

MEETING NO. 4146
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **FEBRUARY 3, 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/Interim Vice-Chair
Lou Hatty	Trustee
Felicia Johnson	Trustee
June Nickleberry	Trustee
Thomas Sheehan	Trustee/Interim Chair (via/Teleconference)

TRUSTEES EXCUSED

Eric Higgs	Ex-Officio Trustee/Deputy CFO
John Naglick	Ex-Officio Trustee/Finance Director

TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
Deborah A. Wilkerson	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
Rita Coats	Recording Secretary

INTERIM VICE-CHAIR

TASHA L. COWAN

The Board's Recording Secretary took a verbal Roll Call at 10:30 a.m. and Interim Vice-Chair Cowan called the meeting to order.

Present at Roll Call: Wendell Anthony, Scott Benson, Lori Cetlinski, Tasha L. Cowan, Lou Hatty, June Nickleberry and Thomas Sheehan - (via/Teleconference).

Open Forum

Interim Vice-Chair **Tasha L. Cowan** opened the meeting for public discussion:

City of Detroit Retiree **Hosea Thomas** addressed the Board regarding the following:

- Health Care Deductions
- Tax Statement

~Concludes Public Comment~

- **Trustee Thomas Sheehan** joined the Board Meeting (via/Teleconference) at 10:40 a.m.

PRESENTATION:

Michael Hall - Director of Labor Relations/Human Resources

Re: Employment Status – Trustee Lou Hatty

The following issues were discussed:

- Discharged from assignment
- Laid Off - Recall rights

~Concludes Presentation~

Re: Service Retirement(s)

Motion By: Trustee Nickleberry - Supported By: Trustee Hatty

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

NAME, TITLE, DEPARTMENT	Sandra Bourne – Ofc Automn Spt Asst – Election Commission
SERVICE CREDIT	29-02
EFFECTIVE DATE	01-12-16
NAME, TITLE, DEPARTMENT	Larry Stephan Carson – Special Proj Techn – Water & Sewerage
SERVICE CREDIT	20-02
EFFECTIVE DATE	01-05-16
NAME, TITLE, DEPARTMENT	Najat M. Ibrahim – Construction Inspctr - DPW
SERVICE CREDIT	12-01
EFFECTIVE DATE	11-14-15
NAME, TITLE, DEPARTMENT	Martin Lacroix – Plant Technician – Water & Sewerage
SERVICE CREDIT	25-09
EFFECTIVE DATE	01-06-16
NAME, TITLE, DEPARTMENT	Houxiang Liu – Sr. Ast Chem Eng-IW - Water & Sewerage
SERVICE CREDIT	15-05
EFFECTIVE DATE	12-02-15
NAME, TITLE, DEPARTMENT	Reginald L. Mahone – General Auto Mechanic – General Services
SERVICE CREDIT	11-06
EFFECTIVE DATE	12-01-15
NAME, TITLE, DEPARTMENT	Francine M. Duncan-Martin – Prof Admin Analyst – Water & Sewerage
SERVICE CREDIT	29-03
EFFECTIVE DATE	01-06-16
NAME, TITLE, DEPARTMENT	Syed M. Parvez – Chemist – Water & Sewerage
SERVICE CREDIT	13-01
EFFECTIVE DATE	01-14-16

Re: Service Retirement(s) – (Con't)

NAME, TITLE, DEPARTMENT Edward Ramey, Jr. – Procurement Speclst –
Water & Sewerage
SERVICE CREDIT 23-02
EFFECTIVE DATE 01-09-16

NAME, TITLE, DEPARTMENT Cora J. Riley – Maintenance Tech – Water &
Sewerage
SERVICE CREDIT 18-01
EFFECTIVE DATE 01-02-16

NAME, TITLE, DEPARTMENT John Wisniewski – Systems Technician –
Water & Sewerage
SERVICE CREDIT 28-11
EFFECTIVE DATE 01-15-16

NAME, TITLE, DEPARTMENT Reginald Woodson - Maintenance Tech –
Water & Sewerage
SERVICE CREDIT 18-06
EFFECTIVE DATE 01-02-16

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

Re: Early Retirement(s)

Motion By: Trustee Nickleberry - Supported By: Trustee Hatty

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

NAME, TITLE, DEPARTMENT Beena Chackunkal – Engineer – Water &
Sewerage
SERVICE CREDIT 25-07
EFFECTIVE DATE 01-02-16

NAME, TITLE, DEPARTMENT Pamela Chapman – Prof Admin Analyst –
Water & Sewerage
SERVICE CREDIT 25-06
EFFECTIVE DATE 01-04-16

EARLY RETIREMENTS – (Con't)

NAME, TITLE, DEPARTMENT	Michael Coles – Plant Technician - Water & Sewerage
SERVICE CREDIT	27-11
EFFECTIVE DATE	01-05-16
NAME, TITLE, DEPARTMENT	Harriet A. Cook – Sr. Parking Enforc Off – Municipal Parking
SERVICE CREDIT	25-10
EFFECTIVE DATE	12-30-15
NAME, TITLE, DEPARTMENT	James Draus – Elec Instr Ctrl Tech – Water & Sewerage
SERVICE CREDIT	27-11
EFFECTIVE DATE	01-09-16
NAME, TITLE, DEPARTMENT	Michael T. Kosakowski – Security Officer – Water & Sewerage
SERVICE CREDIT	25-11
EFFECTIVE DATE	01-07-16
NAME, TITLE, DEPARTMENT	John E. Lokosis – Maintenance Techn – Water & Sewerage
SERVICE CREDIT	24-10
EFFECTIVE DATE	01-12-16
NAME, TITLE, DEPARTMENT	Phillip S. Maddox – Elec Instr Ctrl Tech – Water & Sewerage
SERVICE CREDIT	23-08
EFFECTIVE DATE	01-15-16
NAME, TITLE, DEPARTMENT	Michael Mannion – Maintenance Techn – Water & Sewerage
SERVICE CREDIT	26-10
EFFECTIVE DATE	01-06-16
NAME, TITLE, DEPARTMENT	Richard L. Muntz – Team Leader – Water & Sewerage
SERVICE CREDIT	25-0
EFFECTIVE DATE	01-15-16
NAME, TITLE, DEPARTMENT	Marvells A. Pippen – Investigator – Water & Sewerage
SERVICE CREDIT	24-07
EFFECTIVE DATE	12-26-15

EARLY RETIREMENTS – (Con't)

NAME, TITLE, DEPARTMENT	Tina Sumner – Sr. Govtl Analyst – Water & Sewerage
SERVICE CREDIT	27-05
EFFECTIVE DATE	10-31-15

NAME, TITLE, DEPARTMENT	Annette Vines – Chemist – Water & Sewerage
SERVICE CREDIT	23-11
EFFECTIVE DATE	01-07-16

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

Re: Vested Retirement(s)

Motion By: Trustee Nickleberry - Supported By: Trustee Hatty

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

NAME, TITLE, DEPARTMENT	Douglas Hamilton – Park Maint Wkr-PH - Housing
SERVICE CREDIT	22-05
EFFECTIVE DATE	12-01-15

NAME, TITLE, DEPARTMENT	William H. Lee – Sewage Plant Attendant - Water & Sewerage
SERVICE CREDIT	00-11
EFFECTIVE DATE	09-01-14

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

Re: Change of Computation from Non-Duty/Duty Disability to Service Retirement

Motion By: Trustee Nickleberry – Supported By: Trustee Hatty

RESOLVED, that the application(s) for **CHANGE OF COMPUTATION FROM NON-DUTY/DUTY DISABILITY TO SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

Re: Change of Computation from Non-Duty/Duty Disability to Service Retirement – (Con't)

NAME, TITLE, DEPARTMENT Pamela Hutchins – Office Assistant II – Water & Sewerage
SERVICE CREDIT 15-03
EFFECTIVE DATE 01-24-16

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

Re: Receipts

The receipts which are referenced below were **Acknowledged**:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
1/25/16 - 1/29/16			
Meeting No. 4146			
February 3, 2016			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
RECEIPTS			
MERCK & CO INC	01/25/16	Class Action Proceeds	1,839.37
SSGM COMMISSION	01/26/16	Recapture Activity for December 2015	1,779.28
MASSEY ENERGY CO	01/26/16	Class Action Proceeds	18,624.16
CLAREANT EURO DLF INVESTOR FEEDER LP	01/27/16	Distribution	56,022.29
FIRST INDEPENDENCE BANK	01/28/16	Loan Deductions	59,429.39
POLICE & FIRE RETIREMENT SYSTEM	01/29/16	Reimburse Staff Wages	36,411.56
RREEF AMERICAN REIT I	01/29/16	Distribution	325,759.26
CITY OF DETROIT	01/25/16	Weekly Mandatory Pension Contribution	160,117.33
CITY OF DETROIT	01/25/16	Weekly Annuity Contribution	113,066.80
TOTAL RECEIPTS			\$ 773,049.44

Re: Fees and Expenses

Resolution Moved By: Trustee Hatty - Supported By: Trustee Nickleberry

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:

Re: Fees and Expenses – (Con't)

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
CAPITAL CALLS:				
LANDMARK EQUITY PARTNERS XV, LP	1/25/2016		Due 2/5/16	\$98,763.00
Subtotal				\$98,763.00
MANAGEMENT FEES:				
REAMS ASSET MANAGEMENT	1/26/2016	4Q2015	Management Fees - 4th Qtr '15	\$20,805.00
WESTFIELD CAPITAL MANAGEMENT	1/26/2016	20151231-107-123-A	Management Fees - 4th Qtr '15	\$125,289.19
Subtotal				\$146,094.19
ADMINISTRATIVE EXPENSES:				
ALLEGRA	2/2/2016	92520	Office Supplies	\$2,195.24
COMCAST	1/14/2016	011416	High-Speed Internet	\$263.35
DIRECTV	1/24/2016	27679985857	Service Charges	\$35.49
FEDEX	1/27/2016	530052926	FedEx Mailings	\$20.62
QUILL CORPORATION	1/11/2016	2327595	Office Supplies	\$7.99
QUILL CORPORATION	1/11/2016	2191795	Office Supplies	\$24.28
QUILL CORPORATION	1/11/2016	2182281	Office Supplies	\$43.37
SHRED-IT USA	1/21/2016	9409113723	Off-Site Regular Service	\$46.50
Subtotal				\$2,636.84
OTHER EXPENSES:				
Thomas J. Witekanski	1/26/2016		MSC Overpayment Reimbursement	\$5,008.61
Subtotal				\$5,008.61
Total Disbursements for Board Approval				\$252,502.64

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Hatty - 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. 7243** in the amount of **\$3,509,962.52** including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

Re: Refunds of Accumulated Contributions- (Revision – List #7239)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on **Meeting No. 4142, 1/6/2016, List No. 7237**, should read as **List No. 7239 as amended**.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Nickleberry and Sheehan – 7

Nays: None

➤ *Trustee Felicia Johnson entered the Board Meeting at 10:50 a.m.*

Re: Employee Loan Program

Motion By: Trustee Hatty – Supported By: Trustee Johnson

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of **\$23,725.00**, including interest, be hereby **APPROVED**.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 8

Nays: None

Re: Minutes/Journal No. 4144

Motion By: Trustee Hatty – Supported By: Trustee Johnson

RESOLVED, that the Minutes/Journal of Proceedings, Meeting No. 4144 of the meeting of the Board of Trustees of the General Retirement System of the City of Detroit, held Wednesday, January 20, 2016 be hereby **APPROVED** as recorded and submitted.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 8

Nays: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

There were no items for discussion at this week's meeting.

EXECUTIVE DIRECTOR'S REPORT

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

- Update on the General Investment Committee's Expenses
- Draft letter from Plante & Moran – (Informational)
Re: Audited financial statements of Component II and Income Stabilization Fund year ended June 30, 2015.

Re: UHY Presentation

Motion By: Trustee Anthony – Supported By: Trustee Hatty

Motion to Approve UHY representatives to come before the Board to give a presentation on why the Retirement System needs an upgrade to the structure of the accounting system's software.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 8

Nays: None

~Concludes Executive Director's Report~

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, discussed the following updates:

- Alpha Partners, LLC
Re: Letter of Resignation as Investment Manager for the General Retirement System. A letter was sent to the IC Boards to inform them of the assets being monitored during this transition over to Rhumblin.
- MHR
Sent Redemption letter to MHR. Will bring back before the Board with a recommendation on how to fund the hedge fund.

CHIEF INVESTMENT OFFICER'S REPORT – (Con't)

- The General's Investment Committee will be meeting on Monday, February 8, 2016 at 12:00 Noon. Will be discussing the fixed income structure, Lazard Asset Management re: emerging market and the sale of River Place Apartments.

~Concludes Chief Investment Officer's Report~

PRESENTATION:

Marie Racine

Re: Entering Into Closed Session

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

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act ("OMA") being MCL 15.261 et seq. and has adopted a resolution on April 25, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enters into Closed Session with Special Legal Counsel Marie Racine for the purpose of discussing the Nicholson-Gracia, et. al, and the Capozzoli litigation matter.

A Roll Call vote was taken as follows:

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan - 8

Nays: None

The Board entered into **Closed Session** at 11:10 a.m.

Re: Open Session

Motion By: Trustee Nickleberry – Supported By: Trustee Anthony

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 12:35 p.m.

~Concludes Presentation~

GENERAL COUNSEL'S REPORT

General Counsel, **Michael VanOverbeke**, discussed the following updates:

Re: Keith Lambert – Annuity Savings Fund Account

Motion By: Trustee Anthony – Supported By: Trustee Hatty

Motion to acknowledge receipt of Settlement Agreement to be released of distribution of funds payable on account on behalf of the death of Keith Lamar Lambert and authorize its execution on behalf of the Board.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan - 8

Nays: None

- ASF Recoupment – 1099: Taxable distribution
Will be putting together a form letter to send to retirees who received the forms to discuss with their tax advisor to the IRS if necessary.
- Trustee Lou Hatty's employment status
The Board will take action when there's a full board at next week's Board meeting (February 10, 2016).

~Concludes General Counsel's Report~

EXECUTIVE DIRECTOR'S REPORT – (Continuation)

- Restructuring staff – Retirement System Budget Approved Positions
Re: Change in titles/rate of salary
- Joint Personnel Committee
Re: Compensation proposition adjustments

Through the Chair: The Budgeted Positions will be brought back at next week's meeting for further discussion and approval with full Board Members.

~Concludes Executive Director's Report~

NEW/OLD BUSINESS

Re: Certificate Series 2016 – 401(K) Plans

Motion By: Trustee Hatty – Supported By: Trustee Anthony

RESOLVED, that the Board APPROVES the attendance of Trustee Scott Benson to attend the Certificate Series 2016 conference, held in Santiago, California, February 15 - 20, 2016, resulting in his educational travel allowance to go over the limit, and that the Board APPROVES expenditures to attend said conference.

Yeas: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson – 6

Nays: Nickleberry and Sheehan – 2

Re: Death Benefit Letter

Death benefit option letter is in the process of being mailed out to retirees.

ADJOURNMENT

There being no further business before the Board, **Interim Vice-Chair Cowan** adjourned the meeting at 1:10 p.m. The Board's next meeting is scheduled for **Wednesday, February 10, 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