

MEETING NO. **3828**  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
HELD WEDNESDAY, **JANUARY 6, 2010**  
9:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226

PRESENT

Wendell Anthony	Trustee
Alvin Brooks	Trustee
David Clark	Trustee
Cedric Cook	Trustee
Susan Glaser	Trustee
Saunteel Jenkins	Ex-Officio Trustee & Council Member
Cheryl R. Johnson	Ex-Officio Trustee & Treasurer
Sheila Kneeshaw	Trustee & Chairperson
Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Rita Coats	Recording Secretary (GRS)

EXCUSED

None

ABSENT

Ronald Gracia	Trustee & Vice-Chairman
Richard Huddleston	Investment Analyst

CHAIRPERSON

*Sheila Kneeshaw*

ROLL CALL WAS TAKEN AT **9:30 A.M.** AND CHAIRPERSON S. KNEESHAW CALLED THE MEETING TO ORDER.

**❖ THE BOARD OF TRUSTEES WELCOMED NEW MEMBER, EX-OFFICIO TRUSTEE & CITY COUNCIL MEMBER SAUNTEEL JENKINS TO THE GENERAL RETIREMENT SYSTEM'S PENSION BOARD**

SERVICE RETIREMENTS

BY TRUSTEE GLASER – SUPPORTED BY TRUSTEE JOHNSON

RESOLVED, that the **SERVICE RETIREMENT** applications which are outlined below be hereby APPROVED:

YEAS: TRUSTEES BROOKS, CLARK, COOK, GLASER, JOHNSON  
AND CHAIRPERSON S. KNEESHAW - 6

NAYS: NONE

**SERVICE RETIREMENTS**

NAME, TITLE, DEPARTMENT	William S. Brown – Plant Maint. Foreman – Water & Sewerage
SERVICE CREDIT	32-04
EFFECTIVE DATE	11-17-09
NAME, TITLE, DEPARTMENT	Leonard K. Godbee – Building Attendant A - Sewerage
SERVICE CREDIT	11-03
EFFECTIVE DATE	10-20-09
NAME, TITLE, DEPARTMENT	Matthew L. Haniak – Sr. Building Attendant – General Services
SERVICE CREDIT	31-01
EFFECTIVE DATE	12-11-09
NAME, TITLE, DEPARTMENT	Debra A. Jones – Emergency Service Operator – Police (Civilian)
SERVICE CREDIT	38-02
EFFECTIVE DATE	12-09-09

**SERVICE RETIREMENTS - Continued**

NAME, TITLE, DEPARTMENT Edward Kennedy – Senior Tree Artisan –  
General Services  
SERVICE CREDIT 37-06  
EFFECTIVE DATE 11-13-09

NAME, TITLE, DEPARTMENT Mitchell R. Moss – Sr. Auto Repair  
Foreman – General Services  
SERVICE CREDIT 33-11  
EFFECTIVE DATE 12-05-09

NAME, TITLE, DEPARTMENT Nancy Skowronski – Library Director &  
Chief Operating Officer  
SERVICE CREDIT 22-03  
EFFECTIVE DATE 11-17-09

**CONFIRMATIONS**

BY: TRUSTEE CLARK – SUPPORTED BY TRUSTEE GLASER

RESOLVED, that the receipts and disbursements which are referenced below be CONFIRMED:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
LIST OF RECEIPTS & DISBURSEMENTS			
FOR THE PERIOD 01/04/10 THRU 01/08/10			
REMITTOR / PAYEE NAME	DATE REC'D	DESCRIPTION	AMOUNT
<b>RECEIPTS</b>			
Behringer Harvard REIT, Inc.	01/07/10	Distribution- 12/09	\$ 28,677.25
Capital Point Partners, LP	01/08/10	Distribution	159,785.16
DOT	01/05/10	Pension Contribution	1,718,730.92
General Fund	01/07/10	Pension Contribution	4,190,173.43
Hines REIT	01/06/10	Distribution- 4th Quarter 2009	160,466.40
MMA Realty Capital, LLC	01/04/10	Russell 150 Extension Fee- 01/10	41,666.67
Sewerage	01/06/10	Pension Contribution	706,585.96
The City of Detroit	01/08/10	Annuity Contribution	267,347.58
The Police & Fire Retirement System	01/08/10	Reimbursement for Staff Wages- 12/09	16,360.98
The Police & Fire Retirement System	01/08/10	Reimbursement for White & Synergy (7850 E. Jefferson)	14,656.00
Water	01/06/10	Pension Contribution	1,057,803.22
		<b>TOTAL RECEIPTS</b>	<b>\$ 8,362,253.57</b>
<b>DISBURSEMENTS</b>			
ADP, Inc.	01/06/10	Fees	\$ (108.49)
BlackEagle Partners Fund, LP	01/06/10	Draw #9	(866,967.00)
Court Square Capital Partners, LP	01/05/10	Fee- 1st Half 2010	(13,279.00)
Detroit Gateway Park Outlet Mall, LLC	01/07/10	Draw #7	(348,340.66)
First Independence Bank	01/04/10	Pension Payroll (Checks)- 12/09	(2,726,194.37)
Great West	01/05/10	DC Plan Rollovers	(432,441.68)
Jefferson Union Solar Project (Churchill)	01/06/10	Draw #3 (1 of 2)	(35,196.28)
Jefferson Union Solar Project (Churchill)	01/06/10	Draw #3 (2 of 2)	(282,371.33)
Petty Cash	01/07/10	Replenishment	(2,936.68)
Programmers	01/07/10	Fees- 12/09	(86,549.79)
Syndicated Communications Venture Partners V, LP	01/04/10	Draw #43	(168,559.00)
Westbrook General Partners	01/08/10	Fee- 4th Quarter 2009	(718.00)
Wind Point Partners V, LP	01/05/10	Draw #23	(271,612.00)
		<b>TOTAL DISBURSEMENTS</b>	<b>\$ (5,235,274.28)</b>

YEAS: TRUSTEES BROOKS, CLARK, COOK, GLASER, JOHNSON  
AND CHAIRPERSON S. KNEESHAW – 6

NAYS: NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS  
(NONE TO REPORT)

**RE: General Retirement System  
of the City of Detroit  
Minutes/Journal No. 3819**

By Trustee Glaser – Supported by Trustee Clark

**RESOLVED**, that the General Retirement System of the City of Detroit Minutes/Journal No. 3819 of the Board Meeting held on Wednesday, November 4, 2009, be hereby **APPROVED**, as recorded and submitted.

Yeas: Trustees Brooks, Clark, Cook, Glaser, Johnson  
and Chairperson S. Kneeshaw - 6

Nays: None

**RE: General Retirement System  
of the City of Detroit  
Minutes/Journal No. 3822**

By Trustee Glaser – Supported by Trustee Clark

**RESOLVED**, that the General Retirement System of the City of Detroit Minutes/Journal No. 3822 of the Board Meeting held on Wednesday, November 24, 2009, be hereby **APPROVED**, as recorded and submitted.

Yeas: Trustees Brooks, Clark, Cook, Glaser, Johnson  
and Chairperson S. Kneeshaw - 6

Nays: None

**ASSISTANT EXECUTIVE SECRETARY'S REPORT**

RE: CAPITAL CALLS

BY TRUSTEE JOHNSON – SUPPORTED BY TRUSTEE BROOKS

Whereas, the Board has been presented with the capital calls which are referenced at the end of these proceedings, and

Whereas, the Board has been requested to approve funding of said capital calls; therefore be it

Resolved, that subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves funding of said capital calls.

Yeas: Trustees Brooks, Clark, Cook, Glaser, Johnson  
and Chairperson S. Kneeshaw - 6

Nays: None

RE: DISBURSEMENTS - BILLING PAYMENT REQUESTS

BY TRUSTEE GLASER – SUPPORTED BY TRUSTEE COOK

WHEREAS, the Board has been presented with the fees and expenses which are referenced below requesting payment for services rendered, and

WHEREAS, the Board is satisfied that the services that were requested by the Board were provided to the Board; therefore be it

RESOLVED, that subject to approval by legal counsel and subject to staff audit, the Board approves payments of said fees and expenses:

**MANAGEMENT FEES: Audited Fees**

**NEPC - DC Plan 12/31/09 Management Fee 4th Quarter 2009 10,081.36**

**NEPC-Defined Benefit 12/31/09 Management Fee 4th Quarter 2009 43,750.00**

**LEGAL FEES:**

**Stout Risius Ross 11/12/09 Tradewinds Legal Fees 25,253.82**

**Lawrence Walker 01/04/10 General Services Legal Fees-December 2009  
5,079.06**

**OTHER EXPENSES: Audited Fees**

**ADP 12/18/09 Advice of Debit Period 12/31/09 54.24**

**ADP 12/18/09 Payroll Period 12/08/09 115.00**

**Aspen Publishers 12/21/09 Pension Answer Book 167.50**

**Fed Ex 12/09/09 Postage 19.38**

**Forms Trac 12/18/09 Envelopes 107.58**

**Harland 12/14/09 Office Supplies 1,396.00**

**IKON 12/13/09 Copiers Maintenance Contract 343.54**

**Milestone 01/15/10 Taxes Jefferson Avenue Corp 1,441.11**

**Neopost 11/22/09 Postage meter supplies 1,156.17**

**Programmers Salaries 12/31/09 December-09 86,549.80**

**Total Invoice Disbursements for Board Approval \$ 175,514.56**

Yeas: Trustees Brooks, Clark, Cook, Glaser, Johnson  
and Chairperson S. Kneeshaw - 6

Nays: None

**Re: Annuity Loan Program**

Mr. Dennis Linet appeared before the Board to give an update status on the Annuity Loan Program. The program is ready to start on January 11, 2010. All non-union employees and members of unions that formally adopted the provisions of the loan program and provided the General Retirement System and Labor Relations with written documentation are eligible for this program.

Beginning January 11, 2010, applications for the loans will be available at Pension, Room 908, Coleman A. Young Municipal Center; Detroit, Michigan, and on our website at [www.rscd.org](http://www.rscd.org), or at any branch of First Independence Bank. First Independence Bank and the Retirement System are working out internal procedures and mechanisms as error free as possible for the program to launch.

For questions on completing the application forms, please call First Independence Bank at (313) 256-8400.

1. Mr. Stampor drafted a letter for the Board's review in announcing the Annuity Loan Program, and provided a copy to Ms. Anita Cheetum, of Human Resources.

❖ Trustee **Johnson** stepped away from the meeting at 9:30 a.m.

**Re: Insight Technology Capital Partners, LP**

The Board of Trustees received a copy of a letter from Insight Technology, dated December 23, 2009, in regard to the Funds administrators that have allocated the GRS fund in one of the fund's investments, causing an over-allocation of \$25,000.00. Insight is asking the Board on whether to keep the excess or allow the Fund's General Partner to purchase it or allocate it to other Fund investors.

- **DIRECTION OF THE CHAIR:** It is requested by the Chair that the Board's Investment Analyst, Richard Huddleston, review, evaluate, and make a recommendation to the Board.

**Re: The Townsend Group**

The Board of Trustees received a copy of a Memo from Townsend, dated December 29, 2009, in regard to J.P. Morgan receiving notice requesting a prohibited transaction exemption under ERISA, (Employee Retirement Income Security Act).

**LEGAL COUNSEL'S REPORT**

Legal Counsel, in addition to matters referred to separately in these minutes, reported regarding the status of the items reflected below and on the following pages:

**Re: Deljeana Barber – Pension No. 178774**  
**Change in Option Beneficiary**

**By Trustee Glaser – Supported by Trustee Cook**

**WHEREAS**, Deljeana Barber retired effective March 21, 2003, with an Option B, Joint and 25% Survivorship, naming her brother, Kevin E. Ollison as Option Beneficiary, and

**WHEREAS**, per, letter dated November 4, 2009, (received by the Retirement System on November 19, 2009), Ms. Barber requests to change her Option Beneficiary, and

**WHEREAS**, the Board lacks no authority to grant her request and to do so would violate the Retirement System's provisions, therefore be it

**RESOLVED**, that Ms. Barber's request to change her Option Beneficiary is ***DENIED***, and further

**RESOLVED**, that a copy of this resolution be forwarded to Deljeana Barber.

Yeas: Trustees Brooks, Clark, Cook, Glaser and Chairperson S. Kneeshaw - 5

None: None

**Re: Inheritance – Robert Shumake**

The Board of Trustees received a copy of the Consent Judgment dated August 19, 2009, and Notice of Judgment Lien, dated October 30, 2009, as to Robert Shumake. **Board: Schedule an appointment to have Mr. Shumake come in regarding allegations against the company, and provide the Board with a copy of the company's Due Diligence report.**

***Entry in Minutes:***

**Re: PFRS, et al v. Donald V. Watkins, et al**

The Board of Trustees received a copy of Defendants/Third-Party Plaintiffs Donald V. Watkins and Watkins Aviations, LLC's Responses to Police and Fire Retirement System of the City of Detroit's First Set of Discovery Requests, dated December 28, 2009.

- ❖ Trustee **Anthony** joined the meeting at 9:50 a.m.
- ❖ Trustee **Cook** stepped away from the meeting at 9:51 a.m. and rejoined the meeting at 9:56 a.m.

**Re: Rivers Casino**

The Board of Trustees received a copy of the Investors' packet of their annual meeting and Unaudited Financial Statements of Holding Gaming Borrower, LP, for review. **Adrian Anderson: Their payments are all current and the Due Diligence report is forthcoming.**

- ❖ The Board recessed for a break period at 10:00 a.m. and returned back on the record at 10:20 a.m.
- ❖ Trustee **Johnson** rejoined the meeting during the break period at 10:07 a.m.

**Re: FREEP.com Articles**

The Board received a copy of an article entitled, "Did Detroit pension properly vet businessman Robert Shumake," dated, December 31, 2009, and "Feds probe Detroit's pensions," dated January 4, 2010, for review.

**PRESENTOR:**

**Re: Don Wagner (GVC)**

CLOSED SESSION

By Trustee Anthony – Supported by Trustee Glaser

RESOLVED, that the Board enter into **Closed Session** for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows: Trustees Anthony - Y, Brooks - Y, Clark - Y, Cook - Y, Glaser - Y, Johnson – Y and Chairperson S. Kneeshaw – Y = 7.

Nays: None

The Board entered into **Closed Session** at 10:25 a.m.

OPEN SESSION

By Trustee Anthony – Supported by Trustee Cook

RESOLVED, that the Board return to **Open Session**:

A Roll Call Vote Was Taken As Follows: Trustees Anthony - Y, Brooks - Y, Clark - Y, Cook - Y, Glaser - Y, Johnson - Y and Chairperson S. Kneeshaw – Y = 7.

Nays: None

The Board returned to **Open Session** at 11:00 a.m.

Re: GVC NETWORKS, INC.  
WINSTAR COMMUNICATIONS, LLC  
WINSTAR GOVERNMENT SOLUTIONS, LLC  
\$10,000,000.00 (“ORIGINAL INVESTMENT”)

By Trustee Anthony - Supported by Trustee Glaser

**WHEREAS**, the General Retirement System of the City of Detroit (“GRS”) has made the above-referenced Original Investment, and

**WHEREAS**, said Investment is in default, and

**WHEREAS**, GRS has engaged the services of Donald A. Wagner of Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. as the Board’s Special Legal Counsel (“Special Legal Counsel”) to pursue all legal remedies on behalf of the Board to maximize recovery and minimize loss with respect to the Original Investment, and

**WHEREAS**, the collateral included in this Original Investment included certain Competitive Local Exchange Carrier (“CLEC”) licenses which licenses allow telecommunications businesses to provide services including local, long distance and wireless communications (“Licenses”), and

**WHEREAS**, GRS has previously been advised it has received the assistance of Scott Birdwell, and various entities in which he owns an interest (collectively the “Potential Joint Venture Participant”), and

**WHEREAS**, the Potential Joint Venture Participant has expressed an interest in creating an entity to be owned by the GRS, Police and Fire Retirement System of the City of Detroit, and Potential Joint Venture Participant to acquire the Licenses, and

Re: GVC NETWORKS, INC.  
WINSTAR COMMUNICATIONS, LLC  
WINSTAR GOVERNMENT SOLUTIONS, LLC  
\$10,000,000.00 (“ORIGINAL INVESTMENT”) – (Continued)

**WHEREAS**, GRS has previously approved and executed Articles of Incorporation, SS-4 Form, By-Laws and Stock Certificate(s) for the formation of Michigan corporations respectively known as Winstar-RSCD, Inc. (“Newco”) and Winstar-RSCD Holding, Inc. (“Holding Co.”) (“collectively the “Joint Venture Entities”), and

**WHEREAS**, GRS has been advised by Special Counsel that the Licenses have been acquired by Newco, and

**WHEREAS**, GRS has previously approved the engagement by Special Counsel of Franklin Advisors as Due Diligence Advisor with respect to the potential Joint Venture Participant and Joint Venture Entities, and

**WHEREAS**, the GRS has been advised by the Due Diligence Advisor in accordance with Phase 1, Phase 2 and Phase 3 that it recommends pursuing, together with Special Counsel, final projections, structure, required capital investment (anticipated to be approximately \$1,500,000.00) and other business, financial, due diligence and legal matters in connection with the acquisition by the Joint Venture Participant, directly and/or indirectly, of 50% of the stock Holding Co. (“Phase 4”), and

**WHEREAS**, in connection with Phase 4, GRS has been requested to approve for the Due Diligence Advisor an hourly rate of \$300.00 per hour, with a 20% discount, and an approximate estimated cost of \$15,000.00 (47,500.00 for GRS); THEREFORE BE IT

Re: GVC NETWORKS, INC.  
WINSTAR COMMUNICATIONS, LLC  
WINSTAR GOVERNMENT SOLUTIONS, LLC  
\$10,000,000.00 (“ORIGINAL INVESTMENT”) – (Continued)

**RESOLVED**, that the Board approves Phase 4 for the Due Diligence Advisor and the payment of one-half of the Due Diligence Advisor Fee in the approximate estimated amount of \$7,500.00, and be it further

**RESOLVED**, that Special Counsel and the Due Diligence Advisor are authorized to proceed with Phase 4 and present their recommendations in final form to GRS.

Yeas: Trustees Anthony, Clark, Cook, Glaser, Johnson  
and Chairperson S. Kneeshaw – 6

Nays: Trustee Brooks - 1

Re: GVC

By Trustee Anthony – Supported by Trustee Glaser

**WHEREAS**, Special Legal Counsel has informed the Board of Trustees that his office has received approximately \$131,520.00 from the GVC bankruptcy trustee relative to the sale of personalty of GVC by the bankruptcy trustee which amounts are to be paid pro rata to the General Retirement System and the Police and Fire Retirement System, THEREFORE BE IT

**RESOLVED**, that Special Legal Counsel forward the amounts to which the General Retirement System is entitled to the General Retirement System, and further be it

**RESOLVED**, that a copy of this resolution be forwarded to Special Legal Counsel, Don Wagner and the Retirement System accounting staff.

Yeas: Trustees Anthony, Brooks, Clark, Cook, Glaser, Johnson,  
and Chairperson S. Kneeshaw – 7

Nays: None

**NEW BUSINESS (OPEN DISCUSSION)**

➡ Licenses (Requirement)

- a. Must be current
- b. Proof of credentials
- c. Reviewing of contracts
- d. Insurance updated
- e. Due Process will be reviewed with NEPC and the Board

**DIRECTION OF THE CHAIR:** It is requested by the Chair that Legal Counsel Ronald Zajac draft a letter on improvements on credentials for the Board to review. Also, the Executive Secretary must provide the Board with a full copy of all contracts.

➡ Involvement with FRANCO

- a. Make sure all Trustees are included on their e-mailing list

➡ Travel

- a. Joann Harrison must not process any travel until \$5,000.00 is paid regarding Trustee Ronald Gracia

➡ Staff

- a. Provide the Board with a written copy of each staff's job duties. **(Due February 10, 2010 – Work Chart)**

➡ Pension Perspective

- a. Default/Annuity comes out
- b. Penalties issued
- c. Paying higher rates (IRS)

❖ The Board recessed for a Lunch break at 12:20 p.m. and returned back on the record at 1:05 p.m.

❖ Trustee **Cook** rejoined the meeting from lunch at 1:15 p.m.

**Re: Plante Moran**

The Board of Trustees was provided with a financial audit of the city's General Retirement System for the year ending June 30, 2009, for review and discussion. **Audit: Electronic Transfers (Modify the wording).**

Accounting Staff

1. Improve deficiencies;
2. Walt: Submit a quarterly report;
3. Marilyn & Walt: Brainstorm and browse through the report & prepare recommendations as to the changes;
4. Create alternative investments;
5. Re-evaluate;
6. Job specification of Marilyn's duties;
7. Familiarize yourself with GAAP;
8. Overpayments in benefits and clarify what benefits.

❖ *Trustee **Saunteel Jenkins** was sworn in, and is now officially a Trustee of the General Retirement System.*

**Re: Legal Counsel Ronald Zajac**

Attorney Zajac has been with the Board since 1982 and serves the Director of the Board, and Special Counsel does the litigation.

**Re: MMA Group Trust Advisory Committee Meeting (Seminole) Conference**

**By Trustee Anthony – Supported by Trustee Glaser**

**RESOLVED**, that the Board APPROVES the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and Legal Counsel at the above conference, on January 28 – 29, 2010, in Clearwater, Florida, THEREFORE BE IT

**RESOLVED**, that the Board approve expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary and Legal Counsel to attend said Conference.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Jenkins, Johnson and Chairperson S. Kneeshaw – 8

Nays: None

**Re: NASP - 2010 Annual Conference**

**By Trustee Glaser – Supported by Trustee Anthony**

**RESOLVED**, that the Board APPROVES the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and Legal Counsel at the above conference, held on June 16-18, 2010, in Chicago, Illinois, THEREFORE BE IT

**RESOLVED**, that the Board approve expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary and Legal Counsel to attend said Conference.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Jenkins,  
Johnson and Chairperson S. Kneeshaw – 8

Nays: None

**ADJOURNMENT**

There being no further business to come before the Board of Trustees, the General Retirement System Board meeting hereby adjourned at 2:30 p.m. until Wednesday, **January 13, 2010**, at 9:00 a.m. in the Retirement Systems Conference Room, 910 Coleman A. Young Municipal Center, Detroit, Michigan 48226.

Respectfully submitted,



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Myron T. Terrell  
Assistant Executive Secretary