

MEETING NO. 4191
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, **AUGUST 30, 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/Chair
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Vice-Chair
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Lori Cetlinski	Trustee
Kimberly Hall-Wagner	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 VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant

STAFF EXCUSED

None

CHAIRPERSON

Tasha L. Cowan

The Board's Administrative Assistant took a verbal Roll Call at 10:30 a.m. and Chairperson Cowan called the meeting to order.

Present at Roll Call: Wendell Anthony, Scott Benson, Tasha L. Cowan, John Naglick, June Nickleberry and Thomas Sheehan

Rev. Anthony led the Board in a brief prayer.

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

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

NAME, TITLE, DEPARTMENT	Larhonda Brown – Field Svcs Techn – Water & Sewerage
SERVICE CREDIT	27-03
EFFECTIVE DATE	08-10-17

NAME, TITLE, DEPARTMENT	Anthony Gentry – General Auto Mechanic - Transportation
SERVICE CREDIT	28-09
EFFECTIVE DATE	07-29-17

NAME, TITLE, DEPARTMENT	Cynthia McMillian-Green – Asst. Fire Dispatcher – Fire (Civilian)
SERVICE CREDIT	17-11
EFFECTIVE DATE	09-08-17

NAME, TITLE, DEPARTMENT	Cynthia N. Humphries – Pr Data Proc Prgm Analyst – Information Tech Services
SERVICE CREDIT	31-0
EFFECTIVE DATE	04-14-17

NAME, TITLE, DEPARTMENT	Ronald D. Schaefer – Instr – Trans Equip Opr - Transportation
SERVICE CREDIT	28-01
EFFECTIVE DATE	07-29-17

Re: Legacy Plan Service Retirement(s) Cont'd.

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

NAME, TITLE, DEPARTMENT	Lennard Wornum, Jr. – Traffic Sign Mech - DPW
SERVICE CREDIT	21-10
EFFECTIVE DATE	08-15-17

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

Nays: None

Re: Legacy Plan Early Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

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

NAME, TITLE, DEPARTMENT	Raymond Welborn – Trans Equip Oper - Transportation
SERVICE CREDIT	25-09
EFFECTIVE DATE	06-10-17

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

Nays: None

Re: Legacy Plan Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

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

NAME, TITLE, DEPARTMENT	Rickie L. Catchings – Water Plant Attend – Water & Sewerage
SERVICE CREDIT	18-10
EFFECTIVE DATE	09-01-17

NAME, TITLE, DEPARTMENT	Gwendolyn A. Daniels – Mgr II – Hlth-Pub Nurse – Health
SERVICE CREDIT	22-09
EFFECTIVE DATE	09-01-17

NAME, TITLE, DEPARTMENT	Roy E. Jones – General Auto Mechanic - Transportation
SERVICE CREDIT	12-09
EFFECTIVE DATE	08-01-17

NAME, TITLE, DEPARTMENT	Edward M. McBride – Line Worker – Public Lighting
SERVICE CREDIT	16-07
EFFECTIVE DATE	08-01-17

NAME, TITLE, DEPARTMENT	Anthony M. Sims – Street Ltg Maint Wkr – Public Lighting
SERVICE CREDIT	17-02
EFFECTIVE DATE	08-01-17

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

Nays: None

Re: Option Change(s)

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

RESOLVED, that the application(s) for retirement from the **OPTION CHANGE** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Wanda A. Daniel – Office Assistant II – Planning & Development
SERVICE CREDIT	01-09
EFFECTIVE DATE	06-01-17
FROM:	B/Pop-Up – Equate Age 62
TO:	B/Pop-Up – Equate Age 65

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

Nays: None

Re: Change of Computation

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

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

NAME, TITLE, DEPARTMENT	Russell C. Allen – Garage Attendant - DPW
SERVICE CREDIT	30-0
EFFECTIVE DATE	06-30-17

NAME, TITLE, DEPARTMENT	Ora M. Idleburg – RCPO – DPW
SERVICE CREDIT	13-0
EFFECTIVE DATE	06-09-17

NAME, TITLE, DEPARTMENT	Kimberlea Walton – Sewage Plant Attendant – Water & Sewerage
SERVICE CREDIT	23-03
EFFECTIVE DATE	08-14-17

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

Nays: None

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

RESOLVED, that the application(s) For **AUTO III- SPOUSE** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Sara Goodwin (Robert Goodwin, Jr. – Deceased) – Laborer A – Municipal Parking
SERVICE CREDIT	17-06
EFFECTIVE DATE	06-14-17

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

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment.

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
8/14/17 - 8/25/17			
August 30, 2017			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
RECEIPTS			
SECURITIES LENDING	08/14/17	Earnings, June 2017	25,262.97
METLIFE	08/14/17	Dividends	4.00
REAMS ASSET MANAGEMENT	08/14/17	Settlement Proceeds	206.04
CHELSEA THERAPEUTICS INTL	08/15/17	Class Action Proceeds	55.47
FIRST INDEPENDENCE BANK	08/15/17	Loan Deductions	46,435.91
INTRALINKS HOLDINGS INC	08/16/17	Class Action Proceeds	19.68
CHURCHILL MIDDLE MARKET SENIOR LOAN FUND	08/17/17	Distribution	264,492.12
POLICE & FIRE RETIREMENT SYSTEM	08/18/17	Reimburse Staff Wages	8,843.78
USPF III LEVERAGED FEEDER LP	08/18/17	Distribution	207,407.41
THE SUPERIOR FUND LP	08/21/17	Distribution	6,531,462.00
SSGM COMMISSION	08/21/17	Recapture Activity for July 2017	2,464.67
FIRST INDEPENDENCE BANK	08/23/17	Loan Deductions	36,933.87
ANADARKO PETROLEUM CORP	08/24/17	Class Action Proceeds	30.19
MESIROW FIN PRIV EQU PSHIP FUND III LP	08/25/17	Distribution	200,000.00
CITY OF DETROIT	08/18/17	Weekly Mandatory Pension Contribution	235,107.45
CITY OF DETROIT	08/18/17	Weekly Annuity Contribution	136,650.56
CITY OF DETROIT	08/25/17	Weekly Mandatory Pension Contributions	101,728.49
CITY OF DETROIT	08/25/17	Weekly Annuity Contribution	68,159.27
TOTAL RECEIPTS			\$ 7,865,263.88

Prepared by Fort, Bne 8/28/17

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Re: Monthly Pension Payroll

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

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

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
MONTHLY PENSION PAYROLL FOR APPROVAL			
8/30/2017			
August 30, 2017			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
First Independence Bank		Pension Payroll - Legacy Direct Deposit	14,757,713.43
MISDU		Child Support Deductions	21,694.84
First Independence Bank		Pension Payroll - Hybrid Direct Deposit	19,671.26
First Independence Bank		Pension Payroll - Hybrid Checks	9,297.08
First Independence Bank		Pension Payroll - Legacy Checks	1,778,513.94
Diversified Members Credit Union		Loan Payment Deductions	627,550.25
Detroit Employee Benefit Plan		Benefit Payments - Life Insurance	3,603.13
Detroit Employee Benefit Plan-VEBA (to RHC)		Benefit Payments - Health, Eye & Dental	416,367.34
Federal Tax		Withholding	1,804,437.59
State Tax & Assoc. Fees		Withholding	321,072.43
TOTAL DISBURSEMENTS			\$ 19,759,921.29

Prepared by Fort, Brie 8/28/17

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

Nays: None

GENERAL RETIREMENT SYSTEM
 CITY OF DETROIT
Re: Fees and Expenses

MEETING NO. 4191
 AUGUST 30, 2017

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

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:	8/30/17
Category					
Legal Expenses					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
CHECK	051017	VANOVERBEKE MICHAUD & TIMMONY, P.C.	General Counsel Services for March 2017	6/9/2017	23,705.00
Category Total:				1 Documents	23,705.00
Investment Expenses					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
WIRE	3991001	EDGEWOOD MANAGEMENT LLC	Management Fees - May 5 - June 30, 2017	8/10/2017	48,134.71
WIRE	81417	Landmark Partners XV, L.P.	Capital Call	8/25/2017	100,386.00
Category Total:				2 Documents	148,520.71
F ACCT PAY					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
CHECK	793571	500 WEBWARD LLC	Electrical Billing: 7/3/17-7/28/17, Meter #16055044	8/27/2017	649.39
CHECK	793572	500 WEBWARD LLC	Electrical Billing: 7/3/17-7/28/17, Meter #16055070	8/27/2017	645.23
CHECK	498272320	ADP, INC	Check Printing Services	9/10/2017	8,641.41
CHECK	402343652	CANON SOLUTIONS AMERICA, INC	Copier Maintenance	9/11/2017	68.25
CHECK	080117	Cogent Communications, Inc.	Internet Service Cable Installation	8/1/2017	2,598.00
CHECK	1197491	CREATIVE BREAKTHROUGHS INC	Standard SSL Certificate for 1 year	8/30/2017	74.98
CHECK	INV/023162	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	9/17/2017	75.00
CHECK	INV/020583	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	7/9/2017	550.00
CHECK	INV/022072	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	8/20/2017	400.00
CHECK	INV/020321	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	7/2/2017	850.00
CHECK	INV/020832	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	7/16/2017	75.00
CHECK	5-907-04696	FEDEX	FedEx Mailings	9/22/2017	39.14
CHECK	5-898-97433	FEDEX	FedEx Mailings	9/15/2017	21.59
CHECK	432421	GABRIEL, ROEDER, SMITH & CO	EDRO and Overpayment Calculations for P. Kendrick	9/15/2017	2,000.00
CHECK	432491	GABRIEL, ROEDER, SMITH & CO	EDRO Calculations for B. Taylor	9/24/2017	600.00
CHECK	394476	Office of the Chief Financial Officer	Wages & Benefits for City of Detroit Employees FY 16-17	8/23/2017	1,190,533.00
CHECK	117920	PLANET TECHNOLOGIES, INC	Computer Services	8/30/2017	284.37
CHECK	082217	REGINALD E. ONEAL	Medical Billing: 7/10/17-8/7/17	9/21/2017	360.00
CHECK	081617	THOMAS SHEEHAN	Trustee Parking	9/15/2017	76.00
CHECK	082817	THOMAS SHEEHAN	Trustee Stipend	9/27/2017	1,000.00
CHECK	082817	WENDELL ANTHONY	Trustee Stipend	9/27/2017	1,000.00
Category Total:				21 Document:	1,210,541.36

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

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

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

List No. 7323 - \$95,302.51

List No. 7324 - \$828,170.57

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

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

Nays: None

Re: Employee Loan Program August 23, 2017

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$44,937.00** including interest, be hereby **APPROVED**.

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

Nays: None

Re: Employee Loan Program August 30, 2017

Motion By: Trustee Sheehan - Supported By: Trustee Anthony

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$23,240.00** including interest, be hereby **APPROVED**.

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

Nays: None

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting No. 4189, held on August 2, 2017, be hereby **APPROVED** as recorded and submitted.

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

Nays: None

Open Forum

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

City of Detroit Retiree **Phillip Kendrick** addressed the Board regarding the following:

- Pension and EDRO calculation error
 - ***Consensus: The Board of Trustees directed Administration staff to look further into this issue.***

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **Cynthia A. Thomas** had no formal report this week but addressed the following:

- Legal Opinion from Attorney Robert Klausner regarding fiduciary responsibility.
- Chairperson Cowan has appointed Trustee Kimberly Hall-Wagner to substitute for Trustee Gail Oxendine on the Joint Personnel Committee.
- Update on the requested Budget versus Actual quarterly report

Chairperson Cowan expressed her opinion that an independent opinion rendered by Mr. Klausner should be taken into consideration. However, based on some of the facts presented, she believed that the application process has been compromised and she doesn't approve of it.

Ms. Thomas explained that both Systems have engaged Mr. Klausner to serve as independent legal counsel based on his public pension plan expertise since 2009. Mr. Klausner has assisted the Systems with various matters pertaining to ethics and fiduciary responsibility as well as providing counsel during the bankruptcy. He is familiar with the plan design, the trustees, the administration and dynamics of both Systems. Her decision to use him to quickly obtain an opinion on a recruitment issue that had already begun was in her opinion, a prudent use of resources.

Manager's Report

Manager, **LaMonica Arrington-Cabeau** had no formal report this week.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow** had no formal report this week but addressed the following:

- There is an upcoming Investment Committee meeting on Monday September 11, 2017
 - Holland Capital update
 - Aberdeen Update
 - Assistant Chief Investment Officer position will be posted within the week or two
 - Audit update
 - Valuation update
- **Trustee Scott Benson** excused himself from the Board Meeting at 11:00 a.m.

GENERAL COUNSEL'S REPORT

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

- Leslie Anne Selis v Bryan Scott Vanden Toorn EDRO
- Melchior v General Retirement System Litigation
- Harper Check Cashing Dismissal
- First Independence Bank draft correspondence for approval

GENERAL COUNSEL'S REPORT (cont'd)

Re: Leslie Anne Selis v. Bryan Scott Vanden Toorn
Wayne County Circuit Court Case No. 00-020673-DM

Motion By: Trustee Sheehan Supported By: Trustee Anthony

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated May 19, 2017, wherein Leslie Anne Selis (f/k/a Leslie Anne Vanden Toorn), the Alternate Payee, is awarded certain rights to the retirement allowance of Bryan Scott Vanden Toorn, 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 Bryan Scott Vanden Toorn, the Participant; Christine K. L. Walsh, Esq., attorney for the Participant; Leslie Anne Selis, the Alternate Payee; and the Board's Actuary.

Yeas: Anthony, Cowan, Naglick, Nickleberry and Sheehan – 5

Nays: None

NEW BUSINESS/OLD BUSINESS

- Kathleen Colin of NASP Detroit appeared before the Board to discuss the indexation of the emerging market
- Curtis Lyons of New York Life introduced himself to the Board of Trustees.

ADJOURNMENT

There being no further business before the Board, **Chairperson Cowan** adjourned the meeting at 11:47 a.m. The Board's next meeting is scheduled for **Wednesday, September 6th, 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