

MEETING NO. 4206
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, MARCH 21, 2018**

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/Chair
Kimberly Hall-Wagner	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Vice-Chair
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Christa Mclellan	Ex-Officio Trustee/City Treasurer
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TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael Vanoverbeke	General Counsel
Kevin Kenneally	Investment Officer
TaKneisha Johnson	Administrative Assistant III

STAFF EXCUSED

None

CHAIRPERSON

Tasha L. Cowan

The Board's Administrative Assistant took a verbal Roll Call at 10:15 a.m. and Chairperson Cowan called the meeting to order.

Present at Roll Call: Tasha L. Cowan, Lori Cetlinski, Kimberly Hall-Wagner, June Nickleberry and Thomas Sheehan

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

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

NAME, TITLE, DEPARTMENT	Marilyn R. Berdijo – Manager II – Pension - Finance
SERVICE CREDIT	25-08
EFFECTIVE DATE	03-10-18

NAME, TITLE, DEPARTMENT	Dennis A. Crawford – Park Maintenance Worker – General Services
SERVICE CREDIT	25-00
EFFECTIVE DATE	03-26-18

NAME, TITLE, DEPARTMENT	Beverly J. Holmes – Sr. Trans Serv Insp - Transportation
SERVICE CREDIT	17-06
EFFECTIVE DATE	02-03-18

NAME, TITLE, DEPARTMENT	Gary Kelly – Instr-Trans Equip Opr - Transportation
SERVICE CREDIT	17-08
EFFECTIVE DATE	12-21-17

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Change of Computation

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the application(s) for **CHANGE OF COMPUTATION** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Wilbert E. Boyd, Jr. – Building Operator I - Police (Civilian)
SERVICE CREDIT	25-07
EFFECTIVE DATE	01-03-18

NAME, TITLE, DEPARTMENT	Stephanie Taylor – Water System Repair Worker – Water & Sewerage
SERVICE CREDIT	22-04
EFFECTIVE DATE	02-06-18

NAME, TITLE, DEPARTMENT	Thomas L. Taylor, Jr. – Emergency Medical Technician – Fire (Civilian)
SERVICE CREDIT	26-07
EFFECTIVE DATE	12-01-17

NAME, TITLE, DEPARTMENT	Joanne Wilson – Building Attendant A - DPW
SERVICE CREDIT	17-01
EFFECTIVE DATE	12-11-17

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Legacy Plan Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

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

NAME, TITLE, DEPARTMENT	Simon Chackunkal – Analytical Chemist – Water & Sewerage
SERVICE CREDIT	23-06
EFFECTIVE DATE	03-01-18

NAME, TITLE, DEPARTMENT	Jose R. Salazar – Vehicle Operator III - DPW
SERVICE CREDIT	11-01
EFFECTIVE DATE	04-01-18

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

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

NAME, TITLE, DEPARTMENT	Marilyn R. Berdijo – Manager II – Pension - Finance
SERVICE CREDIT	03-09
EFFECTIVE DATE	03-10-18

NAME, TITLE, DEPARTMENT	Simon Chackunkal – Analytical Chemist – Water & Sewerage
SERVICE CREDIT	01-04
EFFECTIVE DATE	03-01-18

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts HYBLIQRES
RSCD-General Start Date: 3/6/2018
End Date: 3/19/2018

Doc. Date	Module	Description	Receipt
3/16/2018	CA	Employee Pension Pre-Tax Contributions 3-9-18	99,024.56
3/16/2018	CA	Employee Pension Pre-Tax Contributions 3-16-18	242,039.66
3/16/2018	CA	Employee Annuity After- Tax Contributions 3-16-18	136,373.40
			477,437.62

Cash Receipts LIQ RESERV
Company: RSCD-General 3/6/2018
3/19/2018

Doc. Date	Module	Description	Receipt
3/9/2018	CA	Loan Program Deduction 3/2/18 (\$45,038.57)	45,038.57

Total Receipts 522,476.2

Re: Refunds of Accumulated Contributions

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

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

List No. 7352 - \$167,750.90

List No. 7353 - \$231,127.34

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

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Employee Loan Program March 14, 2018

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$36,949.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Employee Loan Program March 21, 2018

Resolution Moved By: Trustee Sheehan - Supported By: Trustee Hall-Wagner

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$57,162.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4204**, held on **February 21, 2018**, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 5

Nays: None

- *Trustee Scott Benson entered the Board Meeting at 10:17 a.m.*

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- Meeting re-cap with First Independence Bank
- Resignation of Board Medical Director Dr. Reginald O'Neal

~Executive Director's Report concludes~

- *Trustee Wendell Anthony entered the Board Meeting at 10:27 a.m.*

Resolution Moved By: Trustee Benson - 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:

Page: 1 of 2
 Date: 3/21/2018 10:01 AM

Disbursements

Account	Payment Method	Currency			
F ACCT PAY	ACH	US			
Vendor Name	Invoice Number	Invoice Description			Amount To Pay
8x8, INC.	2136748	Phone System Services			1,389.94
ABERDEEN ASSET MANAGEMENT INC.	82858	Management Fees - 4th Qtr '17			176,499.49
ABERDEEN ASSET MANAGEMENT INC.	82798	Management Fees - 4th Qtr '17			58,159.15
BNY Mellon	111-2018-0002629	Management Fees - 4th Qtr '17			48,297.34
Cogent Communications, Inc.	030118	Internet Service			1,023.00
EARNEST PARTNERS, LLC	4Q17 DETINTRL	Management Fees - 4th Qtr '17			268,582.64
EDGEWOOD MANAGEMENT LLC	3991003	Management Fees - 4th Qtr '17			86,038.82
MACKAY SHIELDS LLC	23119	Management Fees - 4th Qtr '17			46,088.36
UHY Advisors MI, Inc.	1242599	Professional Accounting Services for February			29,203.12
UHY Advisors MI, Inc.	1242709	Professional IT Services for February 2018			84,465.00
UHY Advisors MI, Inc.	1242710	Professional IT Services for February 2018			18,018.75
Cash Account/Payment Method Total:			11 Documents		817,765.61
F ACCT PAY	CHECK	US			
Vendor Name	Invoice Number	Invoice Description			Amount To Pay
ALLEGRA	47727011	Office Supplies			412.50
CINTAS CORPORATION-300	300200539	Floor Mats			79.23
CREATIVE BREAKTHROUGHS INC	1198401	IT Security Services			11,750.00
CREATIVE BREAKTHROUGHS INC	1198538	IT Security Services			10,150.00
CREATIVE BREAKTHROUGHS INC	1198593	Software Maintenance			1,603.80
CRESTWOOD ASSOCIATES	INV030083	MaxQ SaaS License Renewal			375.00
DIRECTV	33606158317	Service Charges 2/23/18-3/22/18			37.62
FEDEX	6-110-87117	FedEx Mailing			23.69
FEDEX	6-117-20914	FedEx Mailings			23.80
FEDEX	030118	FedEx Printing			346.72
GABRIEL, ROEDER, SMITH & CO	436991	Actuarial Services for February 2018			16,333.00
IRON MOUNTAIN	147291	Data Domain Service			1,504.30
IRON MOUNTAIN	201550577	Storage CDs			707.82
MERCURY STORAGE	17613	Annual Service Maintenance for Tape Backup Unit			2,925.00

Re: Fees and Expenses- Continued

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

FACCT PAY	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
METCOM	102673	Business Cards	62.17		
METCOM	103047	Business Cards	62.03		
MSCI INC.	400075221	Finance Subscription 4/14/16-4/13/19	500.00		
NEPC, LLC	06M17301	Expenses - 3rd Qtr '17	2,041.72		
NEPC, LLC	12M17391	Expenses - 4th Qtr '17	2,581.98		
OFFICE DEPOT	11-4147502001	Office Supplies	36.45		
OFFICE DEPOT	11-4147503001	Office Supplies	37.48		
PERMIRA CREDIT SOLUTIONS II	022618	Permira Credit Solutions Managed Account - Capital Call #2	3,308,449.28		
PLANET TECHNOLOGIES, INC	1001123	Office 365 Annual Renewal	4,747.50		
SHRED-IT USA	8124188457	Shredding Service Charges	48.72		
TASHA L COWAN	030717	Trustee Parking	36.00		
THOMAS SHEEHAN	032018	Trustee Stipend	800.00		
Veriato	16721	Software	2,160.00		
VERIZON WIRELESS	9907419808	Wireless Charges 1/26/18-2/25/18	649.13		
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	1001962994	Printer Maintenance	129.10		
WENDELL ANTHONY	032018	Trustee Stipend	800.00		
WYCOM SYSTEM, INC	258892	Signature Change Service	147.50		
XEROX	0923839994	Printer Maintenance	29.14		
Cash Account/Payment Method Total:				32 Documents	3,369,896.68

* Payment amount is estimated based on the effective date 3/21/2018

Yeas: Anthony, Benson, Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 7

Nays: None

Re: Entering into Closed Session

Resolution Moved By: Trustee Benson – 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 enter into Closed Session to discuss pending litigation matters regarding the Carpenter’s/Book Cadillac.

A Roll Call Vote was taken as follows:

Yeas: Anthony, Benson, Cetlinski, Hall-Wagner, Nickleberry, Sheehan and Chairperson Cowan – 7

Nays: None

The Board entered into **Closed Session** at 10:39 a.m.

Re: Open Session

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

RESOLVED, that the Board come out of Closed Session.

Yeas: Anthony, Benson, Cetlinski, Hall-Wagner, Nickleberry, Sheehan and
Chairperson Cowan – 7

Nays: None

The Board returned to **Open Session** at 11:40 a.m.

Re: GRS & PFRS v. CPTF Book Cadillac, LLC

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

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

WHEREAS, the provisions of the plan are subject to the applicable provisions of the Internal Revenue Code, applicable state law, the applicable charter and ordinance provisions of the City of Detroit and the Combined Plan for the General Retirement System, and

WHEREAS, the Investment Committee of the General Retirement System of the City of Detroit (“Investment Committee”) serves in a fiduciary capacity and was established for the purpose of making recommendations to and approving certain actions by the Board of Trustees of the General Retirement System (GRS), and

WHEREAS, the General Retirement System (the “GRS”) and the Police and Fire Retirement System (the “PFRS”) as holders of various segments of subordinated mortgage debt brought litigation against the holder of the Senior Loan held by CPTF Book Cadillac, LLC, and

WHEREAS, the Retirement Systems’ special litigation counsel, Couzens Lansky PC, has previously reviewed and discussed with the Board of Trustees and the Investment Committee in closed sessions its confidential memo regarding a proposed litigation strategy and potential resolution, and

WHEREAS, the Boards of Trustees and the Investment Committees for both Retirement Systems retained American Realty Advisors (“ARA”) as an independent

Re: GRS & PFRS v. CPTF Book Cadillac, LLC- Continued

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

investment fiduciary to conduct preliminary due diligence and an analysis with respect to the proposed litigation resolution, and

WHEREAS, the Board has received and reviewed with ARA its confidential analysis of the relevant strengths, weaknesses, risks and opportunities associated with the proposed settlement, and

WHEREAS, the Board has received the recommendation of the Investment Committee to accept and pursue strategy #3 as outlined in ARA's analysis, therefore be it

RESOLVED, the Board hereby adopts strategy #3 in ARA's analysis and recommendations and directs its special litigation counsel to proceed accordingly, and be it further

RESOLVED, that a copy of this resolution be forwarded to the GRS Investment Committee and Couzens Lansky and that a copy be maintained in the Retirement System records.

Yeas: Anthony, Benson, Cetlinski, Hall-Wagner, Nickleberry, Sheehan and
Chairperson Cowan – 7

Nays: None

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow**, had no formal report, but discussed the following matters with the Board:

- New England Pension Consultants will be present at the April 18th, 2018 Employee Benefit Plan and General Board Meetings
- March 12th, 2018 General Investment Committee meeting re-cap

~Chief Investment Officer's Report concludes~

- ***Trustee John Naglick entered the Board Meeting at 11:56 a.m.***

GENERAL COUNSEL'S REPORT

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

- Policies and Procedures
 - Disability re-examination policy attached to legal report "Attachment A".

Motion by: Trustee Sheehan– Seconded by Trustee Anthony, motion to approve adoption of the disability re-examination policy as submitted by the Board's General Counsel. The Motion passed by a unanimous vote.

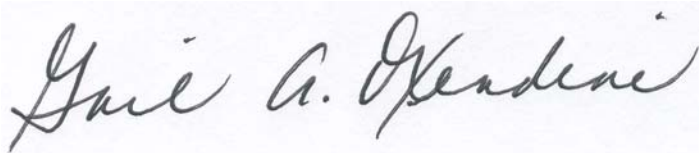
~General Counsel's Report concludes~

- *Pay card status update*

ADJOURNMENT

There being no further business before the Board, **Chairperson Cowan** adjourned the meeting at 12:15 p.m. The Board's next meeting is scheduled for **Wednesday, April 4, 2018**, 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 cursive script that reads "Gail A. Oxendine". The signature is written in black ink on a light-colored background.

GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR