

MEETING NO. **4164**  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
HELD WEDNESDAY, **SEPTEMBER 7, 2016**

10:00 A.M.

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

TRUSTEES PRESENT

Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee
Tasha L. Cowan	Trustee/Vice-Chair
Olga Johnson	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Gail Oxendine	Trustee
Thomas Sheehan	Trustee/Chair
David Szymanski	Ex-Officio Trustee/City Treasurer

TRUSTEES EXCUSED

Wendell Anthony	Trustee
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TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
Michael Krushena	Investment Officer
Michael VanOverbeke	General Counsel
LaMonica Arrington-Cabeau	Manager II
Rita Coats	Administrative Assistant II

STAFF EXCUSED

Ryan Bigelow	Chief Investment Officer
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CHAIRMAN

**THOMAS SHEEHAN**

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

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Olga Johnson, June Nickleberry, Thomas Sheehan.

**Re: Vested Retirement(s)**

Motion By: Trustee Cetlinski - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Leroy S. Barnes – Plant Maint Gen Foreman – Public Lighting
SERVICE CREDIT	19-08
EFFECTIVE DATE	11-01-15

Yeas: Cetlinski, Cowan, Johnson, Nickleberry, Sheehan - 5

Nays: None

**Re: Change of Computation from Duty Disability to Service Retirement(s)**

Motion By: Trustee Cetlinski – Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Shirley D. Taylor-Roper – Vehicle Operator I - DPW
SERVICE CREDIT	17-08
EFFECTIVE DATE	08-09-14

Yeas: Cetlinski, Cowan, Johnson, Nickleberry, Sheehan - 5

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			
8/29/16 - 9/2/16			
September 7, 2016			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
<b>RECEIPTS</b>			
CLARK HILL	08/29/16	Settlement Proceeds	64.92
AXIALL CORPORATION	08/29/16	Dividends	2,174.08
SPIVEY JUNCTION / BABAR	08/29/16	Payments	1,000.00
AMERICAN SUPERCONDUCTOR CORP	09/01/16	Class Action Proceeds	349.90
TIER REIT, INC (fka Behringer Harvard REIT)	08/29/16	Distribution	31,744.88
FIRST INDEPENDENCE BANK	08/30/16	Loan Deductions	49,621.16
GATEWAY PARK OUTLET	08/31/16	Remittance	121,682.96
MESIROW FIN PRIV EQUITY PSHIP FD III LP	09/01/16	Distribution	200,000.00
FORT SHELBY	09/02/16	Remittance	177,599.13
COBO CENTER	08/29/16	Pension Contributions	2,795.57
COBO CENTER	08/29/16	Annuity Contributions	1,627.97
CITY OF DETROIT	08/29/16	Weekly Mandatory Pension Contribution	91,084.31
CITY OF DETROIT	08/29/16	Weekly Annuity Contribution	71,483.92
<b>TOTAL RECEIPTS</b>			<b>\$ 751,328.80</b>

- *Trustee John Naglick joined the Board Meeting at 10:15 a.m.*
- *Trustee David Szymanski joined the Board Meeting at 10:15 a.m.*

**Re: Fees and Expenses**

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

**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>
<b>LEGAL FEES:</b>				
COUZENS, LANSKY, FEALK, ELLIS P.C.	8/29/2016	100857.	Book Cadillac thru 8/26/16	\$3,003.05
COUZENS, LANSKY, FEALK, ELLIS P.C.	8/4/2016	100351.	Book Cadillac thru 7/31/16	\$673.02
COUZENS, LANSKY, FEALK, ELLIS P.C.	8/10/2016	100454.	Book Cadillac thru 8/5/16	\$1,545.34
COUZENS, LANSKY, FEALK, ELLIS P.C.	8/15/2016	100715.	Book Cadillac thru 8/12/16	\$3,455.04
COUZENS, LANSKY, FEALK, ELLIS P.C.	7/1/2016	98954.	Book Cadillac thru 5/31/16	\$1,538.67
RACINE & ASSOCIATES	8/12/2016	11996	DGRS v. Capozzoli: 7/1/16-7/31/16	\$135,577.02
RACINE & ASSOCIATES	8/9/2016	11991	DGRS v. Capozzoli: 7/1/16-7/31/16	\$26,804.44
Subtotal				<u>\$172,596.58</u>
<b>ADMINISTRATIVE EXPENSES:</b>				
500 WEBWARD LLC	8/25/2016	20338	Maintenance/Labor - August 2016	\$82.50
500 WEBWARD LLC	9/1/2016	20903	Base Rent - September 2016	\$21,266.93
FEDEX	8/31/2016	5-530-94088	FedEx Mailings	\$48.63
IRON MOUNTAIN RECORDS MANAGEMENT	8/31/2016	MYS2978	Records Storage: 9/1/16-9/30/16	\$1,406.17
IT STAFF WAGES	8/31/2016		IT Staff Wages for August 2016	\$38,223.42
STAFF WAGES	8/28/2016		Staff Wages for 8/15/16 - 8/28/16	\$29,097.89
THE TOWNSEND GROUP	8/31/2016	10642	Professional Services - August 2016	\$11,250.00
THE TOWNSEND GROUP	4/1/2016	10458	Professional Services - April 2016	\$11,250.00
UHY ADVISORS MI INC	8/31/2016		Prof Accounting Svcs - 8/16/16-8/31/16, Inv # 1183419	\$44,559.37
VERIZON WIRELESS	8/25/2016	9771024528	Wireless Service: 7/26/16-8/25/16	\$322.47
Subtotal				<u>\$157,507.38</u>
<b>OTHER EXPENSES:</b>				
GAIL OXENDINE	8/17/2016	081716	GRS Trustee Parking	\$40.00
KPMG Limited	10/4/2011		Outstanding service fees 2007-2011 Taiwan tax consultant	\$7,731.24
OLGA JOHNSON	8/31/2016	083116	GRS Trustee Parking	\$25.00
Subtotal				<u>\$7,796.24</u>
<b>PAYEE</b>	<b>DATE</b>	<b>INVOICE NO</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>Total Disbursements for Board Approval</b>				<b><u>\$337,900.20</u></b>

Yeas: Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Sheehan, Szymanski - 7

Nays: None

**Re: Refunds of Accumulated Contributions**

Motion By: Trustee Cetlinski - Supported By: Trustee Szymanski

**RESOLVED**, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on **List No. 7274 - \$485,193.00**, including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Sheehan, Szymanski - 7

Nays: None

**Re: Employee Loan Program**

Motion By: Trustee Cetlinski – Supported By: Trustee Szymanski

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of **\$20,631.00**, including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Sheehan, Szymanski - 7

Nays: None

**Re: Minutes/Journal No. 4161**

Motion By: Trustee Cetlinski – Supported By: Trustee Nickleberry

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, Meeting No. 4161, held on August 3, 2016, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Sheehan, Szymanski - 7

Nays: None

➤ ***Trustee Gail Oxendine joined the Board Meeting at 10:20 a.m.***

**MANAGER'S REPORT**

The Retirement System's Manager, LaMonica Arrington-Cabeau, addressed the Board of the following:

**Re: Plante & Moran's Engagement Letter**

Motion By: Trustee Nickleberry – Supported By: Trustee Naglick

Motion to accept and approve Plante & Moran's Engagement Letter, dated August 8, 2016, between the General and Police & Fire Retirement System of the City of Detroit, with respect to the services specified in the Scope of Services section of this engagement letter.

Yeas: Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan, Szymanski - 8

Nays: None

*~Concludes Manager's Report~*

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Cynthia A. Thomas, addressed the Board of the following:

- Frozen Benefits 6/30/14 – computation project stopped until further notice. Staff is working with UHY to identify a more efficient method.

*~Concludes Executive Director's Report~*

**CHIEF INVESTMENT OFFICER'S REPORT**

There were no actionable items to report for this week's meeting.

Investment Officer, Mike Krushena, re-iterated to the Board on the following:

- Plante & Moran - re: Moving forward with the audit
- Stout Risius Ross - re: Waiting on valuations on Real Times

*~Concludes Chief Investment Officer's Report~*

## **GENERAL COUNSEL'S REPORT**

General Counsel, **Michael VanOverbeke**, submitted a written legal report, in addition to matters referred to separately in these minutes, for the Board's discussion: Copies were provided to the Board.

- Received notification from Attorney Marie Racine - re: Mr. Tyler violating his claim of appeal on the Nicholson-Gracia matter. Authorized by General Counsel to proceed with filing a motion.
- Plante & Moran's report – re: Division section on the Allocation Returns of the plan. (Gains/losses) – (Will be brought back)
- Carl Melchior Request - re: Retirement Allowance

Death of Rodney T. Dixon; and Death of Marvin Barkley, Sr. - re: Benefit payments (The above subject matters are being reviewed and will report back to the Board)

- Delanie Hudson Guardianship & Conservatorship. (Response forwarded)
- BrightScope FOIA Request - re: Investments (Response will be forwarded)
- Death of Barbara Fisher-Mays - re: Defined Contribution Plan

➤ **Trustee Scott Benson** joined the Board Meeting at 10:46 a.m.

### **EDRO/DRO:**

Re: Beverly DeLoach v. Samuel DeLoach, Jr.  
Wayne County Circuit Court Case No. 14-113494-DO

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

**WHEREAS**, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated June 24, 2016, wherein Beverly DeLoach (n/k/a Beverly Robinson), the Alternate Payee, is awarded certain rights to the retirement allowance of Samuel DeLoach, Jr., the Participant, and

**WHEREAS**, the Retirement System consists of both a defined benefit plan and a defined contribution (a/k/a the Annuity Savings Fund) plan, and

**WHEREAS**, pursuant to the EDRO, the Alternate Payee is only entitled to a portion of the Participant's defined benefit plan benefits payable from the Retirement System, and

Re: Beverly DeLoach v. Samuel DeLoach, Jr. – (Con't)

**WHEREAS**, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System, and

**WHEREAS**, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings and the EDRO states that the Participant and the Alternate Payee shall be responsible for the additional actuarial costs, and that the Alternate Payee's share of such additional costs shall be in proportion to the Alternate Payee's share of the Participant's retirement allowance awarded to her under the EDRO, and

**WHEREAS**, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended; **THEREFORE BE IT**

**RESOLVED**, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to an application by the Participant, and further

**RESOLVED**, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

**RESOLVED**, that copies of this resolution be sent to Samuel DeLoach, Jr., the Participant; Carolyn Chapman Marsh, Esq., attorney for the Participant; Beverly DeLoach (n/k/a Beverly Robinson), the Alternate Payee; Betty Ortner, Esq., attorney for the Alternate Payee; and the Board's Actuary.

Yeas: Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan,  
Szymanski – 9

Nays: None



GENERAL COUNSEL'S REPORT – (Con't)

Re: Cornel Holmes, Sr. v. Rethia L. Holmes  
Wayne County Circuit Court; Case No. 00-032940-DO

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

**WHEREAS**, the Board of Trustees is in receipt of a Domestic Relations Order (the "Order"), dated April 8, 2016, wherein Rethia L. Holmes, the Alternate Payee, is awarded certain rights to the benefits of Cornel Holmes, Sr., the Participant, and

**WHEREAS**, Mr. Holmes retired on July 1, 2009, elected the Plan's Option 6 form of benefit, and withdrew his accumulated contributions from the Annuity Savings Fund, and

**WHEREAS**, pursuant to the terms of the Order, the Alternate Payee is entitled to a portion of the Participant's retirement allowance payable from the Retirement System, and

**WHEREAS**, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law; **THEREFORE BE IT**

**RESOLVED**, that the Board acknowledges receipt of said court order and the Board will pay pension benefits consistent with the order as soon as administratively feasible, and further

**RESOLVED**, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

**RESOLVED**, that copies of this resolution be sent to Cornel Holmes, Sr., the Participant; Rethia L. Holmes, the Alternate Payee; and Harold J. Osher, Esq., attorney for the Alternate Payee.

Yeas: Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan,  
Szymanski – 9

Nays: None

*~Concludes Legal Report~*

**OLD/NEW BUSINESS**

- Signed Waiver of Claims from three IT Contractors were resolved
- Job Postings on Groupwise
- Funding Policy needs to be established for the Retirement System

Re: Entering Into Closed Session

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

**WHEREAS**, the Retirement System is subject to the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on May 2, 2012 relative thereto,  
**THEREFORE BE IT**

**RESOLVED**, that the Board enter into closed session for the purpose of discussing Attorney-Client Privileged matters regarding the Bankruptcy Mediation confidentiality as it pertains to Gabriel, Roeder, Smith & Company.

A Roll Call vote was taken as follows:

Yeas: Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan, Szymanski – 9

Nays: None

The Board entered into **Closed Session** at 11:00 a.m.

Re: Open Session

Motion By: Trustee Szymanski – Supported By: Trustee Cowan

**RESOLVED**, that the Board come out of Closed Session.

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

**ADJOURNMENT**

There being no further business before the Board, **Chairman Sheehan** adjourned the meeting at 3:50 p.m. The Board’s next meeting is scheduled for **Wednesday, September 21, 2016**, at 10:00 a.m. in the Retirement Systems’ Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

**SIGNATURE PAGE ONLY**

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, reading "Lamonica Arrington-Cabeau".

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LAMONICA ARRINGTON-CABEAN  
MANAGER II