

MEETING NO. 4174
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **JANUARY 18, 2017**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY 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/Vice-Chair
Olga Johnson	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Gail Oxendine	Trustee
David Szymanski	Ex-Officio Trustee/City Treasurer
Thomas Sheehan	Trustee/Chair

TRUSTEES EXCUSED

None

TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
LaMonica Arrington-Cabeau	Manager II
Michael VanOverbeke	General Counsel
Ryan Bigelow	Chief Investment Officer
Michael Krushena	Assistant Chief Investment Officer
TaKneisha Johnson	Administrative Assistant II

STAFF EXCUSED

None

CHAIRMAN

THOMAS SHEEHAN

The Board's Administrative Assistant took a verbal Roll Call at 10:19 a.m. and Chairperson Sheehan called the meeting to order.

Present at Roll Call: Scott Benson, Lori Cetlinski, Tasha L. Cowan, Olga Johnson, June Nickleberry, Thomas Sheehan and David Szymanski

Re: Service Retirement(s)

Motion By: Trustee Szymanski - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Charles Ira Brownston – Vehicle Oper III - DPW
SERVICE CREDIT	28-10
EFFECTIVE DATE	11-28-16
NAME, TITLE, DEPARTMENT	Debra A. Ready – Laborer A – DPW
SERVICE CREDIT	10-06
EFFECTIVE DATE	11-22-16

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 7

Nays: None

Re: Hybrid Retirement(s)

Motion By: Trustee Szymanski - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Charles Ira Brownston – Vehicle Oper III - DPW
SERVICE CREDIT	02-05
EFFECTIVE DATE	11-28-16

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 7

Nays: None

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

Motion By: Trustee Szymanski - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Dwight B. Johnson – General Auto Mechanic - Transportation
SERVICE CREDIT	22-0
EFFECTIVE DATE	11-22-16

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 7

Nays: None

Re: Option Change(s)

Motion By: Trustee Szymanski - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Lucretia Gary Jennings – Income Tax Investigator - Finance
SERVICE CREDIT	28-01
EFFECTIVE DATE	08-01-16
FROM:	Three/Pop-Up A
TO:	Straight Life – Equate Age 62

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 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			
12/19/16 - 1/13/17			
January 18, 2017			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
RECEIPTS			
CLARK HILL	12/19/16	Settlement Proceeds	129.84
SPIVEY JUNCTION / BABAR	12/19/16	Payment	500.00
LEHMAN BROTHERS HOLDINGS INC	12/20/16	Class Action Proceeds	265.50
FEDERAL NATIONAL MORTGAGE ASSOC	12/20/16	Class Action Proceeds	1,366.20
BLOOMFIELD INSTITUTIONAL OPPORTUNITY FD	12/21/16	Distribution	554,167.00
SSGM COMMISSION	12/21/16	Recapture Activity for November 2016	3,293.55
LANDMARK EQUITY PARTNERS XV LP	12/22/16	Distribution	114,231.00
USPF II INSTITUTIONAL FUND, LP	12/22/16	Distribution	223,785.00
AEW PARTNERS V LP	12/27/16	Distribution	87,450.00
FIRST INDEPENDENCE BANK	12/28/16	Loan Deductions	53,922.88
FIRST INDEPENDENCE BANK	12/28/16	Loan Deductions	39,044.36
USPF III LEVERAGED FEEDER LP	12/29/16	Distribution	370,370.36
MGRA GENESIS VALUE FUND LP	12/29/16	Distribution	32,928.00
MESIROW FIN PRIV EQU PSHIP FUND III LP	12/30/16	Distribution	600,000.00
REGIONS FINANCIAL CORP	12/30/16	Class Action Proceeds	6,316.19
FIRST INDEPENDENCE BANK	01/04/17	Loan Deductions	46,607.70
APOLLO GROUP, INC	01/05/17	Class Action Proceeds	511.02
FIRST INDEPENDENCE BANK	01/10/17	Loan Deductions	38,976.85
PFIZER, INC	01/10/17	Class Action Proceeds	3,897.46
WACHOVIA PREFERRED SECURITIES AND BOND NOTES	01/10/17	Class Action Proceeds	292.45
WASHINGTON MUTUAL, INC	01/10/17	Class Action Proceeds	326.00
SECURITIES LENDING	01/13/17	Earnings, December 2016	43,781.36
COBO CENTER	12/19/16	Pension Contributions	2,080.29
COBO CENTER	12/19/16	Annuity Contributions	3,832.76
COBO CENTER	12/19/16	Pension Contributions	2,314.70
COBO CENTER	12/19/16	Annuity Contributions	1,376.44
CITY OF DETROIT	12/22/16	Weekly Mandatory Pension Contribution	202,328.61
CITY OF DETROIT	12/22/16	Weekly Annuity Contribution	127,163.44
CITY OF DETROIT	01/06/17	Weekly Mandatory Pension Contribution	203,476.10
CITY OF DETROIT	01/06/17	Weekly Annuity Contribution	131,294.01
TOTAL RECEIPTS			\$ 2,896,029.07

GENERAL RETIREMENT SYSTEM
 CITY OF DETROIT
Re: Monthly Pension Payroll

MEETING NO. 4174
 JANUARY 18, 2017

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

RESOLVED, that the Board **APPROVE** the following Pension Payroll:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
MONTHLY PENSION PAYROLL FOR APPROVAL			
1/18/2017			
January 18, 2017			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
First Independence Bank		Pension Payroll - Legacy Direct Deposit	14,893,083.53
MISDU		Child Support Deductions	22,004.17
First Independence Bank		Pension Payroll - Hybrid Direct Deposit	5,925.82
First Independence Bank		Pension Payroll - Hybrid Checks	20,142.97
First Independence Bank		Pension Payroll - Legacy Checks	1,782,283.09
Diversified Members Credit Union		Loan Payment Deductions	618,684.97
Detroit Employee Benefit Plan		Benefit Payments - Life Insurance	3,580.65
Detroit Employee Benefit Plan-VEBA (to RHC)		Benefit Payments - Health, Eye & Dental	430,904.13
Federal Tax		Withholding	1,794,629.73
State Tax & Assoc. Fees		Withholding	315,304.25
TOTAL DISBURSEMENTS			\$ 19,886,543.31

Prepared by Fort, Bne 1/13/17

Page 2 of 2

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

Nays: None

Abstentions: Johnson - 1

GENERAL RETIREMENT SYSTEM
 CITY OF DETROIT
Re: Fees and Expenses

MEETING NO. 4174
 JANUARY 18, 2017

Resolution Moved By: Trustee Cetlinski - 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:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT
 LIST OF DISBURSEMENTS FOR BOARD APPROVAL
 FOR JANUARY 18, 2017

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
CAPITAL CALLS:				
LANDMARK EQUITY PARTNERS XV, LP	12/23/2016		Due 1/6/17	\$392,767.00
Subtotal				\$392,767.00
MANAGEMENT FEES:				
NEPC, LLC	12/19/2016	4Q16391	Management Fees - 4th Qtr '16	\$186,151.84
Subtotal				\$186,151.84
LEGAL FEES:				
COUZENS, LANSKY, FEALK, ELLIS P.C.	12/29/2016	103766	Book Cadillac thru 12/28/16	\$3,576.00
Subtotal				\$3,576.00
ADMINISTRATIVE EXPENSES:				
500 WEBWARD LLC	12/29/2016	737736	Electrical Reading: 11/29/16-12/29/16, Meter #16055070	\$1,253.41
500 WEBWARD LLC	12/29/2016	737735	Electrical Reading: 11/29/16-12/29/16, Meter #16055044	\$853.02
500 WEBWARD LLC	12/28/2016	26850	Maintenance - Plumbing	\$164.73
BASSETT & BASSETT	12/20/2016	122016	Media Consultant - November 2016	\$5,476.50
BASSETT & BASSETT	12/15/2016	W121516	Web Development - October 2016	\$162.00
BASSETT & BASSETT	12/15/2016	121516	Media Consultant - October 2016	\$2,979.00
BASSETT & BASSETT	12/20/2016	W122016	Web Development - November 2016	\$208.25
COMCAST	12/17/2016	121716	High-Speed Internet	\$235.76
CREATIVE BREAKTHROUGHS INC	12/31/2016	1196488	IT Security Svcs	\$4,500.00
CREATIVE BREAKTHROUGHS INC	12/31/2016	1196486	IT Security Svcs	\$10,056.25
DIRECTV	12/24/2016	30273632447	Service Charges	\$36.49
FEDEX	1/11/2017	5-671-32427	FedEx Mailings	\$33.28
FEDEX	12/28/2016	5-658-19433	FedEx Mailings	\$55.77
GABRIEL, ROEDER, SMITH & CO	1/4/2017	427320	Actuarial Services for November/December 2016	\$64,363.00
IRON MOUNTAIN	12/31/2016	201193900	Storage CDs	\$629.44
IRON MOUNTAIN RECORDS MANAGEMENT	12/31/2016	NHV9206	Records Storage	\$1,567.40
IT STAFF WAGES	12/31/2016		IT Staff Wages for December 2016	\$32,668.38
LIEBERT SERVICES / VERTIV	1/2/2017	57364887	Computer Supplies (Batteries)	\$3,696.99

1/18/2017 7:18:51 AM

Accounting Disbursement List

Page 1 of .

Re: Fees and Expenses (Cont'd)

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

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR JANUARY 18, 2017

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
NEOFUNDS BY NEOPOST	1/3/2017	010317	Postage	\$743.08
OFFICE DEPOT	12/6/2016	884893460001	Office Supplies	\$22.79
OFFICE DEPOT	12/6/2016	884893459001	Office Supplies	\$14.73
OFFICE DEPOT	12/8/2016	884893458001	Office Supplies	\$32.49
OFFICE DEPOT	11/15/2016	879477720001	Office Supplies	\$66.45
PLANTE & MORAN	12/28/2016	1391819	Audit Services through 12/22/16 for Year Ended June 30, 2016	\$21,075.00
POSTMASTER	1/17/2017	011717	Postage - 1099 Mailings	\$15,000.00
PREFERRED DATA SYSTEMS, LLC	6/21/2016	23810	Computer Support, Equipment	\$44.50
PREFERRED DATA SYSTEMS, LLC	7/27/2016	23927	Computer Support, Equipment	\$1,280.86
PREFERRED DATA SYSTEMS, LLC	6/28/2016	23832	Computer Support, Equipment	\$275.00
QUILL CORPORATION	12/5/2016	2365641	Office Supplies	\$4.77
QUILL CORPORATION	12/7/2016	2430977	Office Supplies	\$19.99
QUILL CORPORATION	12/19/2016	2777842	Office Supplies	\$199.99
QUILL CORPORATION	12/20/2016	2811776	Office Supplies	\$37.48
QUILL CORPORATION	12/5/2016	2355739	Office Supplies	\$16.99
QUILL CORPORATION	12/5/2016	2349648	Office Supplies	\$162.49
SHRED-IT USA	12/22/2016	8121436436	Off-Site Regular Service	\$71.59
STAFF WAGES	1/1/2017		Staff Wages for 12/19/16 - 1/1/17	\$10,873.22
STAFF WAGES	12/18/2016		Staff Wages for 12/5/16 - 12/18/16	\$22,793.16
UHY ADVISORS MI INC	12/31/2016		Prof Consulting Svcs - 12/1/16-12/31/16, Inv # 1194926 - Phase III	\$54,225.00
UHY ADVISORS MI INC	12/31/2016		Prof Accounting Svcs - 12/1/16-12/22/16, Inv # 1194828	\$54,731.25
VERIZON WIRELESS	12/25/2016	9777698238	Wireless Service	\$322.29
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	1/6/2017	98132552	RICOH color copier lease	\$135.56
XEROX	1/1/2017	087493326	Printers	\$70.70
Subtotal				\$311,159.05
OTHER EXPENSES:				
OLGA JOHNSON	1/17/2017	011716	GRS Trustee Parking	\$56.00
State of Michigan	12/21/2016		Grand Personalty, Inc 2012 and 2014 Michigan State Taxes	\$7,670.00
THOMAS SHEEHAN	1/17/2017	011716	Retired Trustee Parking	\$75.00
<hr/>				
<i>1/18/2017 7:18:51 AM</i>				<i>Page 2 of</i>
<i>Accounting Disbursement List</i>				
<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Subtotal				\$7,801.00
Total Disbursements for Board Approval				\$901,454.89

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

Nays: None

Abstentions: Johnson - 1

Re: Refunds of Accumulated Contributions

Motion By: Trustee Szymanski - Supported By: Trustee Nickleberry

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7291 - \$1,023,297.75

List No. 7292 - \$278,462.14

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

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 7

Nays: None

Re: Employee Loan Program

Motion By: Trustee Cowan – 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: **\$86,607.00** including interest, be hereby **APPROVED**.

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 7

Nays: None

Re: Employee Loan Program

Motion By: Trustee Cowan – 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: **\$8,669.00** including interest, be hereby **APPROVED**.

Yeas: Benson, Cetlinski, Cowan, Johnson, Nickleberry, Sheehan, and Szymanski – 7

Nays: None

MANAGER'S REPORT

The Retirement System's Manager, LaMonica Arrington-Cabean, discussed the following with The Board:

- Reminder for the Quarterly Meeting of the Seminole Trust Reit will be a teleconference on: Friday February 24, 2017 at 1:00 p.m. If any Trustee is interested in the teleconference please see Mrs. Arrington-Cabean by Wednesday February 1, 2017.
- Approval of Active and Retiree election schedules (Bring back once Trustee Oxendine arrives).

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Cynthia A. Thomas discussed the following with The Board:

- Detailed information regarding UHY Accounting and UHY IT selection. UHY IT is available; however the accounting piece was incomplete. Executive Director would like to bring this information back once she has a chance to meet with UHY and the report has all of the detailed information that the Board has requested.
The Board had a discussion regarding the reports as well as UHY contract amounts.
- **Trustee John Naglick** joined the Board Meeting at 10:22 a.m.
- **Trustee Gail Oxendine** joined the Board Meeting at 10:29 a.m.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer Ryan Bigelow and Assistant Chief Investment Officer, Michael Krushena, discussed the following with the Board:

- Updated December 30, 2016 Black and Blue report
- American Realty Advisors summary update
- New England Pension Consultants or (NEPC) amended fee agreement
- **Trustee Wendell Anthony** joined the Board Meeting at 10:35 a.m.

Motion by: Trustee Cowan– Seconded by Trustee Cetlinski, to approve and authorize the fee adjustment (annual fee reduction) to New England Pension Consultant's or (NEPC's) contract. The motion passed by a unanimous vote.

~Concludes CIO Report~

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Cynthia A. Thomas discussed the following with The Board:

- UHY IT Project discussion

Motion by: Trustee Nickleberry– Seconded by Trustee Szymanski, to approve the Retiree and Active employee election schedules as presented. The motion passed by a unanimous vote.

GENERAL COUNSEL'S REPORT

General Counsel, Michael VanOverbeke, submitted a Legal Report regarding the status of the items reflected below for discussion, in addition to matters referred to separately in these minutes:

- Phillip Kendrick Request
- ***The Board recessed for a brief break at 11:22 a.m. and resumed at 11:32 a.m.***

PRESENTATION:

Re: Edgewood Management LLC

Gui Costin, President and Kevin R. Seth, Partner came before the Board of Trustees to discuss Large Cap Growth overview.

~Concludes Presentation~

GENERAL COUNSEL'S REPORT (Cont'd)

- Phillip Kendrick Request

General Counsel recommends allowing Mrs. Kendrick an interim monthly payment of \$300.00 per until the actuary can calculate the definite monthly payment that Mrs. Kendrick should receive. General Counsel will draft a more formal correspondence and bring back before the Board at a later date.

GENERAL COUNSEL'S REPORT (Cont'd)

RE: Herman Raphael Johnson v. Stacie Renee Johnson
Wayne County Circuit Court; Case No. 15-111221-DO

Resolution Moved By: Trustee Szymanski Supported By: Trustee Oxendine

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated November 15, 2016, wherein Stacie Renee Johnson, the Alternate Payee, is awarded certain rights to the retirement allowance of Herman Raphael Johnson, 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

WHEREAS, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System or upon the Alternate Payee's election, but no time before the Participant's earliest retirement eligibility, 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 said costs shall be in proportion to her 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 upon application by either the Participant or the Alternate Payee, 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 Herman Raphael Johnson, the Participant; Stacie Renee Johnson, the Alternate Payee; Mark Cobb, Esq., attorney for the Alternate Payee; and the Board's Actuary.

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

Nays: None

Abstentions: Johnson -1

GENERAL COUNSEL'S REPORT (Cont'd)

Re: Delphine Ogletree v. Michael E. Ogletree
Wayne County Circuit Court; Case No. 15-112362-DO

Resolution Moved By: Trustee Cowan Supported By: Trustee Szymanski

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order (the "Order"), dated November 18, 2016, wherein Delphine Ogletree, the Alternate Payee, is awarded certain rights to the benefits of Michael E. Ogletree, the Participant, and

WHEREAS, Mr. Ogletree retired on November 11, 2009, elected the Plan's Option 6 form of benefit, and annuitized 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 and regardless of the order being titled an Eligible Domestic Relations Order the order meets the requirements of a valid Domestic Relations Order, 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 Michael E. Ogletree, the Participant; Regina D. Jemison, Esq., attorney for the Participant; Delphine Ogletree, the Alternate Payee; and Sorenia M. Whittington, Esq., attorney for the Alternate Payee.

Yeas: Anthony, Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan and Szymanski – 10

Nays: None

GENERAL COUNSEL'S REPORT (Cont'd)

Re: Delphine Ogletree v. Michael E. Ogletree
Wayne County Circuit Court; Case No. 15-112362-DO

Resolution Moved By: Trustee Szymanski Supported By: Trustee Cetlinski

WHEREAS, the Board of Trustees of the General Retirement System of the City of Detroit is in receipt of an Eligible Domestic Relations Order ("EDRO") dated November 18, 2016, wherein Michael E. Ogletree, the Alternate Payee, is awarded certain rights to the retirement benefits of Delphine Ogletree, the Participant, and

WHEREAS, Section 6 of the EDRO, titled "Commencement", incorrectly states that the "Participant's benefit is in 'pay status' and the Alternate Payee's benefit will begin effective on the payment immediately succeeding the entry of the Judgment of Divorce or the qualification of this Order as a DRO", and

WHEREAS, Section 7 of the EDRO, titled "Death of the Participant", the Order incorrectly states that the "Participant has elected the Plan's Option II Joint Survivor Pension for that portion of the retirement pension which is being divided" in the EDRO, and

WHEREAS, the Participant is not yet in pay status and has not elected a form of benefit, and

WHEREAS, said matter having been discussed with legal counsel who has opined that the terms of said EDRO are inconsistent with the provisions of the Retirement System and applicable law, and

WHEREAS, the EDRO does not meet the requirements of the Retirement System and applicable law, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, rejects said court order as inconsistent with Plan provisions and applicable law, and hereby indicates that it will not pay pension benefits in accordance with the terms of said order until such time as an acceptable order is presented to the Retirement System, and further

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

RESOLVED, that the Board's Legal Counsel will correspond directly with the parties and, if applicable, their legal counsel explaining the reasons that the Board has rejected the EDRO.

Yeas: Anthony, Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan and Szymanski – 10

Nays: None

GENERAL COUNSEL'S REPORT (Cont'd)

**RE: Teri Lynne Hoskins v. Robert William Hardwick, Jr.
Wayne County Circuit Court; Case No. 15-101319-DO**

Resolution Moved By: Trustee Szymanski Supported By: Trustee Cetlinski

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated October 13, 2016, wherein Teri Lynne Hoskins, the Alternate Payee, is awarded certain rights to the retirement allowance of Robert William Hardwick, 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

WHEREAS, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System or upon the Alternate Payee's election, but no time before the Participant's earliest retirement eligibility, 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 equally responsible for the additional actuarial costs, 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 upon application by either the Participant or the Alternate Payee, 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 Robert William Hardwick, Jr., the Participant; Mark Cobb, Esq., attorney for the Participant; Teri Lynne Hoskins, the Alternate Payee; Alicia Bianchi, Esq., attorney for the Alternate Payee; and the Board's Actuary.

Yeas: Anthony, Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan and Szymanski – 10

Nays: None

GENERAL COUNSEL'S REPORT (Cont'd)

RE: Mitchell Clifton v. Gaynell Kendrick (f/k/a Gaynell Clifton)
Wayne County Circuit Court; Case No. 08-127733-DM

Resolution Moved By: Trustee Szymanski Supported By: Trustee Cetlinski

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated September 30, 2016, wherein Gayle Kendrick, the Alternate Payee, is awarded certain rights to the retirement allowance of Mitchell Clifton, 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 entitled to a portion of both the Participant's defined benefit plan benefits and the Participant's defined contribution plan funds payable from the Retirement System, and

WHEREAS, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System or upon the Alternate Payee's election, but no time before the Participant's earliest retirement eligibility, 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 equally responsible for the additional actuarial costs, 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 upon application by either the Participant or the Alternate Payee, 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 Mitchell Clifton, the Participant; Henry S. Gornbein, Esq., attorney for the Participant; Gaynell Kendrick, the Alternate Payee; Steven T. Budaj, Esq., attorney for the Alternate Payee; and the Board's Actuary.

Yeas: Anthony, Benson, Cetlinski, Cowan, Johnson, Naglick, Nickleberry, Oxendine, Sheehan and Szymanski – 10

Nays: None

*National Association of Securities Professionals (NASP) President **Kathleen Colin** came before the Board to discuss the following:*

- **NASP National Pension and Financial Services Conference in Los Angeles: June 26-28, 2017**
- **January 27, 2017 there will be a student conference in New York sponsored by PFM Group and NASP for students considering entering the Public Finance and Asset Management arena.**
- **Brokerage services/opportunities are available to any Board member who may be interested**

- *The Board recessed for lunch at 12:20p.m. and resumed at 1:02 p.m.*

The Board's Administrative Assistant took a verbal Roll Call at 1:02 p.m. and Chairperson Sheehan reconvened the meeting.

Present at Roll Call: Wendell Anthony, Scott Benson, Lori Cetlinski, Tasha L. Cowan, Olga Johnson, John Naglick, June Nickleberry, Gail Oxendine, Thomas Sheehan and David Szymanski

PRESENTATION:

Re: Plante Moran

Michelle Wattersworth, Ali Hijazi, and Spencer Tawa came before the Board of Trustees to discuss The 2016 Audit.

Motion by: Trustee Cowan– Seconded by Trustee Szymanski, *to acknowledge receipt of and approve the 2016 Audit report and management letter as submitted by Plante Moran. The motion passed by a unanimous vote.*

GENERAL COUNSEL'S REPORT (Cont'd)

General Counsel, Michael VanOverbeke, submitted a Legal Report regarding the status of the items reflected below for discussion, in addition to matters referred to separately in these minutes:

- **Public Act 530**
 - **Amendments to Act 314**
 - **Pew Charitable Trust**
 - **Racine Law legal bill discussion**
-
- **Direction of Chair: Schedule Ms. Racine to come before the Board for further discussion and explanation of legal invoices.**

Update: Deadline on Great Lakes Water Authority and Detroit Water and Sewer (GLWA/DWSD) Divisional Allocation report is due March 1, 2017.

- Legacy and Hybrid documentation has been submitted to General Counsel from UHY.
- Accumatica and Crestwood contracts will be completed and ready for execution within the next week, however General Counsel is still awaiting the "Statement of Work" from ViTech.
- Joint Personnel Committee Charter Discussion

Motion by: Trustee Nickleberry– Seconded by Trustee Naglick, *to acknowledge receipt of and approve the Joint Personnel Committee Charter as submitted by the Board's General Counsel and recommended by the Joint Personnel Committee. The motion passed by a vote as follows:*

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

Nays: Cowan - 1

- **Trustee June Nickleberry** *excused herself from the Board Meeting at 2:37 p.m.*

Statement from Trustee Cowan: *I am voting No on the Joint Personnel Committee Charter motion. My decision was based on the following reasons:* I believe for those Trustees who don't sit on the Joint Personnel Committee, rights are being taken away from them. I don't mind that the Committee make decisions but those decisions should come back to the Board for a vote. My understanding of what a committee does is for the members to gather all facts and to present their recommendations to the Board for approval. Since May of 2013 being a Trustee, I have not seen this process followed. The lack of transparency is what I disapprove of. I feel all Police & Fire and General Trustees should be included in voting on all matters pertaining to personnel issues. Also, during my tenure, the Joint Personnel Committee members have not followed the procedure in posting schedule meetings for the public. I research other Boards such as in Michigan and in other states and found that they didn't need to set up a charter to handle issues like we are doing. Also, I don't agree with the language in the charter that speaks to the members giving an oral report. It should be a written report. I became a Trustee to follow the policies and procedures. I plan on upholding the integrity of this Board and serve with an attitude of being fair and just in making decisions for our members and retirees.

The Board discussed the matter at more length.

JPC Committee Action for December 2016

- **Executive Director Retirement Systems position will be posted.**
- **Assistant Executive Director David Cetlinski received an increase. The Executive Director's recommendation for the increase was based on Mr. Cetlinski's performance evaluation.**

Motion by: Trustee Cetlinski– Seconded by Trustee Naglick, *approve and forward the Retirement Systems Annual report to the State Treasurer's office. The motion passed by a vote as follows:*

Yeas: Anthony, Benson, Cetlinski, Cowan, Johnson, Naglick, Sheehan and Szymanski – 8

Nays: None

Abstentions: Oxendine - 1

Re: Entering Into Closed Session

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

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 enters into Closed Session for the purpose of discussing Attorney-Client Privileged matters regarding Carl Melchior v General Retirement System of the City of Detroit litigation.

A Roll Call Vote was taken as follows:

Yeas: Anthony, Benson, Cetlinski, Cowan, Johnson, Naglick, Oxendine, Szymanski and Sheehan - 9

Nays: None

The Board entered into **Closed Session** at 2:48 p.m.

- **Trustee John Naglick** excused himself from the Board Meeting at 2:50 p.m.
- **Trustee Scott Benson** excused himself from the Board Meeting at 2:54 p.m.

Re: Open Session

Motion By: Trustee Szymanski – Supported By: Trustee Anthony

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 2:57 p.m.

ADJOURNMENT

There being no further business before the Board, **Chairperson Sheehan** adjourned the meeting at 3:00 p.m. The Board's next meeting is scheduled for **Wednesday, February 1, 2017**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



LAMONICA ARRINGTON-CABEAN
MANAGER II