

MEETING NO. 4150
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **MARCH 2, 2016**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
ONE DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Lori Cetlinski	Trustee
Tasha L. Cowan	Trustee/Interim Vice-Chair
Lou Hatty	Trustee
June Nickleberry	Trustee
Thomas Sheehan	Trustee/Interim Chair
David Szymanski	Ex-Officio Trustee/City Treasurer

TRUSTEES EXCUSED

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Eric Higgs	Ex-Officio Trustee/Deputy CFO
Felicia Johnson	Trustee

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 CHAIR

THOMAS SHEEHAN

The Board's Recording Secretary took a verbal Roll Call at 10:20 a.m. and Interim Chair Sheehan called the meeting to order.

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Lou Hatty, Thomas Sheehan and David Szymanski.

PRESENTATION:

Gabriel Roeder Smith & Company

Re: Auditing Reports

Representatives of Gabriel Roeder Smith & Company, Ken Alberts, David Kausch and Brian Murphy, appeared before the Board to discuss the following reports and requirements:

- CAFR
- GASB 67
- Component I (Hybrid Plan) & Component II (Legacy Plan)

➤ ***Trustee June Nickleberry entered the Board Meeting at 10:35 a.m.***

Re: Entering Into Closed Session

Resolution Moved By: Trustee Cowan – 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 October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enter into Closed Session pursuant to the Bankruptcy Court which has not been publicly disseminated or available from other sources, the release of which might cause significant harm and is acknowledged by the Board of Trustees as Confidential and Privileged under MCL 38.1140(L), because discussion in Open Session would have a detrimental financial effect upon the Retirement System.

Re: Entering Into Closed Session – (Con't)

A Roll Call Vote was taken as follows:

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

Nays: None

The Board entered into **Closed Session** at 11:25 a.m.

Re: Open Session

Motion By: Trustee Cetlinski – Supported By: Trustee Hatty

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 11:50 a.m.

Re: GASB 67 Plan and Component I

Motion By: Trustee Hatty – Supported By: Trustee Szymanski

Motion to acknowledge the presentation by the Board's actuary, Gabriel Roeder Smith & Company, and to accept the General Retirement System's GASB Statement No. 67 Plan Reporting and Accounting Schedules of Component I for the period ending June 30, 2015, dated February 24, 2016.

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

Nays: None

Re: GASB 67 Plan and Component II

Motion By: Trustee Szymanski – Supported By: Trustee Hatty

Motion to acknowledge the presentation by the Board's actuary, Gabriel Roeder Smith & Company, the receipt and approval of the General Retirement System's GASB Statement No. 67 Plan Reporting Schedule of Component II for the period ending June 30, 2015, dated February 12, 2016.

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

Nays: None

~Concludes Presentation~

Re: Service Retirement(s)

Motion By: Trustee Hatty - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Shakil Ahmed – Engineer – Water & Sewerage
SERVICE CREDIT	14-08
EFFECTIVE DATE	01-23-16

NAME, TITLE, DEPARTMENT	Ruth Ford Biersdorf – Lib – Dept. Mgr. - Library
SERVICE CREDIT	21-08
EFFECTIVE DATE	01-30-16

NAME, TITLE, DEPARTMENT	Brian E. Brown – Chemist – Water & Sewerage
SERVICE CREDIT	29-08
EFFECTIVE DATE	01-26-16

NAME, TITLE, DEPARTMENT	Durand K. Capers – Supv Elec Insptr – Building & Safety
SERVICE CREDIT	28-06
EFFECTIVE DATE	02-19-16

NAME, TITLE, DEPARTMENT	Roger Charles Greenwood – Plant Technician – Water & Sewerage
SERVICE CREDIT	23-0
EFFECTIVE DATE	01-22-16

NAME, TITLE, DEPARTMENT	Mary Hale – Voucher Audit Clerk – Water & Sewerage
SERVICE CREDIT	13-06
EFFECTIVE DATE	01-06-16

NAME, TITLE, DEPARTMENT	Khader Ali Hamad – Engineer – Water & Sewerage
SERVICE CREDIT	17-08
EFFECTIVE DATE	02-04-16

NAME, TITLE, DEPARTMENT	Roberto K. Hurtado – Spec Proj Techn – Water & Sewerage
SERVICE CREDIT	26-02
EFFECTIVE DATE	01-22-16

SERVICE RETIREMENTS – (Con't)

NAME, TITLE, DEPARTMENT Donna L. Jackson – Office Support Spec -
Water & Sewerage
SERVICE CREDIT 28-11
EFFECTIVE DATE 02-03-16

NAME, TITLE, DEPARTMENT Michael Lewis – Sec Proj Mgr – Water &
Sewerage
SERVICE CREDIT 32-06
EFFECTIVE DATE 01-26-16

NAME, TITLE, DEPARTMENT Roger S. Ruffin – Security Officer – Water &
Sewerage
SERVICE CREDIT 27-07
EFFECTIVE DATE 02-05-16

NAME, TITLE, DEPARTMENT Gary Schultz – Plant Technician – Water &
Sewerage
SERVICE CREDIT 23-01
EFFECTIVE DATE 01-23-16

NAME, TITLE, DEPARTMENT Kenneth E. Singleton – Engineer – Water &
Sewerage
SERVICE CREDIT 29-11
EFFECTIVE DATE 01-27-16

NAME, TITLE, DEPARTMENT David M. Tellewoyan – Procurement Speclst –
Water & Sewerage
SERVICE CREDIT 14-06
EFFECTIVE DATE 02-02-16

NAME, TITLE, DEPARTMENT Victor L. Veesernyes – Water Technician –
Water & Sewerage
SERVICE CREDIT 15-10
EFFECTIVE DATE 01-20-16

NAME, TITLE, DEPARTMENT Oscar L. Williams – Elec Instr Ctrl Tech –
Water & Sewerage
SERVICE CREDIT 10-06
EFFECTIVE DATE 01-23-16

SERVICE RETIREMENTS – (Con't)

NAME, TITLE, DEPARTMENT	Geraldine Young – Service Info Clerk – Water & Sewerage
SERVICE CREDIT	23-05
EFFECTIVE DATE	02-09-16

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

Nays: None

Re: Early Retirement(s)

Motion By: Trustee Hatty - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Michael Baber – Maintenance Techn – Water & Sewerage
SERVICE CREDIT	27-07
EFFECTIVE DATE	01-27-16

NAME, TITLE, DEPARTMENT	Wanda Brown – Plant Technician – Water & Sewerage
SERVICE CREDIT	25-06
EFFECTIVE DATE	01-23-16

NAME, TITLE, DEPARTMENT	Lori L. Irving – Pr Govtl Analyst – Municipal Parking
SERVICE CREDIT	27-10
EFFECTIVE DATE	01-30-16

NAME, TITLE, DEPARTMENT	Barry Jennings – Service Desk Analyst – Water & Sewerage
SERVICE CREDIT	24-05
EFFECTIVE DATE	02-10-16

NAME, TITLE, DEPARTMENT	John Miller – Maintenance Techn – Water & Sewerage
SERVICE CREDIT	25-09
EFFECTIVE DATE	01-19-16

Re: Early Retirement(s) – (Con't)

NAME, TITLE, DEPARTMENT Jessandra Scott – Office Support Spec –
Water & Sewerage
SERVICE CREDIT 24-01
EFFECTIVE DATE 01-27-16

NAME, TITLE, DEPARTMENT Jeremy Lee Williams – Security Officer -Water
& Sewerage
SERVICE CREDIT 23-06
EFFECTIVE DATE 01-22-16

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

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			
2/22/16 - 2/26/16			
Meeting No. 4150			
March 2, 2016			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
RECEIPTS			
SSGM COMMISSION	02/22/16	Recapture Activity for January 2016	2,097.81
FIRST INDEPENDENCE BANK	02/22/16	Loan Deductions	56,483.22
REALTY ASSOCIATES FUND VII LP	02/25/16	Distribution	327,044.00
POLICE & FIRE RETIREMENT SYSTEM	02/26/16	Reimburse Staff Wages	38,363.74
CLARK HILL	02/26/16	Settlement Proceeds	290,453.00
CLARK HILL	02/26/16	Settlement Proceeds	240.00
FIRST INDEPENDENCE BANK	02/26/16	Loan Deductions	44,183.31
CITY OF DETROIT	02/22/16	Weekly Mandatory Pension Contribution	170,386.62
CITY OF DETROIT	02/22/16	Weekly Annuity Contribution	113,759.72
TOTAL RECEIPTS			\$ 1,043,011.42

Re: Monthly Disbursements

Motion By: Trustee Hatty – Supported By: Trustee Nickleberry

Motion to Approve the **Monthly Pension Payroll**.

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
MONTHLY PENSION PAYROLL FOR APPROVAL			
3/2/2016			
Meeting No. 4150			
March 2, 2016			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
First Independence Bank		Pension Payroll - Direct Deposit	14,402,999.33
MISDU		Child Support Deductions	25,668.84
First Independence Bank		Pension Payroll - Checks	2,002,725.92
Diversified Members Credit Union		Loan Payment Deductions	626,660.87
Detroit Employee Benefit Plan		Benefit Payments - Life Insurance	4,652.38
Detroit Employee Benefit Plan-VEBA (to RHC)		Benefit Payments - Health, Eye & Dental	452,250.86
Federal Tax		Withholding	1,796,419.17
State Tax & Assoc. Fees		Withholding	301,743.66
Benesys Employee Benefit Plan		Benefit Payments	85,486.07
TOTAL DISBURSEMENTS			\$ 19,698,607.10

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

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Hatty - Supported By: Trustee Nickleberry

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on **List No. 7247** in the amount of **\$2,089,644.84** including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

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

Nays: None

Re: Employee Loan Program

Motion By: Trustee Hatty – Supported By: Trustee Nickleberry

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of **\$44,346.00**, including interest, be hereby **APPROVED**.

Re: Employee Loan Program – (Con't)

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

Nays: None

Re: Fees and Expenses

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

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>
ADMINISTRATIVE EXPENSES:				
CANON SOLUTIONS AMERICA, INC	2/12/2016	4018322775	Computer Equipment & Services: Copier Maintenance	\$68.25
CINTAS CORPORATION-300	2/24/2016	300458297	Floor Mats	\$54.26
CRAIN'S DETROIT BUSINESS	2/29/2016	022916	1 yr Subscription - Scott Benson	\$59.00
DIRECTV	2/24/2016	27908702257	Service Charges	\$33.99
FEDEX	2/24/2016	5-330-45195	FedEx Mailings	\$20.32
OFFICE EXPENSE FUND	2/25/2016		Replenishment	\$2,456.21
QUILL CORPORATION	2/12/2016	3403956	Office Supplies	\$6.74
QUILL CORPORATION	2/12/2016	3372549	Office Supplies	\$120.26
SHRED-IT USA	2/19/2016	9409495898	Off-Site Regular Service	\$46.50
UHY ADVISORS MI INC	2/15/2016		Prof Accounting Svcs - 2/1/16-2/15/16, Inv # 1160726	\$29,246.87
ULTIMATE PARKING MANAGEMENT LLC	2/24/2016	133681	Monthly Parking Lease	\$3,030.00
Subtotal				<u>\$35,142.40</u>
Total Disbursements for Board Approval				<u>\$35,142.40</u>

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

Nays: None

Re: Minutes/Journal No. 4143 – January 13, 2016

At Trustee Cowan's request, Interim Chair Sheehan directed that the above-referenced Minutes/Journal of Proceedings be re-submitted for Board's approval at the next scheduled Board meeting, March 16, 2016.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

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

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, had no new issues or actionable items to address, but informed the Board that they are in the process on funding the new mandates that were hired and hope to fund them the end of the month:

- Brandywine
- Manulife
- Pugh Management

The following portfolios are being liquidated:

- REAMS
- AEGON

~Concludes Chief Investment Officer's Report~

GENERAL COUNSEL'S REPORT

General Counsel, **Michael VanOverbeke**, submitted a legal report for discussion:

- John Cato v. Board of Trustees, et al. (Update)
No further action. A copy of the Order of Dismissal was provided to the Board. The case is closed as a matter of law.
- Re: Barbara Chenault
Ms. Chenault is requesting to review payments made from the Retirement System regarding benefits. A draft response will be forthcoming.
- Douglas Hamilton – re: Benefits/Annuity Savings

GENERAL COUNSEL'S REPORT – (Con't)

Re: Grand Personalty, Inc.: 2014 State Tax Return

Resolution Moved By: Trustee Nickleberry – Supported By: Trustee Szymanski

WHEREAS, the General Retirement System is the sole shareholder of General Resorts Services, Inc., and

WHEREAS, General Resorts Services, Inc. is the sole shareholder of the corporation, and

WHEREAS, in 2015 the corporation filed all of its required 2014 Federal and State income taxes, and

WHEREAS, the corporation owed the State of Michigan \$24,000 in income taxes for 2014 but did not pay the State of Michigan by the required due date, and

WHEREAS, the corporation is no longer active and was dissolved in 2015, and as part of the dissolution, the State of Michigan, Department of Treasury, conducted a tax audit of the corporation, and

WHEREAS, the State of Michigan Department of Treasury sent a letter dated February 26, 2016 informing the corporation that the corporation owed the State of Michigan the \$24,000 that the corporation had declared on its 2014 income tax return, plus interest and penalties in the amount of \$3,338.00, for a total taxes due of \$27,338.00; **NOW THEREFORE BE IT**

RESOLVED, that the Board authorizes the payment of \$27,338.00 to the State of Michigan by check, and be it further

RESOLVED, that upon the issuance of the foregoing check, the Board's staff remit the check, together with a copy of the Department of Treasury's February 2, 2016 letter to the State of Michigan in payment of the corporation's 2014 Michigan income taxes.

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

Nays: None

GENERAL COUNSEL'S REPORT – (Con't)

Re: (i) General Resort Services, Inc.; (ii) Grand Personalty, Inc.; (iii) GRS RP General Corp.: 2015 Tax Returns

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

WHEREAS, the General Retirement System is the sole shareholder of General Resorts Services, Inc., and

WHEREAS, General Resorts Services, Inc. is the sole shareholder of the corporation, and

WHEREAS, the General Retirement System is the sole shareholder of GRS RP General Corp., and

WHEREAS, the Board has been requested to approve the execution of the 2015 U.S. Corporation Income Tax Returns dated March 2, 2016 for each of the foregoing corporations and a State of Michigan Tax return for Grand Personalty, Inc. by an officer of the respective corporations, and

WHEREAS, the execution of said documents has been recommended by the Board's special legal counsel, F. Logan Davidson, and

WHEREAS, the execution of said document has been reviewed and approved as to form by the Board's legal counsel and the execution of said documents is consistent with prior action of the Board, **THEREFORE BE IT**

RESOLVED, that said documents be executed by the appropriate corporate officers on behalf of the respective corporations.

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

Nays: None

Entry in Minutes

Re: (i) General Resort Services, Inc.; (ii) Grand Personalty, Inc.; (iii) GRS RP General Corp.: 2015 Tax Returns

The Board of Trustees has been made aware of the execution of the 2015 U.S. Corporation Income Tax Return dated March 2, 2016 for each of the foregoing corporations and a State of Michigan tax return for Grand Personalty, Inc. by an officer of the respective corporations.

GENERAL COUNSEL'S REPORT – (Con't)

Re: Vacated Seat – Felicia Johnson

Motion By: Trustee Szymanski – Supported By: Trustee Cetlinski

Motion to declare seat vacated as of March 2, 2016, unless employment is obtained for reconsideration at the next scheduled Board Meeting on March 16, 2016.

Yeas: Cetlinski, Cowan, Nickleberry, Sheehan and Szymanski – 5

Nays: Hatty - 1

~Concludes General Counsel's Report~

NEW/OLD BUSINESS

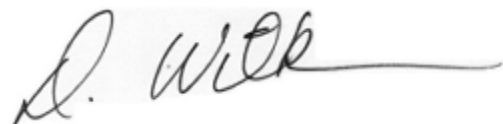
- CFO title change proposal

Trustee Cowan would like the record to reflect that she submitted questions to the Executive Director regarding the budget/title change of staff.

ADJOURNMENT

There being no further business before the Board, **Interim Chair Sheehan** adjourned the meeting at 12:26 p.m. The Board's next meeting is scheduled for **Wednesday, March 16, 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