



MINUTES
Meeting No. 015
Meeting of the General Retirement System Investment Committee
APRIL 18, 2016

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on Monday, April 18, 2016, at the Retirement System's office at Ally Detroit Center, 500 Woodward Suite 3000; Detroit, Michigan. Ken Whipple, Chair, called the meeting to order at 12:10 p.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Recording Secretary with the following Committee Members present: Ken Whipple, (*Chair*), David Sowerby, (*Vice Chair*), Doris Ewing (*Secretary*), June Nickleberry, Kerrie L. Vanden Bosch, Robert Rietz and Thomas Sheehan.

Others Present: Cynthia A. Thomas (*Executive Director*), Ryan Bigelow (*Chief Investment Officer*), Michael Krushena (*Investment Officer*), Michael VanOverbeke (*General Counsel – VanOverbeke, Michaud and Timmony, P.C.*). Kristin Finney-Cooke, Kevin Leonard and Kim Kaczor, (*Investment Consultants - NEPC*).

Absent: None

Visitors Present: Ronald L. Rose, Executive Director, State of Michigan Department of Treasury of the Financial Review Commission/City of Detroit.

APPROVAL OF AGENDA

Motion #16-015-01: Thomas Sheehan moved to approve the Agenda as presented. Robert Rietz seconded. Motion passed.

APPROVAL OF MINUTES

Motion #16-015-02: Thomas Sheehan moved to approve the Minutes of Meeting No. 013, held on Monday, February 8, 2016 and Special Meeting No. 014, held on Thursday, March 17, 2016. David Sowerby seconded. Motion passed.

PRESENTATION:

Gabriel Roeder Smith & Company

Representative Ken Alberts and David Kausch appeared before the Investment Committee to give a follow-up on the GASB No. 67 Reports - (Component I & II), GASB No. 68 Employer Reporting Schedules, ending June 30, 2014, and the Retirement Systems' Annuity Savings Fund ("ASF") Recoupment calculations.

Presentation materials were provided.

~Concludes Presentation~

EXECUTIVE DIRECTOR'S REPORT

Re: CEM Benchmarking/McLagan

The Executive Director provided an update on the benchmarking compensation. A draft report of the investment portion will be available in September, and a draft report of the benchmarking study on the executive pay compensation will be provided by April 22nd and forwarded to the Administrative Committee for review.

PRESENTATION:

NEPC

Re: Hedge Fund Structure/4th Qtr. Performance/Funding Policy

Consultants of NEPC, Kristen Finney-Cooke, Kim Kaczor and Kamal Suppal appeared before the Committee, via/Teleconference with Bill Nelson, Director of Asset Allocation, to discuss the Retirement System's existing portfolio structure.

Motion #16-015-03: David Sowerby moved to approve the recommendation to explore the combination of either Option 2 or Option 1 based on staff and consultants with feedback to this Committee. Doris Ewing seconded. Motion passed.

RECESS

The Committee recessed at 3:20 p.m. and reconvened at 3:30 p.m.

NEPC – (Con't)

The Committee was given a copy of Future Contributions assumptions on asset allocation on funding status, fiscal year ending June 30, 2016 – 2023 projections and performances. (Informational purposes)

~Concludes Presentation~

CHIEF INVESTMENT OFFICER'S REPORT

The Chief Investment Officer, Ryan Bigelow, provided a report for actionable items/recommendations for discussion and approval:

Updates

- Private Equity Holdings as of March 31, 2016 (Chart)
- IPS: Changes to include new managers and the MWBE Policy
- Investment News Quarterly (INQ) Volume 1 – Issue 1 (Draft copy)

Motion #16-015-04: Doris Ewing moved to approve the Draft Copy of the Investment Policy Statement for the General Retirement System of the City of Detroit as proposed and amended dated March, 2016, and the attached addendum to the Investment Objectives and Guidelines Minority and Women-Owned Inclusion Policy. David Sowerby seconded. Motion passed.

LEGAL REPORT

General Counsel, Michael VanOverbeke, provided the following informational items for discussion and/or recommendations for approval:

Re: POA Reporting Requirement Update

Motion #16-015-05: Robert Rietz moved to acknowledge receipt of the Interim Confirmation of Pension Certificate and authorize its execution on behalf of the Committee by the Board of Chair. David Sowerby seconded. Motion passed.

Re: Travel Policy

The Committee received a Draft copy of the Due Diligence, Education and Travel Policy to review for approval at a later date.

Re: ASF Recoupment Lump Sum

An update was provided.

Entering Into Closed Session

Re: Westin Book Cadillac/Capozzoli Litigation/Rivers Casino

General Counsel recommended the IC give consideration to entering into closed session pursuant to Sections 8(e) & (h) of the Open Meetings Act for the purpose of discussing potential litigation and further, the closed session will be to discuss financial or proprietary information which has not been publicly disseminated or is unavailable from other sources, the release of which might cause the investment fiduciary significant competitive harm which is acknowledged by the IC as confidential and privileged under MCL 38.1140(l).

Motion #16-015-06: Thomas Sheehan moved to enter into Closed Session for discussion regarding the Book Cadillac/Carpenter's matter, Nicholson-Gracia matter, the Capozzoli litigation as well as an update regarding the Board's investment in the Rivers Casino. David Sowerby seconded.

A Roll Call vote was taken as follows:

Ewing – Yes	Sowerby - Yes
Nickleberry – Yes	Vanden Bosch - Yes
Rietz – Yes	Whipple - Yes
Sheehan - Yes	

Nays: None

The Motion passed.

The Committee entered into Closed Session at 3:20 p.m.

Open Session

Motion #16-015-07: Thomas Sheehan moved to come out of Closed Session. Robert Rietz seconded. Motion passed.

The Committee entered into Open Session at 4:40 p.m.

Motion #16-015-08: Thomas Sheehan moved to acknowledge receipt of the proposal with regards to the Book Cadillac litigation with Carpenters and to approve the proposals subject to a more affinitive agreement as discussed in closed session. Robert Rietz seconded. Motion passed.

FUTURE AGENDA ITEMS/DISCUSSION

- IC's Newsletter
- Joint Investment Committee meeting with PFRS IC – Monday, October 17, 2016, at 12:00 Noon.

PUBLIC/MEMBER COMMENTS

- None

ADJOURNMENT

There being no further business before the IC, **Chairman Whipple** adjourned the meeting at 4:45 p.m. The IC's next meeting is scheduled for **Monday, June 13, 2016**, at 12:00 Noon in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Recording Secretary: Rita Coats