

MEETING NO. 4142
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **JANUARY 6, 2016**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
ONE 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
Lou Hatty	Trustee/Chairman
Eric Higgs	Ex-Officio Trustee/Deputy CFO
Felicia Johnson	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Thomas Sheehan	Trustee/Vice-Chairman

TRUSTEES EXCUSED

None

TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
Deborah A. Wilkerson	Assistant Executive Director
Michael VanOverbeke	General Counsel
Rita Coats	Recording Secretary

STAFF EXCUSED

Ryan Bigelow	Chief Investment Officer
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CHAIRMAN

LOU HATTY

The Board's Recording Secretary took a verbal Roll Call at 10:15 a.m. and Chairman Hatty called the meeting to order.

Present at Roll Call: Scott Benson, Lori Cetlinski, Tasha L. Cowan, Lou Hatty, June Nickleberry and Thomas Sheehan.

Re: Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Ebere I. Onwuneme – Sr Asoc CV Eng-Desgn – Water & Sewerage
SERVICE CREDIT	32-02
EFFECTIVE DATE	11-25-15

NAME, TITLE, DEPARTMENT	Ronald D. Smith – Sr Ast Chem Eng-IW – Water & Sewerage
SERVICE CREDIT	29-06
EFFECTIVE DATE	11-21-15

NAME, TITLE, DEPARTMENT	Joe M. Wilson – Asst EMS Spvr-Gd II – Fire (Civilian)
SERVICE CREDIT	23-08
EFFECTIVE DATE	01-12-16

Yeas: Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 6

Nays: None

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:

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
LEGAL FEES:				
CLARK HILL, P.L.C.	10/30/2015	622931	Angela Keeler thru 9/30/15	\$26,989.88
PEPPER HAMILTON, LLP	12/9/2015	10959571A	Rivers Casino 11/30/15	\$533.75
PEPPER HAMILTON, LLP	6/13/2015	10935461A	Rivers Casino 6/30/15	\$305.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	9/4/2015	8403	Legal Fees- 3/1/14-3/31/14	\$14,316.00
VANOVERBEKE MICHAUD & TIMMONY, P.C.	9/4/2015	8402	Legal Fees- 3/1/14-3/31/14	\$32,896.50
Subtotal				\$75,040.93
ADMINISTRATIVE EXPENSES:				
500 WEBWARD LLC	1/1/2016	9963	January Rent and CAM Estimate	\$20,669.85
ADP, INC	12/11/2015	225.06	Check Printing Services	\$112.53
BASSETT & BASSETT	12/14/2015	121415	Media Consultant: November 2015	\$10,553.40
BASSETT & BASSETT	12/14/2015	W121415	Media Consultant: Web Development November 2015	\$506.70
CINTAS CORPORATION-300	12/30/2015	300422722	Floor Mats	\$54.26
FEDEX	12/23/2015	5-264-88888	FedEx Mailings	\$37.74
FEDEX	12/16/2015	5-256-75888	FedEx Mailings	\$19.76
OFFICE DEPOT	12/15/2015	812396885001	Office Supplies	\$142.99
QUILL CORPORATION	12/8/2015	1336910	Office Supplies	\$12.91
QUILL CORPORATION	12/8/2015	1253130	Office Supplies	\$22.24
Subtotal				\$32,132.38
OTHER EXPENSES:				
ARMELLA J NICKLEBERRY-CLARK	12/16/2015	121615	Trustee Parking 8/18/15-12/15/15	\$70.00
REGINALD E. ONEAL	12/17/2015	121715	Medical Examinations: 11/16/15-12/16/15	\$1,540.00
REPUBLIC UNDERWRITERS	12/9/2015	76016	Fiduciary Insurance Renewal 12/22/15-12/21/16	\$645,451.00
TASHA L COWAN	12/23/2015	122315	Trustee Parking 12/23/15	\$35.00
Subtotal				\$647,096.00
Total Disbursements for Board Approval				\$754,269.31

Yeas: Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 6

Nays: None

Re: Refunds of Accumulated Contributions

Motion 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 on **List No. 7239** in the amount of **\$1,478,379.42** including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 6

Nays: None

Re: Employee Loan Program

Motion 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 **\$62,003.00**, including interest, be hereby **APPROVED**.

Yeas: Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 6

Nays: None

- ***Trustee John Naglick entered the Board Meeting at 10:25 a.m.***
- ***Trustee Wendell Anthony entered the Board Meeting at 10:27 a.m.***
- ***Trustee Felicia Johnson entered the Board Meeting at 10:30 a.m.***
- ***Trustee Eric Higgs entered the Board Meeting at 10:30 a.m.***

Re: General Investment Committee Expense Report

Motion By: Trustee Benson – Supported By: Trustee Anthony

To provide a quarterly accumulative expense report of the Investment Committee to be provided to the Board.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

Open Forum

Chairperson **Lou Hatty** opened the meeting for public discussion:

City of Detroit Retiree and President of Detroit Active and Retired Employee Association (DAREA) **William Davis** addressed the Board regarding the following:

- DAREA updates
- Educational seminar
- 1099 forms

~Concludes Public Comment~

Re: Minutes/Journal No. 4138

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

RESOLVED, that the Minutes/Journal of Proceedings, Meeting No. 4138 of the meeting of the Board of Trustees of the General Retirement System of the City of Detroit, held Wednesday, December 9, 2015 be hereby **APPROVED** as recorded and submitted.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

Re: Minutes/Journal No. 4141

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

RESOLVED, that the Minutes/Journal of Proceedings, Meeting No. 4141 of the meeting of the Board of Trustees of the General Retirement System of the City of Detroit, held Wednesday, December 30, 2015 be hereby **APPROVED** as recorded and submitted.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Deborah A. Wilkerson**, discussed the following:

Re: (Active) Employee Trustee Election 2016

Motion By: Trustee Sheehan – Supported By: Trustee Cowan

To approve the dates for the upcoming Active Trustee Election 2016.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

Re: GRS Board Meeting Bi-Weekly

Motion By: Trustee Cetlinski – Supported By: Trustee Naglick

To approve the General Retirement System board meetings to meet on the 1st and 3rd Wednesday of each month.

Following discussion of the foregoing motion, the motion which follows was made:

Motion By: Trustee Benson – Supported By: Trustee Naglick

That the foregoing motion be **Tabled** for 30 days to allow staff adequate time to prepare a plan on how to move forward; cost savings, analysis, procedures and concerns.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

Re: General Retirement System's 2016 – Scheduled Board Meetings

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

To adopt a schedule for the month and after 30 days for reporting as adopted.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

~Concludes Assistant Executive Director's Report~

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **Cynthia A. Thomas**, presented the following to the Board for discussion:

- Outstanding I.T. updates
- Lunch/Learn Seminar, January 22, 2016
- Billed contributions
- DWSD terminated with City; re: Hybrid Plan
- Audit update

~Concludes Executive Director's Report~

CHIEF INVESTMENT OFFICER'S REPORT

The Investment Officer, **Michael Krushena**, reported to the Board the following:

- GASB 67: In review process
- Alpha Partners: Chief Investment Officer will be meeting with Ms. Rodgers
- Collecting contracts
- Kathleen Colin, Oppenheimer, outcome of portfolio

~Completes Chief Investment Officer's Report~

GENERAL COUNSEL'S REPORT

General Counsel, **Michael VanOverbeke**, in addition to matters referred to separately in these minutes, discussed the following:

Re: 2016 Annual Conferences

Motion By: Trustee Sheehan – Supported By: Trustee Benson

To rescind educational conferences on a yearly basis and approve educational conferences on an individual basis as presented.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick
and Sheehan – 9

Nays: Nickleberry - 1

General Counsel's Report – (Con't)

Re: ISPM Conference

Motion By: Trustee Benson – Supported By: Trustee Cetlinski

To approve the attendance of Trustee Scott Benson to attend the Investment Strategies and Portfolio Management conference on May 16 – 20, 2016, held in Philadelphia, PA., and that the Board approves expenditures to attend said conference.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

Re: Educational Conference – Reimbursement

Motion By: Trustee Anthony – Supported By: Trustee Sheehan

To approve the reimbursement for Trustee June Nickleberry that attended a two-day conference held on January 11 – 12, 2016, in Washing, D.C. for Trustee Training Program provided by IFEBP.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan - 10

Nays: None

Updates

- Estate of Kenneth Kroll (No action)
- Annual Report for Year Ending: December 31, 2015

Re: Supplemental ASF Recoupment Cash Option

Motion By: Trustee Anthony – Supported By: Trustee Cetlinski

To have General Counsel proceed to court to take appropriate action the 25 members identified in the lump sum action.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Higgs, Johnson, Naglick, Nickleberry and Sheehan – 10

Nays: None

General Counsel's Report – (Con't)

- Death Benefit Plan letter

~Concludes Legal Report~

OLD/NEW BUSINESS

- Confidentiality : (Attorney/Client Privilege)
- **Trustee Cetlinski, Higgs and Naglick** left the Board Meeting for the day at 12:50 p.m.

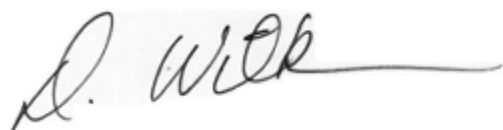
Direction of the Chair: To have each Trustee review the Ethics Policy

- Annuity Statement: Interest not adding up

ADJOURNMENT

There being no further business before the Board, **Chairman Hatty** adjourned the meeting at 1:00 p.m. The Board's next meeting is scheduled for **Wednesday, January 13, 2016**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



DEBORAH A. WILKERSON
ASSISTANT EXECUTIVE DIRECTOR