocation for vintage year 2019 private equity funds. The GRSCD should maintain an active commitment pace in each vintage year going forward, being mindful of the Plan's liquidity needs. Kimberly Hall-Wagner supported. The motion passed unanimously.

**Open Forum**

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

**Retiree Judy Washington** addressed the Board regarding the following:

- Equated Option Questions

**Curtis Lyons of New York Life** addressed the Board regarding the following:

- Annuity Savings Fund Clawback questions
- **Chairperson Nickleberry introduced General Investment Committee Vice-Chairperson Kenneth Whipple to the Board of Trustees.**

**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 Evans – TEO - Transportation
SERVICE CREDIT	15-00
EFFECTIVE DATE	12-11-18

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 9

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	Sheila R. Butler-Robinson – Emer Med Tech (Basic) – Fire (Civilian)
SERVICE CREDIT	10-08
EFFECTIVE DATE	05-01-18

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan  
and Chairperson Nickleberry– 9

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	James M. Urbanik – Sr. Water System Chemist – Water & Sewerage
SERVICE CREDIT	00-08
EFFECTIVE DATE	02-21-19

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan  
and Chairperson Nickleberry– 9

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	Andrea C. Cox – Revenue Collector - Finance
SERVICE CREDIT	26-08
EFFECTIVE DATE	12-01-18
NAME, TITLE, DEPARTMENT	Bobby Hudson – RCPO - DPW
SERVICE CREDIT	25-04
EFFECTIVE DATE	03-01-19
NAME, TITLE, DEPARTMENT	Maurice Jackson – Sr Construction Inspector – Water & Sewerage
SERVICE CREDIT	19-01
EFFECTIVE DATE	02-05-19
NAME, TITLE, DEPARTMENT	Anita Delphine Mason – Vehicle Operator I - DPW
SERVICE CREDIT	10-02
EFFECTIVE DATE	08-17-18
NAME, TITLE, DEPARTMENT	Larry D. McGee – Vehicle Operator I – Water & Sewerage
SERVICE CREDIT	10-02
EFFECTIVE DATE	10-06-18
NAME, TITLE, DEPARTMENT	Clifford J. Sabin – Service Guard-Gen - Transportation
SERVICE CREDIT	25-11
EFFECTIVE DATE	12-01-18
NAME, TITLE, DEPARTMENT	Rhonda Smith – Office Assistant II - DPW
SERVICE CREDIT	26-00
EFFECTIVE DATE	07-01-18
NAME, TITLE, DEPARTMENT	Johnny G. Vega – RCPO – DPW
SERVICE CREDIT	25-09
EFFECTIVE DATE	09-15-18

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

NAME, TITLE, DEPARTMENT                      Pheleshia A. Waller – Senior Clerk – Building  
 & Safety  
 SERVICE CREDIT                                      21-08  
 EFFECTIVE DATE                                      11-01-18

NAME, TITLE, DEPARTMENT                      Clarence Wilcox, Jr. – Vehicle Operator I –  
 Water & Sewerage  
 SERVICE CREDIT                                      12-00  
 EFFECTIVE DATE                                      09-21-18

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan  
 and Chairperson Nickleberry– 9

Nays: None

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

<b>Cash Receipts</b>			Cash Account: HYBLIQRES			
Company: RSCD-General			Start Date: 3/18/2019			
			End Date: 4/15/2019			

<u>Doc. Date</u>	<u>Module</u>	<u>Tran. Type</u>	<u>Doc. Nbr.</u>	<u>Description</u>	<u>R/C</u>	<u>Receipt</u>
3/29/2019	CA	Cash Entry	001542	Pre tax Contributions 3-29-19	R/C	270,770.64
3/29/2019	CA	Cash Entry	001543	Post Tax Annuity Contributions 3-29-19	R/C	157,061.38
4/5/2019	CA	Cash Entry	001567	Mandatory Pension Contributions 4-5-19	R/C	111,182.44
4/5/2019	CA	Cash Entry	001568	Post tax Annuity Contributions 4-5-19	R/C	76,008.07
						615,022.53

<b>Cash Receipts</b>			Cash Account: LIQ RESERV			
Company: RSCD-General			Start Date: 3/18/2019			
			End Date: 4/15/2019			

<u>Doc. Date</u>	<u>Module</u>	<u>Tran. Type</u>	<u>Doc. Nbr.</u>	<u>Description</u>	<u>R/C</u>	<u>Receipt</u>
4/1/2019	CA	Cash Entry	001547	Loan Deduction Program 3-29-19(\$31,822.95)	R/C	31,822.95
4/11/2019	CA	Cash Entry	001573	Loan Deduction Program 4-5-19(\$35,523.80)	R/C	35,523.80
						67,346.75
<b>Total Receipts</b>						<b>682,369.28</b>

**Re: Fees and Expenses**

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

**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:

Disbursement Report Page: 1 of 2  
Date: 4/15/2019 7:23 AM

Account	Payment Method	Currency			
LIQ RESERV	WIRE	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
Landmark Equity Partners XV, LP			041619	Capital Call	178,554.00
Bridgett Hardy			033119BH	IT Contractual Wages - March 2019	5,945.38
James R. Hollins			033119JH	IT Contractual Wages - March 2019	4,532.43
Raymond R. Tchou			033119RT	IT Contractual Wages - March 2019	9,667.09
Venkat Rallapalli / Highbrow Systems, Inc.			033119VR	IT Contractual Wages - March 2019	7,124.19
<b>Cash Account/Payment Method Total:</b>			<b>5 Documents</b>		<b>205,823.09</b>
HUNT - VEN	ACH	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
ADP, INC			532395705	Check Printing Services	688.20
Barrow, Hanley, Mewhinney & Strauss, LLC			1Q19	Management Fees - 1st Qtr '19	42,860.00
Cogent Communications, Inc.			040119	Internet Service	1,023.00
CREATIVE BREAKTHROUGHS INC			INV1455	Software Maintenance	11,900.00
MSCI INC.			400091105	Finance Subscription 4/14/19-4/13/20	500.00
NORTHPOINTE CAPITAL, LLC			1Q19	Management Fees - 1st Qtr '19	36,246.65
Open Text, Inc.			RC428043	Imaging Software Support Renewal	12,115.88
UHY Advisors MI, Inc.			1288662	Professional IT Services for March 2019	11,062.50
UHY Advisors MI, Inc.			1288665	Professional IT Services for March 2019	52,987.50
<b>Cash Account/Payment Method Total:</b>			<b>9 Documents</b>		<b>169,383.73</b>
HUNT - VEN	CHECK	US			
<b>Vendor Name</b>			<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount To Pay</b>
ALLEGRA			61886011	GRSD Retirement Benefits Brochure	355.41
DIRECTV			36075249097	Service Charges 3/23/19-4/22/19	39.12
FEDEX			6-502-43384	FedEx Mailing	26.16
FEDEX			6-510-28817	FedEx Mailing	26.16
FIDELITY INSTITUTIONAL ASSET MGT TRUST CO			20181231-4576-1	Management Fees 4th Qtr '18	3,286.99

**Re: Fees and Expenses- Continued**

HUNT - VEN	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
FIDELITY INSTITUTIONAL ASSET MGT TRUST CO	20190331-4576-7	Management Fees 1st Qtr '19	64,420.72		
First CHOICE Coffee Services	610050	Coffee Supplies	114.10		
GABRIEL, ROEDER, SMITH & CO	439076	EDRO Calculations for David Irvin	1,000.00		
GABRIEL, ROEDER, SMITH & CO	445585	EDRO Calculations for Calvin Morrow	1,350.00		
GABRIEL, ROEDER, SMITH & CO	445586	EDRO Calculations for Daniel Beels	1,350.00		
GABRIEL, ROEDER, SMITH & CO	445646	Actuarial Services for March 2019	11,700.00		
IRON MOUNTAIN	201840937	Storage CDs	888.79		
Iron Mountain Records Management	ANSY627	Records Storage	1,679.16		
Kelly Tapper	040319KT	Office Supplies Purchase Reimbursement	28.40		
MICRO CENTER	8875940	Computer Equipment	60.92		
OFFICE DEPOT	295265390001	Office Supplies	14.82		
OFFICE DEPOT	295265391001	Office Supplies	7.49		
OFFICE DEPOT	295265392001	Office Supplies	5.69		
OFFICE DEPOT	295265393001	Office Supplies	17.49		
OFFICE DEPOT	295265394001	Office Supplies	11.99		
QUILL CORPORATION	5919725	Office Supplies	342.24		
QUILL CORPORATION	5925057	Office Supplies	19.99		
QUILL CORPORATION	5982085	Office Supplies	4.89		
SCHAIBLE BUILDERS, INC	005933	Reception Area Window, Door and Safety Upgrades	1,396.00		
SHRED-IT USA	8126889794	Shredding Service Charges	49.72		
THOMAS SHEEHAN	043019	Trustee Stipend	866.67		
TRANSUNION RISK & ALT DATA SOLUTIONS INC	040119	TLOxp Research Services (Account ID #3712221)	28.80		
TRUSCOTT ROSSMAN GROUP LLC	INV-3496	Public Relations	1,530.00		
VERIZON WIRELESS	9826974499	Wireless Charges 2/26/19-3/25/19	363.20		
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	101923247	Printer Maintenance	129.10		
WENDELL ANTHONY	043019	Trustee Stipend	866.67		
XEROX	096462206	Printer Maintenance	84.65		
<b>Cash Account/Payment Method Total:</b>			<b>92,065.34</b>	<b>32 Documents</b>	

\* Payment amount is estimated based on the effective date 4/15/2019

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan and Chairperson Nickleberry— 9

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. 7408 - \$181,312.39**

**List No. 7409 - \$146,559.46**

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

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 9

Nays: None

**Re: Employee Loan Program April 10, 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: **\$6,788.00** including interest, be hereby **APPROVED**.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 9

Nays: None

**Re: Employee Loan Program April 17, 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: **\$42,062.00** including interest, be hereby **APPROVED**.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan and Chairperson Nickleberry– 9

Nays: None

**Re: Minutes/Journal No. 4230 – (03/20/19)**

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. 4230**, held on **March 20, 2019**, be hereby **APPROVED** as recorded and submitted.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hall-Wagner, Naglick, Perkins, Sheehan  
and Chairperson Nickleberry– 9

Nays: None

**CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer, Ryan Bigelow, in addition to his formal report, discussed the following matters with the Board:

- Market overview
- Private Equity Return
- Summary Asset Allocation Report date ending March 31, 2019
- Engagement of MGRA Genesis Value Fund, LP C/O American Realty Advisors
- May 06<sup>th</sup>, 2019 Investment Committee topics
- Chief Investment Officer's Trip Summary
- Funding and liquidation updates

➤ ***Trustee Hall-Wagner excused herself from the Boardroom at 12:03 p.m. and returned at 12:12 p.m.***

**Re: Engagement of RSM- US LLP/ MGRA Genesis Value Fund, LP C/O American Realty Advisors**

John Naglick moved to approve the recommendation of Investment Staff to engage RSM- US LLP and ARA (American Realty Advisors) to assist with the IRS audit with respect to MGRA Genesis Value Fund. Thomas Sheehan supported. The motion passed unanimously.

- ***Trustee Perkins excused herself from the Boardroom at 12:09 p.m. and returned at 12:12 p.m.***

## **GENERAL COUNSEL'S REPORT**

General Counsel Michael VanOverbeke, discussed the following matters with the Board:

- Appointment of Nick Khouri to the Investment Committee
  - The Board of Trustees received correspondence dated February 26, 2019, from the Investment Committee regarding the appointment/confirmation of former State Treasurer, Nick Khouri to the Investment Committee. The Board of Trustees resolved at its March 6, 2019 meeting to decline that request and not accept Mr. Khouri's nomination to the Investment Committee. Correspondence stating such was forwarded to the Investment Committee with a copy to State Treasurer Eubanks as well as the Foundation for Detroit's Future. At its April 3, 2019 meeting, the Board received an update from its General Counsel and CIO that the Investment Committee received the Board's correspondence and still confirmed Mr. Khouri's appointment. The Board then resolved to provide additional correspondence to the Investment Committee, with copies to both the Governor and Mayor regarding the process and confirmation of Mr. Khouri. A draft of this correspondence is attached to the Legal report; attachment A. Before that draft could be finalized and sent, David Sowerby, on behalf of the independent members of the Investment Committee provided correspondence to the Executive Director dated April 12, 2019, which is attached as Attachment B for the Board's review.
  - The Board of Trustees engaged in discussion regarding the appointment/certification of Independent Investment Committee member Nick Khouri. The Board directed General Counsel to send correspondence to the State Treasurer as well as the Governor and Mayor indicating their disapproval of the appointment of Mr. Khouri. The Board of Trustees has also extended an invitation to the current General Investment Committee Chairperson, Kerrie Vanden Bosch as well as Independent Committee member David Sowerby to attend an upcoming Board meeting.
- Gateway Marketplace formal update is forthcoming
- KCC request for information with respect to the Annuity Savings Fund Recoupment issue

**NEW BUSINESS/OLD BUSINESS**

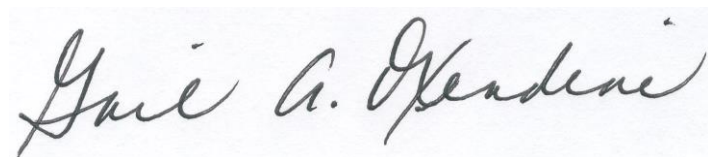
- Correspondence from Detroit Retired City Employees Association (DRCEA) President Al Lewis regarding Compensation of Chief Investment Officer
- “Thank You” letter from Retiree Willie Williams with respect to the assistance received from System Employees Ramzee Jackson and Kamal Cheeks and Trustee Thomas Sheehan
- The Board was updated on the passing of former Retirement System Employee Dennis Linet
- Valstone Client Conference

**ADJOURNMENT**

***Trustee Sheehan moved to adjourn meeting #4232; Trustee Cetlinski supported.***

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 12:39 p.m. The Board’s next meeting is scheduled for **Wednesday, May 1<sup>st</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