



MINUTES
Meeting No. 34
Meeting of the General Retirement System Investment Committee
JULY 16, 2018

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on **Monday, July 16, 2018**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, Michigan. David Sowerby, Chairperson, called the meeting to order at 12:42 p.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Committee's Administrative Support with the following Committee Members present: David Sowerby (Chairperson), Kerrie L. Vanden Bosch (Vice Chairperson), Doris Ewing (Secretary), June Nickleberry, Robert Rietz, Thomas Sheehan, and Kenneth Whipple.

Others Present: David Cetlinski (Executive Director), Ryan Bigelow (Chief Investment Officer), Michael VanOverbeke (General Counsel – VanOverbeke, Michaud and Timmony, P.C.), Gail A. Oxendine (Assistant Executive Director), Kevin Kenneally (Investment Officer) and Kristi Grden (Investment Analyst).

Committee Members excused: None

Staff Excused: None

Visitors Present: John Naglick (Finance Director, General City Trustee)

APPROVAL OF AGENDA

Motion #18-34-01: Robert Rietz moved to approve the agenda dated Monday, July 16, 2018 as prepared by the Committees' Recording Secretary. Thomas Sheehan supported. The motion passed unanimously.

Future Agenda Items/Discussion:

- None

APPROVAL OF MINUTES

Motion #18-34-02: June Nickleberry moved to approve the Minutes of Meeting No. 33, held on Monday, May 14, 2018, subject to changes being made. Doris Ewing supported. The motion passed unanimously.

PRESENTATION:

Gabriel Roeder Smith and Company

Representatives Judith Kermans and Kenneth Alberts discussed the following with the Committee:

- Actuarial Valuation of Component I (Hybrid Plan)
- Actuarial Valuation of Component II (Legacy Plan)

Presentation materials were provided.

Motion #18-34-03: Robert Rietz moved to accept and approve the reports submitted by **Gabriel Roeder Smith and Company**. Thomas Sheehan supported. The motion passed unanimously.

-Concludes presentation-

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, provided the following updates and discussion items for approval:

- Component I & II Annual Actuarial Valuation
- GASB 67/68 Long Term Rate of Return Calculation
- High Yield Bonds
- RFP for Real Estate Consultant

Motion #18-34-04: Kerrie Vanden Bosch moved to negotiate fees with Townsend for the existing scope of work and revisit the idea for a Real Estate Consultant at a later date. Kenneth Whipple supported. The motion passed unanimously.

Motion #18-34-05: Thomas Sheehan moved to approve GASB Long Term Rate Calculation of 7.38% and methodology of calculating rate. Robert Rietz supported. The motion passed unanimously.

-Concludes CIO's report-

PRESENTATION:

New England Pension Consultants

Representatives Kristin Finney and Kevin Leonard discussed the following with the Committee:

- Convertible Bonds
- Diversifying Strategies
- Mondrian Case Study
- Risk Parity
- Performance Update

Presentation materials were provided.

Break was taken at 2:40 p.m.

Committee reconvened at 2:50 p.m.

Motion #18-34-06: Doris Ewing moved to approve the recommendation of Staff and NEPC to hire Advent Capital and SSI Investment Management to manage convertible bond portfolios subject to approval of contract reconstruction. Kerrie Vanden Bosch supported. The motion passed unanimously.

-Concludes presentation-

LEGAL REPORT

General Counsel, Michael VanOverbeke, provided the following informational items:

- Administrative Calendar
- Seventh Semi-Annual Compliance Report
- Carpenter's Litigation (Book Cadillac)

Motion #18-34-07: Kenneth Whipple moved to acknowledge receipt of a draft copy of the Seventh Semi-Annual Compliance Report to the State Treasurer authorizing the Board's Chair to sign them. June Nickleberry supported. The motion passed unanimously.

Entering Into Closed Session

Re: Carpenter’s Litigation (Book Cadillac)

Legal Counsel recommended the Investment Committee give consideration to enter into Closed Session pursuant to Sections 8(e) & (h) of the Open Meetings Act (“OMA”) being MCL 15.261, which is acknowledged by the Investment Committee as confidential and privileged under MCL 38.1140(I).

Motion #18-34-08: Thomas Sheehan moved to enter into Closed Session for the purpose of discussing Book Cadillac Litigation. June Nickleberry supported. The motion passed by a vote as follows:

Yeas: Ewing, Nickleberry, Rietz, Sheehan, Vanden Bosch, Whipple and Chairperson Sowerby - 7

Nays: None

The Committee entered into Closed Session at 3:55 p.m.

Re: Open Session

Motion #18-34-09: Thomas Sheehan moved to come out of Closed Session. June Nickleberry supported. The motion passed by a vote as follows:

Yeas: Ewing, Nickleberry, Rietz, Sheehan, Vanden Bosch, Whipple and Chairperson Sowerby - 7

Nays: None

The Committee returned to Open Session at 4:09 p.m.

Motion # 18-34-10: Thomas Sheehan moved to approve that Legal Counsel proceed with any negotiation or settlement discussions regarding Book Cadillac consistent with the discussion in closed session. June Nickleberry supported. The motion passed unanimously.

-Concludes Legal Counsel Report-

Discussion:

Update – Open Audit Findings

Ramzee Jackson, Chief Accounting Officer and Marlene Beach, UHY provided the following updates and discussion items for approval.

- Audit Findings
- Auditor's Recommendation

Motion #18-34-11:

June Nickleberry moved to approve the update of the Open Audit Findings. Kerrie Vanden Bosch supported. The motion passed unanimously.

-Concludes discussion-

Public/Member Comments

- None

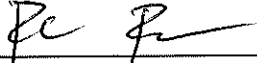
Old Business/New Business

- None

ADJOURNMENT

There being no further business before the Investment Committee, **Chairperson Sowerby** adjourned the meeting at 4:21 p.m. The Investment Committee's next meeting is scheduled for **Monday, September 10, 2018** at 12:00 p.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Administrative Support: JoAnn Harrison