

MEETING NO. 4187
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **JULY 05, 2017**

10:00 A.M.

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

TRUSTEES PRESENT

Wendell Anthony	Trustee
Lori Cetlinski	Trustee Vice-Chair
Tasha L. Cowan	Trustee/Chair
James Chubb	Ex-Officio Trustee/Deputy-Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee
Gail Oxendine	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Scott Benson	Ex-Officio Trustee/City Council Member
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TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
David Cetlinski	Assistant Executive Director
Michael VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant II

STAFF EXCUSED

Lamonica Arrington-Cabean	Manager II
Ryan Bigelow	Chief Investment Officer

CHAIRPERSON

Tasha L. Cowan

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

Present at Roll Call: Lori Cetlinski, James Chubb, Tasha L. Cowan, John Naglick, June Nickleberry, Gail Oxendine and Thomas Sheehan

- Nomination of Vice-Chairperson
Trustee Sheehan has rescinded his previous motion made on 6/21/2017 at meeting # 4186 to nominate Trustee Cetlinski as Vice-Chairperson.

Re: Election of Vice-Chairperson

Motion By: Trustee Sheehan – Supported By: Trustee Cetlinski

RESOLVED, that Trustee **June Nickleberry** 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: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Oxendine

RESOLVED, that the application(s) for retirement from the **COMPONENT II (LEGACY) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Gwendolyn H. Card - Cust Svc Spec – Water & Sewerage
SERVICE CREDIT	13-02
EFFECTIVE DATE	05-26-17

NAME, TITLE, DEPARTMENT	Jeffery J. Walker – Field Svcs Techn – Water & Sewerage
SERVICE CREDIT	25-08
EFFECTIVE DATE	06-03-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Oxendine

RESOLVED, that the application(s) for retirement from the **COMPONENT I (HYBRID) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	David Brown – TEO - Transportation
SERVICE CREDIT	02-03
EFFECTIVE DATE	07-01-17

NAME, TITLE, DEPARTMENT	Jeffery J. Walker – Field Svcs Techn – Water & Sewerage
SERVICE CREDIT	02-11
EFFECTIVE DATE	06-03-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Legacy Plan Vested Retirement(s)

M Motion By: Trustee Sheehan - Supported By: Trustee Oxendine

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

NAME, TITLE, DEPARTMENT	Clay B. Little – TEO - Transportation
SERVICE CREDIT	20-04
EFFECTIVE DATE	06-01-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Legacy Plan Early Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Oxendine

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

NAME, TITLE, DEPARTMENT	Toni L. Parker – Emer Serv Operator – Police (Civilian)
SERVICE CREDIT	23-10
EFFECTIVE DATE	06-01-17

NAME, TITLE, DEPARTMENT	Lester H. Simpson – Traffic Sign Mechanic - DPW
SERVICE CREDIT	24-07
EFFECTIVE DATE	06-13-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment.

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
6/19/17 - 6/30/17			
July 5, 2017			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
RECEIPTS			
DWSD - WATER	06/19/17	FY17 Legacy Pension Contributions	4,272,000.00
DWSD - SEWER	06/19/17	FY17 Legacy Pension Contributions	2,856,000.00
SPIVEY JUNCTION / BABAR	06/19/17	Payment	500.00
CLARK HILL	06/19/17	Settlement Proceeds	64.92
CENGAGE	06/19/17	Distribution	1,007.74
CLARK HILL	06/19/17	Settlement Proceeds	300.00
MERCK & CO INC	06/20/17	Class Action Proceeds	3,276.13
GENERAL CITY	06/20/17	FY17 Legacy Pension Contributions	20,000,000.00
GENERAL CITY, DDOT, WATER, SEWER AND LIBRARY	06/20/17	FY17 Hybrid Pension Contributions	2,019,906.48
FIRST INDEPENDENCE BANK	06/20/17	Loan Deductions	36,627.23
FIRST INDEPENDENCE BANK	06/20/17	Loan Deductions	41,218.08
SSGM COMMISSION	06/21/17	Recapture Activity for May 2017	579.96
MUNIMAE HOLDINGS II SUB DEBT	06/22/17	Loan Redemption	9,810,888.48
LIBRARY	06/22/17	FY17 Legacy Pension Contributions	2,500,000.00
POLICE & FIRE RETIREMENT SYSTEM	06/23/17	Reimburse Staff Wages	9,045.50
FIRST INDEPENDENCE BANK	06/27/17	Loan Deductions	34,653.23
FIRST INDEPENDENCE BANK	06/27/17	Loan Deductions	41,743.00
GLWA - WATER	06/28/17	FY17 Legacy Pension Contributions	6,048,000.00
GLWA - SEWER	06/28/17	FY17 Legacy Pension Contributions	10,824,000.00
GLWA - SEWER	06/28/17	FY17 Legacy Pension Contributions	9,651,400.00
DWSD - SEWER	06/28/17	FY17 Legacy Pension Contributions	2,546,600.00
GLWA - WATER	06/28/17	FY17 Legacy Pension Contributions	5,392,800.00
DWSD - WATER	06/28/17	FY17 Legacy Pension Contributions	3,809,200.00
TIER REIT, INC. (fka Behringer Harvard REIT)	06/29/17	Sale Proceeds	3,077,985.48
MESIROW FIN PRIV EQU PSHIP FUND III LP	06/29/17	Distribution	200,000.00
MGRA GENESIS VALUE FUND LP	06/29/17	Final Distribution	4,908.16
DWSD	06/29/17	Hybrid Pension Contributions - July thru Dec 2016	447,410.62
DWSD	06/29/17	Hybrid Pension Contributions - 1Q17	298,273.74
CITY OF DETROIT	06/23/17	Weekly Mandatory Pension Contribution	220,987.56
CITY OF DETROIT	06/23/17	Weekly Annuity Contribution	129,894.20
CITY OF DETROIT	06/30/17	Weekly Mandatory Pension Contributions	96,751.01
CITY OF DETROIT	06/30/17	Weekly Annuity Contribution	63,063.08
TOTAL RECEIPTS			\$ 84,439,084.58

Prepared by Fort, Bre 6/30/17

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Re: Monthly Pension Payroll

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

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

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
MONTHLY PENSION PAYROLL FOR APPROVAL			
7/5/2017			
July 5, 2017			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
First Independence Bank		Pension Payroll - Legacy Direct Deposit	14,814,933.60
MISDU		Child Support Deductions	22,589.54
First Independence Bank		Pension Payroll - Hybrid Direct Deposit	18,090.74
First Independence Bank		Pension Payroll - Hybrid Checks	9,584.14
First Independence Bank		Pension Payroll - Legacy Checks	1,685,601.25
Diversified Members Credit Union		Loan Payment Deductions	623,707.17
Detroit Employee Benefit Plan		Benefit Payments - Life Insurance	3,362.75
Detroit Employee Benefit Plan-VEBA (to RHC)		Benefit Payments - Health, Eye & Dental	423,439.79
Federal Tax		Withholding	1,790,599.29
State Tax & Assoc. Fees		Withholding	317,572.25
TOTAL DISBURSEMENTS			\$ 19,709,480.52

Prepared by Fort, Site 6/30/17

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Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

GENERAL RETIREMENT SYSTEM
 CITY OF DETROIT
Re: Fees and Expenses

MEETING NO. 4187
 JULY 05, 2017

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

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: awitt		Branch: LEGACY		Meeting Date: 6/6/17	
Category					
Legal Expenses					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
CHECK	170627.3	F. LOGAN DAVIDSON, P.C.	Grand Personality: Reimbursement of Out-of-Pocket Expenses	7/27/2017	2,840.00
CHECK	170627.2	F. LOGAN DAVIDSON, P.C.	PITG Holdings Corp: Reimbursement of Out-of-Pocket Expenses	7/27/2017	1,190.00
CHECK	12108	RACINE & ASSOCIATES	DGRS v. Gracia: 4/1/17-4/30/17	6/4/2017	16,850.70
Category Total:				3 Documents	20,880.70
Investment Expenses					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
WIRE	20170331-511-A	BlackRock Financial Management, Inc	Management Fees - 1st Qtr '17	7/5/2017	20,570.70
WIRE	1Q17	CAPRI CAPITAL PARTNERS, LLC	Investment Advisory Fees - 1st Qtr '17	6/23/2017	8.51
CHECK	1Q17	DEROY & DEVEREAUX	Management Fees - 1st Qtr '17	5/18/2017	23,008.00
CHECK	2Q17391	NEPC, LLC	Management Fees - 2nd Qtr '17	7/30/2017	137,500.00
Category Total:				4 Documents	181,985.21
Administrative Expenses					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
CHECK	495004718	ADP, INC	Check Printing Services	7/16/2017	8,717.10
CHECK	613873	Bodman	8x8 Service Agreement Review	6/26/2017	864.20
CHECK	613872	Bodman	Procentia Contract Review	6/26/2017	2,134.17
WIRE	060417	ConnectPay	Staff Wages: 6/5/17-6/18/17	6/16/2017	9,322.25
CHECK	INV021082	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	7/23/2017	25.00
CHECK	31718555137	DIRECTV	Service Charges	7/24/2017	31.49
CHECK	5-840-96266	FEDEX	FedEx Mailings	7/21/2017	28.37
CHECK	5-849-13015	FEDEX	FedEx Mailings	7/28/2017	55.35
CHECK	431194	GABRIEL, ROEDER, SMITH & CO	EDRO Calculations for A. Washington	7/22/2017	800.00
CHECK	0144445-IN	GRAPHIC SCIENCES, INC	Document Prep Services	7/21/2017	262.42
CHECK	0144446-IN	GRAPHIC SCIENCES, INC	Document Prep Services	7/21/2017	1,294.50
CHECK	14090133	HARLAND TECHNOLOGY SERVICE	Toner Supplies	7/20/2017	795.12
CHECK	135148	IRON MOUNTAIN	Data Domain Services	5/30/2017	1,000.00
CHECK	134130	IRON MOUNTAIN	Data Domain Services	4/30/2017	1,000.00
WIRE	63017	IT Contractual Wages: B. Hardy	IT Staff Wages for June 2017	6/30/2017	4,683.40
WIRE	63017	IT Contractual Wages: J. Hollins	IT Staff Wages for June 2017	6/30/2017	4,166.56
WIRE	63017	IT Contractual Wages: R. Tehou	IT Staff Wages for June 2017	6/30/2017	7,851.81
WIRE	63017	IT Contractual Wages: S. Vrooman	IT Staff Wages for June 2017	6/30/2017	1,579.50
WIRE	63017	IT Contractual Wages: V. Rallapalli	IT Staff Wages for June 2017	6/30/2017	6,815.82
CHECK	96721	METCOM	Business Card Printing	5/17/2017	88.49
CHECK	96676	METCOM	Office Supplies	5/10/2017	432.46
CHECK	96757	METCOM	Office Supplies	5/26/2017	495.51
CHECK	937243878001	OFFICE DEPOT	Office Supplies	7/21/2017	37.48
CHECK	937243881001	OFFICE DEPOT	Office Supplies	7/21/2017	27.49
CHECK	937243882001	OFFICE DEPOT	Office Supplies	7/21/2017	16.99
CHECK	937243877001	OFFICE DEPOT	Office Supplies	7/21/2017	37.17
CHECK	937243879001	OFFICE DEPOT	Office Supplies	7/21/2017	8.49
CHECK	937243880001	OFFICE DEPOT	Office Supplies	7/21/2017	32.99
CHECK	937243883001	OFFICE DEPOT	Office Supplies	7/21/2017	12.44
WIRE	1205077	UHY Advisors MI, Inc. - Accounting	Professional Accounting Services: 3/16/17-3/31/17	4/30/2017	38,412.50
WIRE	1214607	UHY Advisors MI, Inc. - Accounting	Professional Accounting Services: 5/1/17-5/15/17	6/14/2017	30,362.50
WIRE	1217040	UHY Advisors MI, Inc. - Accounting	Professional Accounting Services: 5/16/17-5/31/17	6/30/2017	27,540.82
CHECK	151783	ULTIMATE PARKING MANAGEMENT LLC	Parking - July 2017	7/22/2017	1,959.00
CHECK	11083	THE TOWNSEND GROUP	Professional Services - May 2017	6/30/2017	11,250.00
Category Total:				34 Documents	162,140.99

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

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

List No. 7315 - \$1,460,708.79

List No. 7316 - \$444,644.51

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

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Employee Loan Program June 28, 2017

Motion By: Trustee Sheehan – Supported By: Trustee Oxendine

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$10,947.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

Re: Employee Loan Program July 5, 2017

Motion By: Trustee Sheehan – Supported By: Trustee Oxendine

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$14,995.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **David Cetlinski**, discussed the following with the Board:

- Census Data Request from Caroline Crawford of the Center for Retirement Research at Boston College. ***The Board of Trustees engaged in discussion.***
 - The 2016 Annual Reports will be posted online shortly which will contain much of the information that was requested.

~AED'S report concludes~

Open Forum

Chairperson **Tasha L. Cowan** opened the meeting for public discussion:

City of Detroit Retiree **Cedric Cook** addressed the Board regarding the following:

- Congratulations to Chairperson Cowan
- Status of Fund 761 approved by City Council
- Settlement discussion
 - The Board of Trustees engaged in discussion with Mr. Cook regarding the matter. Mr. Cook will come back before the Board at a later date to for further discussion.

EXECUTIVE DIRECTOR'S REPORT

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

- The passing of Rhonda Pugh, Client Representative of First Independence Bank
- Amortization Errors on the Employee Loan Program are still being researched.
- Fort Shelby Apartment Conversion invitation

~Executive Director's report concludes~

- ***Trustee Wendell Anthony joined the Board Meeting at 10:46 a.m.***

GENERAL COUNSEL'S REPORT

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

- Melchior vs General Retirement System (GRS) Litigation
- Harper Check Cashing vs General Retirement System (GRS)
- Procurement Policy Discussion/Review
 - *Policy will come back before the Board with modifications and/or changes for final approval*
- Media Relations and Communications Consultant RFP. This will be posted on or around July 15, 2017, but Ms. Cabean wants to post to RSCD website on 7/10/2017.
- Evaluation committee has been established to evaluate the RFP

Motion by: Trustee Naglick– Seconded by Trustee Chubb, upon notification from General Counsel, that an appearance has been filed on behalf of Mrs. Melchior in this matter. The Board shall withdraw the suspension of her benefits until further action is requested. *The motion passed by a unanimous vote.*

➤ ***Trustee June Nickleberry excused herself from the Board Meeting at 11:26 a.m.***

Motion by: Trustee Sheehan– Seconded by Trustee Anthony, to approve the Media and Communications Consultant RFP as presented and to direct that staff post to the General Retirement Systems website. *The motion passed by a unanimous vote.*

~General Counsel's report concludes~

NEW BUSINESS/OLD BUSINESS

- Gabriel, Roeder Smith and Company will be in attendance at the next regular Board meeting on **Wednesday July, 19th 2017**
- Task Force Report Update
- 8x8 Cloudtech updates and discussion
- Stipend discussion
- Upcoming Investment Committee Meeting: **Monday July 17th at 12:00 noon**
- Review responses for the Investment Committee Search Process
- Trustee Oxendine wishes to formally recuse herself from the Joint Personnel Committee as she intends to apply for the Assistant Executive Director Position for Police and Fire Retirement Systems

ADJOURNMENT

There being no further business before the Board, **Chairperson Cowan** adjourned the meeting at 12:20 p.m. The Board's next meeting is scheduled for **Wednesday, July 19, 2017**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR