

MEETING NO. **4207**
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, APRIL 04, 2018**

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
Tasha L. Cowan	Trustee/Chair
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Vice-Chair
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Scott Benson	Ex-Officio Trustee/City Council Member
Kimberly Hall-Wagner	Trustee

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 10:14 a.m. and Chairperson Cowan called the meeting to order.

Present at Roll Call: Tasha L. Cowan, Lori Cetlinski, John Naglick, Christa Mclellan, June Nickleberry and Thomas Sheehan

Open Forum

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

City of Detroit D.O.T. employee and executive Board member of Local 26 (DDOT Bus Drivers) **Willie Mitchell** addressed the Board regarding the following:

- Claw back questions

President of N.A.S.P. Detroit (National Association of Securities Professionals) **Kathleen Colin** addressed the Board regarding the following:

- Financial Services Pension Conference (June 4-6, 2018) in Houston, Texas.
- Plan Sponsor Advisory Committee
 - Ms. Colin asked the Board of Trustees to consider serving on the Committee.

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Paul Thomas Jarvis – Rec Facilities Oper – General Services
SERVICE CREDIT	21-06
EFFECTIVE DATE	04-13-18

NAME, TITLE, DEPARTMENT	Ike Okonkwo – Sr Ast Chem Eng-WS – Water & Sewerage
SERVICE CREDIT	32-01
EFFECTIVE DATE	10-27-15

NAME, TITLE, DEPARTMENT	Anthony Olglesby – TEO - Transportation
SERVICE CREDIT	26-05
EFFECTIVE DATE	03-10-18

NAME, TITLE, DEPARTMENT	Burt K. Price – Vehicle Operator III - DPW
SERVICE CREDIT	16-11
EFFECTIVE DATE	01-27-18

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Early Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Andrea Callen – Security Officer – Water & Sewerage
SERVICE CREDIT	22-05
EFFECTIVE DATE	03-05-18

NAME, TITLE, DEPARTMENT	Jeffrey R. Scott – TEO - Transportation
SERVICE CREDIT	26-03
EFFECTIVE DATE	12-05-17

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Change of Computation

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Andre Davis – Field Svcs Tech – Water & Sewerage
SERVICE CREDIT	16-08
EFFECTIVE DATE	03-08-18

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Legacy Plan Vested Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Verlon L. Showers – Bldg. Trades Worker General - Transportation
SERVICE CREDIT	10-00
EFFECTIVE DATE	03-01-18

NAME, TITLE, DEPARTMENT	Robert J. Woods – Voucher Audit Clerk - Finance
SERVICE CREDIT	23-06
EFFECTIVE DATE	03-01-18

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

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

NAME, TITLE, DEPARTMENT	Paul Thomas Jarvis – Rec Facilities Oper – General Services
SERVICE CREDIT	03-10
EFFECTIVE DATE	04-13-18

NAME, TITLE, DEPARTMENT	Ike Okonkwo – Sr Ast Chem Eng-WS – Water & Sewerage
SERVICE CREDIT	01-04
EFFECTIVE DATE	10-27-15

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts		HYBLIQRES	
RSCD-General	Start Date:	3/20/2018	
	End Date:	4/2/2018	

Doc. Date	Module	Description	Receipt
3/23/2018	CA	Employee Pension Pre- Tax Contributions 3/23/18	99,230.91
3/23/2018	CA	Employee Annuity After-Tax Contributions 3/23/2018	63,298.31
3/30/2018	CA	Employee Pension Pre- Tax Contributions 3/30/18	243,661.31
3/30/2018	CA	Employee Annuity After-Tax Contributions 3/30/2018	137,389.60
			543,580.13

Cash Receipts		LIQ RESERV	
RSCD-General	Start Date:	3/20/2018	
	End Date:	4/2/2018	

Doc. Date	Module	Description	Receipt
3/21/2018	CA	Loan Program Deduction 3/16/2018 (\$35,843.86)	35,843.86
3/30/2018	CA	Loan Program Deduction 3/30/2018	49,172.88
			85,016.74
Total Receipts			628,596.87

Re: Fees and Expenses

Resolution Moved By: Trustee Sheehan - 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:

Page: 1 of 2

Disbursements

Date: 4/2/2018 12:35 PM

Account	Payment Method	Currency	Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
F ACCT PAY	ACH	US					
			500 WEBWARD LLC	50534	Office Maintenance	244.34	
			500 WEBWARD LLC	859602	Electrical Billing: 2/27/18-3/28/18, Meter #16055044	541.44	
			500 WEBWARD LLC	859603	Electrical Billing: 2/27/18-3/28/18, Meter #16055070	846.78	
			American Realty Advisors (ARA)	6996	Takeover First Mortgage Acquisition Analysis Fee (2nd Half)	41,750.00	
			BlackRock Financial Management, Inc	20171231-511-A	Management Fees 4th Qtr '17	14,326.07	
			BNY Mellon	111-2017-005436	Management Fees - 4th Qtr '16	45,946.09	
			Bridgett Hardy	033118BH	IT Contractual Wages - March 2018	4,744.96	
			CLARK HILL, PLC	758332	Miscellaneous through 12/31/17	342.55	
			CLARK HILL, PLC	758333	Donald v. Watkins Litigation through 12/31/17	399.50	
			CLARK HILL, PLC	758334	Onyx Capital Litigation through 12/31/17	51.00	
			CLARK HILL, PLC	758338	Chapter 9 Compliance & Implementation through 12/31/17	1,554.65	
			CRESTWOOD ASSOCIATES L.L.C.	INV030797	Acumatica Implementation	50.00	
			CRESTWOOD ASSOCIATES L.L.C.	INV030526	Acumatica Implementation	50.00	
			James R. Hollins	033118JH	IT Contractual Wages - March 2018	4,253.38	
			MONDRIAN INVESTMENT PARTNERS	227004	Management Fees 4th Qtr '17	140,874.69	
			PZENA INVESTMENT MANAGEMENT, LLC	18026-2-058	Management Fees 4th Qtr '17	70,489.30	
			Raymond R. Tchou	033118RT	IT Contractual Wages - March 2018	7,351.66	
			Scott D. Vrooman	033118SV	IT Contractual Wages - March 2018	175.50	
			ULTIMATE PARKING MANAGEMENT LLC	163570	Parking - April 2018	2,552.00	
			Venkat Rallapalli / Highbrow Systems, Inc.	033118VR	IT Contractual Wages - March 2018	5,925.18	
			Cash Account/Payment Method Total:			20 Documents	342,469.09
F ACCT PAY	CHECK	US					
			COMCAST	031718	High Speed Internet	177.55	
			CRAIN'S DETROIT BUSINESS	032618	Subscription Renewal for Scott Benson	79.00	
			DEROY & DEVEREAUX	4Q17	Management Fees 4th Qtr '17	25,886.00	
			DIRECTV	33829628197	Service Charges 3/23/18-4/22/18	37.62	
			FEDEX	6-125-51033	FedEx Mailings	23.80	

Re: Fees and Expenses- Continued

F ACCT PAY	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
FEDEX	6-132-04915	FedEx Mailings	49.68		
First CHOICE Coffee Services	540118	Coffee Supplies	208.65		
First CHOICE Coffee Services	542940	Equipment Rental	11.12		
GABRIEL, ROEDER, SMITH & CO	437354	Actuarial Services for March 2018	16,333.00		
MELISSA DATA CORP	3732120	Imaging Software License: 4/6/18-4/5/19	1,442.50		
NEOFUNDS BY NEOPOST	030418	Postage	1,181.79		
QUILL CORPORATION	5292412	Office Supplies	235.54		
QUILL CORPORATION	5364284	Office Supplies	24.99		
QUILL CORPORATION	5364960	Office Supplies	35.49		
QUILL CORPORATION	5436988	Office Supplies	13.24		
RACINE & ASSOCIATES	12257	DGRS v. Gracia 11/1/17-1/31/18	2,086.48		
RACINE & ASSOCIATES	12258	DGRS v. Capazzoli - January 2018	10,551.44		
RACINE & ASSOCIATES	12273	DGRS v. Capazzoli - February 2018	16,385.83		
RACINE & ASSOCIATES	12276	DGRS v. Gracia - February 2018	13,635.88		
RHUMBLINE ADVISERS	g2mdetemp2017Q4	Management Fees 4th Qtr '17	16,170.00		
SHRED-IT USA	8124389756	Shredding Service Charges	48.72		
Cash Account/Payment Method Total:			21 Documents	104,618.32	

* Payment amount is estimated based on the effective date 4/2/2018

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

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. 7354 - \$302,407.86

List No. 7355 - \$49,840.65

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

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Employee Loan Program March 28, 2018

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$10,956.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Employee Loan Program April 04, 2018

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$63,964.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

Re: Minutes/Journal No. 4205 – (03/07/18)

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4205**, held on **March 07, 2018**, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Mclellan, Naglick, Nickleberry, Sheehan and Chairperson Cowan – 6

Nays: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Gail A. Oxendine**, addressed the following with the Board of Trustees:

- Statement of Confidentiality
- Newly elected Trustee Crystal Perkins has been sworn in and will be in attendance today.
- RFP Committee for Media Consultant will meet on **April 18, 2018 at 1:30 p.m.**
- Petition/Request from Sharon Guillory for recount of recent Trustee election.
- New England Pension Consultants have requested to come in and perform a workshop; dates are forthcoming

Motion by: Trustee Nickleberry– Seconded by Trustee Sheehan, motion to **DENY** the request made by Ms. Guillory based on the following: There were no violations of rules, the request was submitted late and there are no other substantial factors that would change the outcome of the vote, therefore a re-count is unnecessary. The motion passed unanimously.

- ***Trustee Crystal Perkins entered the Board Meeting at 10:31 a.m.***
- ***Trustee Wendell Anthony entered the Board Meeting at 10:40 a.m.***

EXECUTIVE DIRECTOR'S REPORT

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

- Introduction of RSCD Employee Joann Harrison
- Gabriel Roeder Smith and Company correspondence
 - Hold off on sending personal statements until the new website goes live.
- Introduction of newly elected Trustee Crystal Perkins

CHIEF INVESTMENT OFFICER'S REPORT

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

- Recap of March 12, 2018 General Investment Committee Meeting with approved actions by an affirmative vote of the Investment Committee:
 - Asset Allocation
 - Termination of Mackay Shields
- Townsend will be scheduled to come in to report on the portfolio in May
- Lou Vogt is working to bring the Gateway group in before the Board of Trustees

Motion by: Trustee Sheehan– Seconded by Trustee Nickleberry, motion to approve “Mix A” as presented by the Board’s Investment Consultant NEPC (New England Pension Consultants). The Motion passed by a unanimous vote.

Motion by: Trustee Sheehan– Seconded by Trustee Naglick, motion to approve the termination of High Yield Bond mandate managed by Mackay Shields; approve the termination of Global Asset Allocation mandate managed by Mellon. The Motion passed by a unanimous vote.

Re: Entering into Closed Session

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

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 with the Board’s special legal counsel Marie Racine regarding the following: Beverly Nicholson-Gracia vs. General Retirement System of the City of Detroit and General Retirement System of the City of Detroit vs. Capozzoli Advisory for Pensions, Inc. et al..

A Roll Call Vote was taken as follows:

Yeas: Anthony, Cetlinski, Mclellan, Naglick, Nickleberry, Perkins, Sheehan
and Chairperson Cowan – 8

Nays: None

The Board entered into **Closed Session** at 11:23 a.m.

Re: Open Session

Motion By: Trustee Sheehan – Supported By: Trustee Anthony

RESOLVED, that the Board come out of Closed Session.

Yeas: Anthony, Cetlinski, Mclellan, Naglick, Nickleberry, Perkins, Sheehan
and Chairperson Cowan – 8

Nays: None

The Board returned to **Open Session** at 12:48 p.m.

Re: Nicholson-Gracia Vs, General Retirement System of The City of Detroit

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

WHEREAS, Special Legal Counsel, Racine and Associates has reported in closed session on the status of the legal proceedings; **AND**

WHEREAS, Special Legal Counsel has requested that the Board authorize Special Legal Counsel to proceed with the litigation strategy as discussed in closed session; **AND**

WHEREAS, The Board has discussed this matter; **THEREFORE BE IT**

RESOLVED, that the Board authorizes Special Legal Counsel to proceed with the litigation strategy as discussed in closed session, and Be It Further.

RESOLVED, that a copy of this resolution be immediately forwarded to Racine & Associates (Attention: Marie T. Racine), 1001 Woodward Avenue, Suite 1100, Detroit, MI 48226.

Yeas: Anthony, Cetlinski, Mclellan, Naglick, Nickleberry, Perkins, Sheehan
and Chairperson Cowan – 8

Nays: None

Re: Capozzoli Advisory for Pensions/ Joe Capozzoli/Workforce Trust

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

WHEREAS, Special Legal Counsel, Racine and Associates has reported in closed session on the status of the legal proceedings; **AND**

WHEREAS, Special Legal Counsel has requested that the Board authorize Special Legal Counsel, after discussion with General Counsel to proceed with the litigation strategy as discussed in closed Session with special limitations on hours; **AND**

WHEREAS, The Board has discussed this matter; **THEREFORE BE IT**

RESOLVED, that the Board authorizes Special Legal Counsel to proceed with the litigation strategy as discussed in closed session, and Be It Further.

RESOLVED, that a copy of this resolution be immediately forwarded to Racine & Associates (Attention: Marie T. Racine), 1001 Woodward Avenue, Suite 1100, Detroit, MI 48226.

Yeas: Anthony, Cetlinski, Mclellan, Naglick, Nickleberry, Perkins, Sheehan
and Chairperson Cowan – 8

Nays: None

Motion by: Trustee Cetlinski– Seconded by Trustee Naglick, motion to contact General Counsel of Police and Fire to move forward with the legal action as discussed in closed session regarding the Carpenters/Book Cadillac litigation. The Motion passed by a unanimous vote.

GENERAL COUNSEL'S REPORT

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

- GRS RP General Corp: 2017 Tax Return
- Testimonial Resolution of Appreciation for Reginald E. O'Neal, DO
- Fort Shelby Residential Project update

Re: GRS RP General Corp.: 2017 Tax Return

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

WHEREAS, the General Retirement System is the sole shareholder of GRS RP General Corp.,

WHEREAS, the Board has been requested to approve the execution of the 2017 U.S. Income Tax return for GRS RP General Corp. by an officer of the Corporation,

WHEREAS, the execution of said document has been recommended by the Board's special legal counsel F. Logan Davidson,

WHEREAS, the execution of said document has been reviewed and approved as to form by the Board's legal counsel and the execution of said document is consistent with prior action of the Board,

RESOLVED, that said document be executed by an appropriate corporate officer on behalf of the corporation.

Yeas: Anthony, Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Nickleberry
and Sheehan – 8

Nays: None

Entry in Minutes

Re: GRS RP General Corp.: 2017 Tax Return

The Board of Trustees has been made aware of the execution of the 2017 U.S. Corporation Income Tax Return for GRS RP General Corp. by an officer of the corporation.

Re: Testimonial Resolution of Appreciation for Reginald E. O'Neal, DO

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

WHEREAS, Reginald E. O'Neal, DO has faithfully served as Medical Director for the General Employees Retirement System of the City of Detroit and the Police and Fire Retirement System of the City of Detroit (the "Retirement Systems") since February of 1991, and

WHEREAS, throughout Dr. O'Neal's 27-plus years of service to the Retirement Systems, Dr. O'Neal has worked diligently to provide through, comprehensive and respectful services as the Retirement Systems' Medical Director, and

WHEREAS, Dr. O'Neal carried out his responsibilities with dedication, sincerity, scholarship, hard work and honor and provided distinguished service to the Board of Trustees and the members and beneficiaries of the Retirement Systems, and

WHEREAS, the Board of Trustees, the members and beneficiaries of the Retirement Systems and the employees and citizenry of the City of Detroit owe a debt of gratitude to Dr. O'Neal for his dedication and services to the Retirement Systems, therefore be it

RESOLVED, that the Boards of Trustees, on behalf of the members and beneficiaries of the Retirement Systems, hereby expresses their gratitude and appreciation to Dr. O'Neal for his honorable and distinguished service to both the General Employees Retirement System and the Police and Fire Retirement System and be it further

RESOLVED, the Boards of Trustees thank you for your expertise in the medical field, as well as your integrity and commitment to serving the Retirement Systems for so many years and be it further

RESOLVED, that the Boards of Trustees, on behalf of all the aforementioned parties, officially wishes Dr. O'Neal well in future endeavors.

Yeas: Anthony, Cetlinski, Cowan, Hall-Wagner, Mclellan, Naglick, Nickleberry
and Sheehan – 8

Nays: None

NEW BUSINESS/OLD BUSINESS

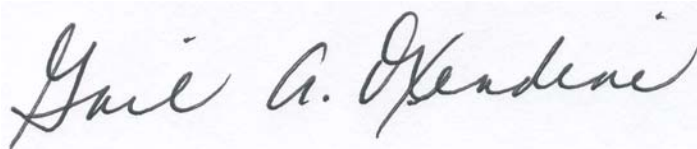
Motion by: Trustee Sheehan– Seconded by Trustee Nickleberry, motion to approve the Financial Services Pension Conference (June 4-6, 2018) in Houston, Texas. The Motion passed by a unanimous vote.

Motion by: Trustee Nickleberry– Seconded by Trustee Anthony, motion to approve Chairperson Cowan’s request to attend the International Foundation of Employee Benefit Plans-CAPPP (Certificate of Achievement in Public Plan Policy) course from June 12-15, 2018. The Motion passed by a unanimous vote.

ADJOURNMENT

There being no further business before the Board, **Chairperson Cowan** adjourned the meeting at 1:03 p.m. The Board’s next meeting is scheduled for **Wednesday, April 18th, 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