

MEETING NO. 4186
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **JUNE 21, 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
Tasha L. Cowan	Trustee/Vice-Chair
James Chubb	Ex-Officio Trustee/Deputy-Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Thomas Sheehan	Trustee/Chair

TRUSTEES EXCUSED

Lori Cetlinski	Trustee
Gail Oxendine	Trustee

TRUSTEES ABSENT

None

ALSO PRESENT

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

STAFF EXCUSED

None

CHAIRMAN

THOMAS SHEEHAN

The Board's Administrative Assistant took a verbal Roll Call at 10:33 a.m. and Chairperson Sheehan called the meeting to order.

Present at Roll Call: Scott Benson, James Chubb, Tasha L. Cowan, June Nickleberry and Thomas Sheehan

Re: Service Retirement(s)

Motion By: Trustee Nickleberry - Supported By: Trustee Chubb

NAME, TITLE, DEPARTMENT	Johnny C. Barney – Field Svc Tech – Water & Sewerage
SERVICE CREDIT	13-09
EFFECTIVE DATE	06-07-17

NAME, TITLE, DEPARTMENT	Patrick H. Chlosta – Field Svc Tech – Water & Sewerage
SERVICE CREDIT	28-06
EFFECTIVE DATE	05-31-17

NAME, TITLE, DEPARTMENT	Joyce L. Cionka – Emer Serv Deploy Op – Police (Civilian)
SERVICE CREDIT	19-06
EFFECTIVE DATE	05-22-17

NAME, TITLE, DEPARTMENT	Kevin L. Hulshoff – Paramedic – Fire (Civilian)
SERVICE CREDIT	24-00
EFFECTIVE DATE	06-28-17

NAME, TITLE, DEPARTMENT	Patricia Merchant – Records Sys Spec II – Human Resources
SERVICE CREDIT	27-06
EFFECTIVE DATE	06-06-17

NAME, TITLE, DEPARTMENT	Laurie Townsend Stuart – Lib Cor Maj Lib AC I - Library
SERVICE CREDIT	36-09
EFFECTIVE DATE	06-02-17

NAME, TITLE, DEPARTMENT	Phil Watson – Inspector – Water & Sewerage
SERVICE CREDIT	18-06
EFFECTIVE DATE	06-08-17

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Re: Hybrid Retirement(s)

Motion By: Trustee Nickleberry - Supported By: Trustee Chubb

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

NAME, TITLE, DEPARTMENT	Johnny C. Barney – Field Svc Tech – Water & Sewerage
SERVICE CREDIT	02-11
EFFECTIVE DATE	06-07-17

NAME, TITLE, DEPARTMENT	Laurie Townsend Stuart – Lib Cor Maj Lib AC I - Library
SERVICE CREDIT	02-11
EFFECTIVE DATE	06-02-17

NAME, TITLE, DEPARTMENT	Michael A. Westbrook – Sr. Serv Guard – Transportation
SERVICE CREDIT	02-07
EFFECTIVE DATE	09-01-17

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Re: Vested Retirement(s)

Motion By: Trustee Nickleberry - Supported By: Trustee Chubb

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

NAME, TITLE, DEPARTMENT	John Houghton – Sr. Asoc CV Eng-Desgn – Water & Sewerage
SERVICE CREDIT	17-03
EFFECTIVE DATE	04-01-16

NAME, TITLE, DEPARTMENT	Victor Marsh, Sr. – CC Adm Asst-IV – City Council
SERVICE CREDIT	10-02
EFFECTIVE DATE	06-01-17

NAME, TITLE, DEPARTMENT	Gwendolyn Moore – Supv Public Health Nurse- CL - Health
SERVICE CREDIT	17-02
EFFECTIVE DATE	05-01-17

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Re: Change of Computation

Motion By: Trustee Nickleberry - Supported By: Trustee Chubb

RESOLVED, that the application(s) for **Change of Computation** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Barbara A. Avery – Pers & Payroll Clerk – Human Resources
SERVICE CREDIT	11-01
EFFECTIVE DATE	02-14-17

NAME, TITLE, DEPARTMENT	Don Allen Price – Print Shop Assistant - Transportation
SERVICE CREDIT	21-01
EFFECTIVE DATE	06-27-17

NAME, TITLE, DEPARTMENT	Gail T. Weathersby – TEO - Transportation
SERVICE CREDIT	13-09
EFFECTIVE DATE	05-22-17

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment.

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
6/5/17 - 6/16/17			
June 21, 2017			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
RECEIPTS			
SAS MORTGAGE TRUST	06/07/17	Distribution	800,000.00
SAS MORTGAGE TRUST	06/07/17	Distribution	800,000.00
LANDMARK EQUITY PARTNERS XV LP	06/09/17	Distribution	99,277.00
CLAREANT EURO DLF INVESTOR FEEDER LP	06/09/17	Distribution	317,159.05
SECURITIES LENDING	06/14/17	Earnings, May 2017	34,604.98
USPF II INSTITUTIONAL FUND, LP	06/14/17	Distribution	130,541.00
THE SUPERIOR FUND LP	06/15/17	Distribution	162,709.00
PROSPECT MEDICAL HOLDINGS INC	06/16/17	Class Action Proceeds	71.45
INDYMAC MTG-BACKED SECURITIES LITIGATION	06/16/17	Class Action Proceeds	17,360.61
RICOH	06/16/17	GRS portion of invoice refund	24.81
CITY OF DETROIT	06/09/17	Weekly Mandatory Pension Contribution	219,183.63
CITY OF DETROIT	06/09/17	Weekly Annuity Contribution	129,941.84
CITY OF DETROIT	06/16/17	Weekly Mandatory Pension Contributions	97,742.66
CITY OF DETROIT	06/16/17	Weekly Annuity Contribution	65,070.91
TOTAL RECEIPTS			\$ 2,873,686.94

Prepared by Fort, Brie 6/15/17

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GENERAL RETIREMENT SYSTEM
 CITY OF DETROIT
Re: Fees and Expenses

MEETING NO. 4186
 JUNE 21, 2017

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

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:

General Retirement System						
Company: RSCD-General						
User:	awtt	Branch:	LEGACY	Meeting Date:	6/21/17	
Category						
Investment Expenses						
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	Balance	To Pay
CHECK	17117-2-002	PZENA INVESTMENT MANAGEMENT, LLC	Management Fees - 1st Qtr '17	5/27/2017	67,408.74	67,408.74
WIRE	061417	Landmark Equity Partners XV, LP	Capital Call	7/14/2017	232,008.00	232,008.00
Category Total:				2 Documents	299,416.74	
Administrative Expenses						
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	Balance	To Pay
CHECK	777668	500 WEBWARD LLC	Electrical Billing: 4/27/17-5/30/17, Meter #16055044	6/29/2017	888.73	888.73
CHECK	777669	500 WEBWARD LLC	Electrical Billing: 4/27/17-5/30/17, Meter #16055070	6/29/2017	919.76	919.76
CHECK	34173	500 WEBWARD LLC	Rent - June 2017	7/1/2017	23,150.03	23,150.03
CHECK	2041186	8x8, INC.	Phone System Services	6/20/2017	3,135.00	3,135.00
WIRE	233603661	Best Buy Co., Inc.	Investment Laptops	7/13/2017	1,962.95	1,962.95
CHECK	300770232	CINTAS CORPORATION-300	Floor Mats	7/14/2017	79.23	79.23
CHECK	37987	Commercial Graphics, Inc.	Envelopes	7/14/2017	74.81	74.81
WIRE	060417	ConnectPay	Staff Wages: 5/22/17-6/4/17	8/4/2017	9,045.50	9,045.50
CHECK	060117	CRAIN'S DETROIT BUSINESS	Crain's Detroit Business Subscription	7/1/2017	59.00	59.00
CHECK	1197233	CREATIVE BREAKTHROUGHS INC	IT Security Services	6/30/2017	12,400.00	12,400.00
CHECK	INVDWCH10115	Datawatch Corp	Monarch Maintenance Renewal	12/15/2016	2,490.54	2,490.54
CHECK	5-827-03182	FEDEX	FedEx Mailings	7/7/2017	21.49	21.49
CHECK	5-833-61117	FEDEX	FedEx Mailings	7/14/2017	21.59	21.59
CHECK	485526	First CHOICE Coffee Services	Coffee Supplies	7/6/2017	120.32	120.32
CHECK	430621	GABRIEL, ROEDER, SMITH & CO	EDRO Calculations for J. Taylor	7/7/2017	800.00	800.00
CHECK	430604	GABRIEL, ROEDER, SMITH & CO	EDRO Calculations for M. Eatmon	7/1/2017	800.00	800.00
CHECK	136480	IRON MOUNTAIN	Data Domain Services	6/30/2017	1,028.45	1,028.45
CHECK	201322732	IRON MOUNTAIN	Storage CD's	7/14/2017	697.47	697.47
WIRE	053117	IT Contractual Wages: B. Hardy	IT Staff Wages for May 2017	5/31/2017	4,821.91	4,821.91
WIRE	053117	IT Contractual Wages: J. Hollins	IT Staff Wages for May 2017	6/30/2017	3,980.52	3,980.52
WIRE	053117	IT Contractual Wages: R. Tchou	IT Staff Wages for May 2017	6/30/2017	8,000.83	8,000.83
WIRE	053117	IT Contractual Wages: S. Vrooman	IT Staff Wages for May 2017	6/30/2017	760.50	760.50
WIRE	053117	IT Contractual Wages: V. Rallapalli	IT Staff Wages for May 2017	6/30/2017	6,789.18	6,789.18
CHECK	060417	NEOFUNDS BY NEOPOST	Postage	7/4/2017	33.62	33.62
CHECK	927638611001	OFFICE DEPOT	Office Supplies	6/12/2017	28.09	28.09
CHECK	924638612001	OFFICE DEPOT	Office Supplies	6/15/2017	19.99	19.99
CHECK	927638610001	OFFICE DEPOT	Office Supplies	6/15/2017	11.69	11.69
CHECK	927632842001	OFFICE DEPOT	Office Supplies	6/14/2017	144.97	144.97
CHECK	SUS08462602	Open Text, Inc.	Process360 Enterprise License	7/9/2017	74,857.69	74,857.69
CHECK	117358	PLANET TECHNOLOGIES, INC	Computer Services	6/30/2017	134.37	134.37
CHECK	6812232	QUILL CORPORATION	Office Supplies	6/15/2017	267.91	267.91
CHECK	6816956	QUILL CORPORATION	Office Supplies	6/15/2017	13.98	13.98
CHECK	6686566	QUILL CORPORATION	Office Supplies	6/22/2017	132.14	132.14
CHECK	6696635	QUILL CORPORATION	Office Supplies	6/22/2017	25.99	25.99
CHECK	7059660	QUILL CORPORATION	Office Supplies	6/24/2017	41.98	41.98
CHECK	061617	THOMAS SHEEHAN	Trustee Parking	7/16/2017	80.00	80.00
CHECK	062017	THOMAS SHEEHAN	Trustee Stipend	7/20/2017	800.00	800.00
WIRE	1208407	UHY Advisors MI, Inc. - Accounting	Professional Accounting Services: 4/1/17-4/15/17	5/21/2017	33,031.25	33,031.25
WIRE	1210899	UHY Advisors MI, Inc. - Accounting	Professional Accounting Services: 4/16/17-4/30/17	5/30/2017	34,081.25	34,081.25
WIRE	1216735	UHY Advisors MI, Inc. - IT	Professional IT Services: May 2017	6/30/2017	94,312.50	94,312.50
CHECK	062017	WENDELL ANTHONY	Trustee Stipend	7/20/2017	800.00	800.00
Category Total:				41 Documents	320,665.23	

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Chubb - 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. 7313 - \$651,320.02

List No. 7314 - \$438,716.88

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

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Re: Employee Loan Program

Motion By: Trustee Nickleberry – Supported By: Trustee Benson

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$53,791.00** including interest, be hereby **APPROVED**.

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Re: Employee Loan Program

Motion By: Trustee Nickleberry – Supported By: Trustee Benson

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$26,450.00** including interest, be hereby **APPROVED**.

Yeas: Benson, Chubb, Cowan, Nickleberry and Sheehan – 5

Nays: None

Manager's Report

Manager, **LaMonica Arrington-Cabean**, discussed the following with The Board:

- Welcome to Sharon Guillory, active Trustee candidate.
- All three prospective candidates have been certified and ballots will be mailed on 6/22/2017.

~Manager's report concludes~

EXECUTIVE DIRECTOR'S REPORT

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

- First Independence Bank error with the Employee Loan Program
 - *The Board of Trustees engaged in discussion*
- *Congratulations to Trustee Scott Benson, Michigan Chronicle's "Men of Excellence"*

~Executive Director's report concludes~

- **Trustee Wendell Anthony** joined the Board Meeting at 10:44 a.m.
- **Trustee John Naglick** joined the Board Meeting at 10:57 a.m.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow** in addition to his formal report discussed the following:

- Seminole Equity REIT "Wind-down"
- Superior Fund I
- Michael Krushena's last day with RSCD will be 6/27/2017
- Updated "Black and Blue" reports will be forwarded to all Trustees.

Motion by: Trustee Anthony– Seconded by Trustee Chubb, to approve the orderly liquidation of the Seminole Equity REIT as recommended by the Chief Investment Officer and with the concurrence of the Townsend Group with a ten (10) basis point fee reduction. *The motion passed by a unanimous vote.*

Motion by: Trustee Anthony– Seconded by Trustee Naglick, to approve the offer, as recommended by the Chief Investment Officer, to tender the General Retirement Systems' limited partnership interest in the Superior Fund I. *The motion passed by a unanimous vote.*

~CIO's report concludes~

Open Forum

Chairperson **Thomas Sheehan** opened the meeting for public discussion:

City of Detroit Retiree **Reginald Taylor** addressed the Board regarding the following:

- Reduction in pension benefit/ Ability to change his equated retirement option
 - General Counsel opined that the Board of Trustees does not have the ability to make changes to items that fall within plan provisions. Mr. Taylor was given other options and resources that could be of assistance to him at this time.

DISCUSSION:

Re: Executive Director Position

The Board of Trustees engaged in discussion regarding the Joint Personnel Committees' recommendation for Retirement Systems Executive Director.

Re: Approval of Appointment of David Cetlinski as Executive Director

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

WHEREAS, Mr. Cetlinski has served as the Assistant Executive Director to the Police and Fire Retirement system of the City of Detroit (“PFRS”) from 2012 to present, and has been employed by the City of Detroit and placed with the Retirement Systems of the City of Detroit (“RSCD”) since August 1, 1994, and

WHEREAS, Mr. Cetlinski applied for the position of Executive Director of RSCD and pursued through the interview process conducted by the RSCD Joint Personnel Committee (“JPC”), and

WHEREAS, the JPC has recommended Mr. Cetlinski be appointed Executive Director subject to final negotiation of the form of contract and salary level, and

WHEREAS, the Board has considered this matter in open session, **NOW THEREFORE BE IT**

RESOLVED, that the Board accepts the recommendation of the JPC to engage David Cetlinski as the RSCD Executive Director effective September, 2017, subject to negotiation and the consummation of a contract memorializing the terms and conditions of employment for the Executive Director position, provided, however, the Board shall review and approve such contract, and be it further

RESOLVED, that the salary of the Executive Director and contract Executive Director shall be shared equally by the PFRS and GRS, and be it further

RESOLVED, that a copy of this resolution shall be provided to the JPC, David Cetlinski, and General Counsel.

Yeas: Anthony, Benson, Chubb, Naglick, Nickleberry and Sheehan – 6

Nays: None

Abstentions: Cowan - 1

➤ ***Trustee Wendell Anthony excused himself from the Board Meeting at 12:24 p.m.***

GENERAL COUNSEL'S REPORT

General Counsel Michael VanOverbeke in addition to his formal legal report discussed the following matters:

- Procurement Policy
- FOIA Request from Public Plan IQ
- Ayers vs Ayers EDRO
- Crump vs Crump EDRO
- Owen vs McKenzie DRO
- Peterson vs Peterson EDRO
- Smith vs Smith DRO
- Melchior vs General Retirement System Litigation
- Joe Capozzoli update

GENERAL COUNSEL'S REPORT (cont'd)

Re: Diane Robert Ayers v. Eric Wynton Ayers
Wayne County Circuit Court Case No. 04-417694-DM

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

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order (“EDRO”), dated April 27, 2017, wherein Erik Wynton Ayers, the Alternate Payee, is awarded certain rights to the retirement allowance of Diane Roberts Ayers, 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 defined contribution 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 parties’ EDRO provides that the parties are to share these additional actuarial costs equally, 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

GENERAL COUNSEL'S REPORT (cont'd)

Re: Diane Robert Ayers v. Eric Wynton Ayers
Wayne County Circuit Court Case No. 04-417694-DM

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

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 although the EDRO provides for Alternate Payee to receive a percentage of the Participant's Defined Contribution Plan as well as the sum of \$19,543.99, the parties are hereby put on notice that the entirety of the Participant's Defined Contribution Plan balance was withdrawn on February 26, 2013, 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 Diane Roberts Ayers, the Participant; Kathleen L. Cole, Esq., attorney for the Participant; Eric Wynton Ayers, the Alternate Payee; Vanessa M. Moss-Wilson, Esq., attorney for the Alternate Payee; and the Board's Actuary.

Yeas: Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 6

Nays: None

GENERAL COUNSEL'S REPORT (cont'd)

Re: Charles O. Crump v. Germaine Crump
Wayne County Circuit Court Case No. 04-421021-DM

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

WHEREAS, the Board of Trustees is in receipt of a Second Amended Eligible Domestic Relations Order (“EDRO”), dated June 8, 2017, wherein Germaine Crump (n/k/a Germaine Rayford), the Alternate Payee, is awarded certain rights to the retirement allowance of Charles O. Crump, 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 defined contribution 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 parties’ EDRO provides that the parties are to share these additional actuarial costs equally, 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 Charles O. Crump, the Participant; Eric A. Ladasz, Esq., attorney for the Participant; Germaine Rayford, the Alternate Payee; Gerard T. Gilboe, Esq., attorney for the Alternate Payee; and the Board’s Actuary.

Yeas: Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 6

Nays: None

GENERAL COUNSEL'S REPORT (cont'd)

**Re: Samuel Henry Clay Owen, III v. Cynthia lone McKenzie
Oakland County Circuit Court Case No. 17-849233-DO**

Motion By: Trustee Naglick Supported By: Trustee Nickleberry

WHEREAS, the Board of Trustees is in receipt of a Domestic Relations Order (the "Order"), dated May 22, 2017, wherein Cynthia lone McKenzie (f/k/a Cynthia lone Owen), the Alternate Payee, is awarded certain rights to the benefits of Samuel Henry Clay Owen, III, the Participant, and

WHEREAS, Mr. Owen, III retired on August 25, 2011, elected the Plan's Option 2 form of benefit, and

WHEREAS, pursuant to the terms of the Order, the Alternate Payee is entitled to a portion of the Participant's Defined Benefit Plan and Defined Contribution Plan 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 Samuel Henry Clay Owen, III, the Participant; Joseph A. Boyer, Esq., attorney for the Participant; and Cynthia lone McKenzie (f/k/a Cynthia lone Owen), the Alternate Payee.'

Yeas: Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 6

Nays: None

GENERAL COUNSEL'S REPORT (cont'd)

Re: George Ray Peterson, Jr. v. Michelle Peterson
Wayne County Circuit Court Case No. 07-709052-DO

Motion By: Trustee Naglick Supported By: Trustee Chubb

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated June 7, 2017, wherein Michelle Peterson, the Alternate Payee, is awarded certain rights to the retirement allowance of George Ray Peterson, 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 entitled to a portion of both the Participant's defined benefit plan benefits and defined contribution 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 parties' EDRO provides that the parties are to share these additional actuarial costs equally, 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 George Ray Peterson, Jr., the Participant; Nicole L. Smith, Esq., attorney for the Participant; Michelle Peterson, the Alternate Payee; and the Board's Actuary.

Yeas: Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 6

Nays: None

GENERAL COUNSEL'S REPORT (cont'd)

Re: David Anthony Smith v. Valerie Ann Smith
Wayne County Circuit Court Case No. 09-114445-DM

Motion By: Trustee Naglick Supported By: Trustee Chubb

WHEREAS, the Board of Trustees is in receipt of a Domestic Relations Order (the "Order"), dated June 16, 2017, wherein Valerie Ann Smith (n/k/a Valerie Ann Blocton), the Alternate Payee, is awarded certain rights to the benefits of David Anthony Smith, the Participant, and

WHEREAS, Mr. Smith retired on July 7, 2012, elected the Plan's Option 6 form of benefit, and

WHEREAS, pursuant to the terms of the Order, the Alternate Payee is entitled to a portion of the Participant's Defined Benefit Plan 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 David A. Smith, the Participant; and Valerie Ann Smith (n/k/a Valerie Ann Blocton), the Alternate Payee.

Yeas: Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 6

Nays: None

➤ *Trustee Wendell Anthony returned to the Board Meeting at 12:37 p.m.*

GENERAL COUNSEL'S REPORT (cont'd)

Re: Margaret Melchior Benefit Suspension

Motion By: Trustee Naglick Supported By: Trustee Chubb

WHEREAS, the Board of Trustees (the "Board" or "Board of Trustees") of the General Retirement System of the City of Detroit (the "Retirement System") is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System, and

WHEREAS, the Board has fiduciary duties to the members and beneficiaries of the Retirement System and shall discharge these duties solely in their interests for the exclusive purposes of providing benefits and defraying reasonable expenses, and

WHEREAS, on December 22, 2016 Mr. Carl Melchior served the Retirement System with his Complaint, alleging that the Retirement System is erroneously paying a portion of his defined benefit to his former spouse, Ms. Margaret Melchior, in violation of the terms of their Qualified Domestic Relations Order (QDRO) entered on September 27, 1989, and

WHEREAS, General Counsel sent a letter to Ms. Melchior on February 3, 2017, notifying her that her benefit is subject to elimination based on the Complaint filed by Mr. Melchior, which has gone unanswered by Ms. Melchior, and

WHEREAS, General Counsel attempted to file a Motion for Interpleader, to bring Ms. Melchior into the lawsuit, but it was denied on June 1, 2017 and attempts to notify Ms. Melchior of this action have also gone unanswered, and

WHEREAS, General Counsel sent a second notice to Ms. Melchior on June 16, 2017, notifying her that if Mr. Melchior is successful in pursuing his claims against the Retirement System, her monthly retirement allowance will be terminated and that she may be required to repay to the Retirement System any overpayments that she has received to date, which are in excess of \$150,000 as of June 16, 2017, therefore be it

RESOLVED, that the Board hereby approves the suspension of Ms. Melchior's pension benefit, which will be held in escrow and released to the appropriate person upon resolution of the underlying litigation filed by Mr. Melchior on December 22, 2016, and further

RESOLVED, that copies of this Resolution be sent to Ms. Margaret Melchior and Mr. John Conway, attorney for the Participant.

Yeas: Anthony, Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 7

Nays: None

~General Counsel's report concludes~

- Nomination of Vice-Chairperson

Re: Election of Vice-Chairperson

Motion By: Trustee Cowan – Supported By: Trustee Naglick

RESOLVED, that Trustee **Lori Cetlinski** is hereby elected to serve as Vice-Chairperson of the General Board of Trustees of the Retirement Systems for the term commencing July 1, 2017 and expiring June 30, 2018.

Yeas: Anthony, Benson, Chubb, Cowan, Naglick, Nickleberry and Sheehan – 7

Nays: None

There being no further business before the Board, **Chairperson Sheehan** adjourned the meeting at 12:49 p.m. The Board's next meeting is scheduled for **Wednesday, July 05, 2017**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, reading "Lamonica Arrington-Cabean", enclosed in a rectangular box.

LAMONICA ARRINGTON-CABEAN
MANAGER II