



**MINUTES**  
**Meeting No. 52**  
**Meeting of the General Retirement System Investment Committee**  
**December 14, 2020**

A meeting of the Investment Committee of the General Retirement System of the City of Detroit was held on **Monday, December 14, 2020**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, Michigan. Kenneth Whipple, Chairperson, called the meeting to order at 12:05 p.m. A quorum was present.

**ROLL CALL:**

Attendance was taken by the Committee's Recording Secretary with the following Committee Members present: Anthony Estell (Ionia County, MI), Doris Ewing ((Secretary), Thomas Sheehan (Royal Oak, MI), David Sowerby (Bloomfield Hills, MI), Dion Stevens (Troy, MI) and Kenneth Whipple (Oakland County, MI) (Chairperson).

Staff Present: David Cetlinski (Executive Director), Ryan Bigelow (Chief Investment Officer) and Michael VanOverbeke (General Counsel).

Committee Members Excused: June Nickleberry

Staff Excused: Gail A. Oxendine (Assistant Executive Director)

Visitors Present: None

**APPROVAL OF MINUTES**

**Motion #26-52-01:** Thomas Sheehan moved to approve the Minutes of **Meeting No. 51, held on Monday, October 26, 2020**, as prepared by the Committees' Recording Secretary. David Sowerby supported. The motion passed unanimously.

**APPROVAL OF AGENDA**

**Motion #26-52-02:** Thomas Sheehan moved to approve the agenda dated Monday, December 14, 2020. Doris Ewing supported. The motion passed unanimously

**Presentation/Discussion:**

**Gabriel Roeder Smith & Co.**

Representatives Ken Alberts, David Kausch, and Judith Kermans of Gabriel Roeder Smith and Company discussed the following with the Committee:

### **GASB 67 Reports for Component I & II**

- Component I Hybrid
  - Executive Summary
    - Membership
    - Net Pension Liability
    - Development of the Single Discount Rate
- Component II Hybrid
  - Executive Summary
    - Membership
    - Net Pension Liability
    - Development of the Single Discount Rate

***Presentation materials were provided***

### **Plante Moran**

Representatives Michelle Watterworth and Spencer Tawa Plante Moran discussed the following with the Committee:

- Opinion
- Statement of Changes in Fiduciary Net Position (Income Statement)
- Net Position Trend
- Net Position Liability Trend
- Communication with those charges with Governance
  - Internal control related matters
  - Material weakness
- Significant Deficiencies
- Unrecorded possible adjustments

***Presentation materials were provided***

### **New England Pension Consultants (NEPC)**

Representatives Kevin Leonard, Kristin Finney-Cooke, and Kim Kaczor from the System's Investment Consulting firm, NEPC, discussed the following with the Committee:

### **Asset Liability Study**

- Preliminary Performance Summary
- Component II Key Observations
- Alternative Mixes
- Asset Allocation Profiles

- Allocation and Risk Profiles
- Liquidity Profiles
- Funded Ratio

**Motion #26-52-03:** June Nickleberry moved to approve the request to move to Mix B asset allocation to start the process of liquidating hedge funds. Thomas Sheehan supported. The motion passed unanimously.

- November 2020 Trailing Annual Index Performance
- Watch List

**Motion #26-52-04:** Thomas Sheehan moved to remove Mondrian Small Cap Equity Manager from the Watch List. June Nickleberry supported. The motion passed unanimously.

*Presentation materials were provided*

### **Chief Investment Officer’s Report**

Chief Investment Officer, Ryan Bigelow, had no formal report, but gave an update on the following:

- Fort Shelby Update
- Calendar Update

### **Legal Report**

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

- Anthony Estell Re-Appointment
- Compliance Certification

### **Motion #26-52-05**

#### **Re: Reappointment and Continued Service of Anthony Estell**

Motion By: Doris Ewing – Supported By: David Sowerby

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

**WHEREAS**, pursuant the Combined Plan Document, the Investment Committee shall consist of seven (7) members; five (5) of whom are independent members pursuant to Section 1.20(1) of the Combined Plan Document, and

**WHEREAS**, pursuant to Section 1.21 of the Combined Plan Document “[s]uccessor independent Investment Committee members shall be recommended by a majority of the remaining independent Investment Committee members and shall be confirmed by the Board and the Treasurer of the State of Michigan (‘State Treasurer’), in consultation with the Foundation [for Detroit’s Future] (‘Foundation’), pursuant to such rules and regulations as may be adopted by the Investment Committee (provided that such rules are not inconsistent with the Governance Term Sheet or the Plan of Adjustment)”, and

**WHEREAS**, the term of the Committee Member Anthony Estell, who was appointed to fill the unexpired term of Kerrie Vanden Bosch, is set to expire on December 31, 2020, and

**WHEREAS**, the Investment Committee and the remaining independent Investment Committee members have considered Mr. Estell’s qualifications and continued service to the Investment Committee, therefore be it

**RESOLVED**, that the Investment Committee hereby confirms the recommendation of the remaining independent Investment Committee members that Anthony Estell continue as a successor independent Investment Committee member for a full six-year term, and be it further

**RESOLVED**, that the Investment Committee recommends to the GRSD Board, the State Treasurer and the Foundation for Detroit’s Future that Mr. Estell continue as a successor independent Investment Committee member for a full six-year term, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to the GRSD Board, the State Treasurer and the Foundation requesting confirmation of such reappointment, and be it further

**RESOLVED**, that a copy of this resolution be maintained in the Investment Committee’s and the Retirement System’s records.

Yeas: Doris Ewing, Anthony Estell, David Sowerby, Dion Stevens, and Ken Whipple (Chairperson) - 5

Nays: None

**Re: Annual Certification**

**Motion #26-52-06**

Thomas Sheehan moved to acknowledge receipt of the Annual Confirmation of Pension Certificate Report and authorize Kenneth Whipple, Chairperson to sign the Report on behalf of the Investment Committee. Doris Ewing supported. The motion passed unanimously.

**Motion #26-52-07**

**Re: Review and Approval of the GASB 67 Reports for Component I and II**

Motion By: Thomas Sheehan – Supported By: David Sowerby

**WHEREAS**, the Investment Committee of the General Retirement System of the City of Detroit (“GRSD”) 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 (“GRSD Board”), and

**WHEREAS**, pursuant to Section 15.2 of the Eighth Amended Plan of Adjustment (“Plan of Adjustment”), the Investment Committee shall review and approve, prior to final issuance, all financial reports prepared on behalf of the Retirement System, and

**WHEREAS**, pursuant to Exhibit I.A. 332 of the Plan of Adjustment, in accordance with MCL Section 38.1133g(3)(f), the Investment Committee is further required to review and approve, prior to final issuance, “the annual audit and all financial reports prepared on behalf of the GRSD,” and

**WHEREAS**, the Investment Committee is in receipt of the Government Accounting Standards Board (“GASB”) Statement Nos. 67 and 68 Accounting and Financial Reporting for Pension Plans of Component I (dated November 23, 2020) and Component II (dated November 18, 2020) of the General Retirement System of the City of Detroit for the fiscal year ending June 30, 2019 as prepared by the GRSD actuary, Gabriel Roeder Smith & Co. (collectively, the “GASB 67 & 68 Financial Reports”), and

**WHEREAS**, the Investment Committee has previously received and reviewed the GASB 67 & 68 Financial Reports, and has reviewed them with the actuary, therefore be it

**RESOLVED**, that the Investment Committee hereby approve the GASB 67 & 68 Financial Reports, and be it further

**RESOLVED**, the Investment Committee further recommends that the GASB 67 & 68 Financial Reports be finalized and issued with a copy provided to (a) the GRSD Board of Trustees; (b) the GRSD Actuary, Gabriel Roeder; (c) the GRSD Auditor, Plante Moran; and (d) appropriate city and state representatives in accordance with the Plan of Adjustment and corresponding documents, and be it further

**RESOLVED**, that a copy of this resolution be maintained in the Retirement System records.

Minutes – GRS IC Mtg.  
Meeting No. 052  
December 14, 2020

Yeas: Doris Ewing, Anthony Estell, June Nickleberry, Thomas Sheehan, David Sowerby, Dion Stevens, and Ken Whipple (Chairperson) – 7

Nays: None

**Motion #26-52-08**

**RE: Review and Approval of the GRSD Annual Audit of Component I and II**

Motion By: Thomas Sheehan – Supported By: David Sowerby

**WHEREAS**, the Investment Committee of the General Retirement System of the City of Detroit (“GRSD”) 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 of the City of Detroit (“GRSD Board”), and

**WHEREAS**, pursuant to Section 15.2 of the Eighth Amended Plan of Adjustment (“Plan of Adjustment”), the Investment Committee shall review and approve, prior to final issuance, all annual audits and actuarial and financial reports prepared on behalf of the Retirement System, and

**WHEREAS**, pursuant to Exhibit I.A. 332 of the Plan of Adjustment, and in accordance with MCL Section 38.1133g(3)(f), the Investment Committee is further required to review and approve, prior to final issuance, “the annual audit and all financial reports prepared on behalf of the GRSD,” and

**WHEREAS**, the Investment Committee is in receipt of: (a) the Independent Auditor’s Report for the year ended June 30, 2020 titled “Combined Plan for the General Retirement System of the City of Detroit Financial Report with Supplemental Information” dated December 7, 2020 which contains an “unqualified opinion letter”; and, (b) an Audit Presentation Booklet, both as prepared by its auditor, Plante Moran, PLLC, (collectively the “GRSD Annual Audit”), and

**WHEREAS**, the Investment Committee has previously received and reviewed the GRSD Annual Audit and received a presentation on the audit from appropriate representatives from Plante Moran, therefore be it

**RESOLVED**, that the Investment Committee hereby approves the GRSD Annual Audit of the General Retirement System of the City of Detroit for the fiscal year ending June 30, 2020, and be it further

**RESOLVED**, the Investment Committee recommends that the GRSD Annual Audit be finalized and issued with a copy forwarded to (a) the GRSD Board of Trustees, (b) the Foundation for Detroit’s Future and (c) such other appropriate City and

state representatives in accordance with the Plan of Adjustment and corresponding documents, and be it further

**RESOLVED**, that a copy of this resolution be maintained in the Retirement System records.

Yeas: Doris Ewing, Anthony Estell, June Nickleberry, Thomas Sheehan, David Sowerby, Dion Stevens, and Ken Whipple (Chairperson) – 7

Nays: None

**Motion #26-52-09**

**Re: 2021 Meeting Schedule**

Thomas Sheehan moved to approve the 2021 Proposed Meeting Schedule. Doris Ewing supported. The motion passed unanimously.

**General Retirement  
System Investment  
Committee**

**Proposed Meeting Schedule – 2021**

February 8, 2021	12:00 p.m.
April 19, 2021	12:00 p.m.
June 7, 2021	12:00 p.m.
August 16, 2021	12:00 p.m.
October 25, 2021	12:00 p.m.
December 6, 2021	12:00 p.m.

NOTE: All meetings will be held at Ally Detroit Center, 500 Woodward Ave., Suite 3000, Detroit, MI 48226 unless otherwise agreed to and decided upon by the Investment Committee prior to meeting.

**Future Agenda Items/Discussion**

- None

**Investment Committee Comments**

- None

**Public/Member Comments**

- None

**Old Business/New Business**

- None

***Kenneth Whipple moved to adjourn meeting #52.***

**ADJOURNMENT**

There being no further business before the Investment Committee, **Chairperson Whipple** adjourned the meeting at 2:25 p.m. The Investment Committee's next meeting is scheduled for **Monday, February 8, 2021** 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

Recording Secretary: Marcella Brewer