

MEETING NO. **3829**
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
HELD WEDNESDAY, **JANUARY 13, 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 & City Council Member
Cheryl R. Johnson	Ex-Officio Trustee & City Council Member
Sheila Kneeshaw	Trustee & Chairperson
Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst
Rita Coats	Recording Secretary (GRS)

EXCUSED

None

ABSENT

Ronald Gracia	Trustee & Vice-Chairman
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CHAIRPERSON

SHEILA KNEESHAW

Roll Call was taken at **9:30 a.m.** and Chairperson S. Kneeshaw called the meeting to order.

Re: SERVICE RETIREMENT

By Trustee Clark – Supported by Trustee Glaser

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

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw – 7

NAYS: None

SERVICE RETIREMENTS

NAME, TITLE, DEPARTMENT	Anthony Adalakun – Sr Asst Elect Eng-DE – Public Lighting
SERVICE CREDIT	10-01
EFFECTIVE DATE	12-04-09

NAME, TITLE, DEPARTMENT	Stamina A. Brooks – Manager I - Transportation
SERVICE CREDIT	33-04
EFFECTIVE DATE	12-01-09

NAME, TITLE, DEPARTMENT	Laferald Brown – Sr Asst Chem Eng-IW – Water & Sewerage
SERVICE CREDIT	17-01
EFFECTIVE DATE	12-15-09

NAME, TITLE, DEPARTMENT	Michael Christian – Dept Info Tech Network Specialist – Water & Sewerage
SERVICE CREDIT	33-03
EFFECTIVE DATE	11-18-09

SERVICE RETIREMENTS – (Continued)

NAME, TITLE, DEPARTMENT

Barbara Curl – Senior Clerk - Water &
Sewerage

SERVICE CREDIT

15-08

EFFECTIVE DATE

12-03-09

NAME, TITLE, DEPARTMENT

Willie Evans – Vehicle Operator I – Water &
Sewerage

SERVICE CREDIT

23-02

EFFECTIVE DATE

11-25-09

NAME, TITLE, DEPARTMENT

Samuel Geevarghese – Electrical Engineer-
Power Prod – Public Lighting

SERVICE CREDIT

21-06

EFFECTIVE DATE

11-16-09

NAME, TITLE, DEPARTMENT

Jesse W. Greer – Head Power Plant
Operator – Public Lighting

SERVICE CREDIT

31-11

EFFECTIVE DATE

12-14-09

NAME, TITLE, DEPARTMENT

Rose Harris – Prin Dev Specialist – Planning
& Development

SERVICE CREDIT

30-02

EFFECTIVE DATE

11-25-09

NAME, TITLE, DEPARTMENT

Embenga Louya – Sr Traffic Planner - DPW

SERVICE CREDIT

30-0

EFFECTIVE DATE

11-17-09

NAME, TITLE, DEPARTMENT

Herman D. McCord – Manager I - Finance

SERVICE CREDIT

31-03

EFFECTIVE DATE

11-20-09

NAME, TITLE, DEPARTMENT

Innocent C. Opara – Senior Accountant -
Finance

SERVICE CREDIT

08-07

EFFECTIVE DATE

12-03-09

SERVICE RETIREMENTS – (Continued)

NAME, TITLE, DEPARTMENT	Ronald Patrick – Sr Civic Ctr Event Coordinator – Civic Center
SERVICE CREDIT	32-01
EFFECTIVE DATE	11-17-09
NAME, TITLE, DEPARTMENT	Kevin J. Quiggle – General Manager – Water & Sewerage
SERVICE CREDIT	29-07
EFFECTIVE DATE	11-23-09
NAME, TITLE, DEPARTMENT	Janice P. Samuel – Data Proc Prog Aid – Human Resources
SERVICE CREDIT	35-0
EFFECTIVE DATE	12-01-09
NAME, TITLE, DEPARTMENT	Don Scott – Civic Center Facilities Worker – Civic Center
SERVICE CREDIT	14-06
EFFECTIVE DATE	11-21-09

Re: CHANGE OF OPTION

By Trustee Clark – Supported by Trustee Glaser

RESOLVED, that the **CHANGE OF OPTION** application which is outlined below be hereby APPROVED:

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw – 7

NAYS: None

CHANGE OF OPTION

NAME, TITLE, DEPARTMENT	William Steiner – Forensic Chemist – Police (Civilian)
SERVICE CREDIT	31-01
EFFECTIVE DATE	10-06-09
FROM:	Straight Life
TO:	Option One

CONFIRMATIONS

By Trustee Cook – Supported by Trustee Clark

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
RECEIPTS			
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
		TOTAL RECEIPTS	\$ 8,362,253.57
DISBURSEMENTS			
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)
		TOTAL DISBURSEMENTS	\$ (5,235,274.28)

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw – 7

NAYS: None

REFUNDS OF ACCUMULATED CONTRIBUTIONS
LIST NO. 6939 – AMOUNT: \$5,935,550.35

By Trustee Cook – Supported by Trustee Clark

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on List No. 6916 in the amount of **\$5,935,550.35**, including interest, be REFUNDED, pending audit by the Retirement Systems' Accounting Staff as reflected.

Yeas: Trustee Brooks, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw - 7

Nays: None

ASSISTANT EXECUTIVE SECRETARY'S REPORT

Re: Disbursements

By Trustee Clark – 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

Alpha 01/06/10 Management Fees 4th Qtr 2009 15,616.00

Banyan Reality Advisors 01/12/10 Advisory Bill 4th Qtr Fees 13,988.78

Capozzoli 01/13/10 Asset Management and Mortgage Servicing Fees for Jan 2010 76,439.00

LEGAL FEES:

F. Logan 01/11/10 Legal services - Asian Village 9,971.05

F. Logan 01/11/10 Legal services - Kona & Oasis Project 4,478.75

F. Logan 01/11/10 Legal services - Onyx Capital 436.25

F. Logan 01/11/10 Legal services - Rose Moving vs Fort Shelby Hotel 4,437.20

Re: Disbursements – (continued)

OTHER EXPENSES: Audited Fees
ADP 12/25/09 Processing Charges 121.67
ADP 01/08/10 Processing Charges 11,021.56
ADP 01/01/10 Processing Charges 112.48
FormsTrac 12/23/09 1099 R Tax Forms 257.89
FormsTrac 12/29/09 Pension Perspective 1,367.94
FormsTrac 12/29/09 Pension Perspective 2,442.75
GFOA 11/17/09 Dues 2010 1,888.36
NCPERS 01/01/10 Dues 2010 600.00
Neopost 01/08/10 1099 Mailings 5,000.00
Pegasus 11/11/09 Imaging Support Contract Renewal 993.91
Petty Cash 01/06/10 Petty Cash Replenishment 2,936.68
PREA 01/05/10 Dues 2010 330.00
Techdepot 12/07/09 Computer Supplies 74.30
Techdepot 12/07/09 Computer Supplies 3.47
Zones 01/05/10 Computer Supplies 13.99
Zones 01/04/10 Computer Supplies 19.91

Total Invoice Disbursements for Board Approval \$152,551.94

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw – 7

NAYS: None

AES REPORT – (CONTINUES)

Re: Annuity Loan Program Status – Update

The 1973 Defined Contribution Loan Program launched on schedule. The program is operational and placed on the Retirement System's website www.rscd.org for members to view and/or download.

Re: MuniMae

The Board of Trustees received a copy of a letter dated January 11, 2010, requesting an extension of the existing \$10 million letter of credit for the MRC Tax Exempt Bond TOB Program and the continued posting of the related \$10.5 million collateral with Merrill Lynch.

- ❖ Trustee **Cook** stepped away from the meeting at 9:41 a.m. and rejoined the meeting at 9:50 a.m.

Re: New England Pension Consultants (NEPC)

The Board of Trustees received a copy of NEPC's updated transition schedule for January withdrawals dated January 13, 2010 to show the sources of funding for an additional \$25 million required for January's benefit payments and expenses.

- ❖ *The Assistant Executive Secretary concludes his report.*

NEW BUSINESS/OPEN DISCUSSION

Re: Upcoming Election Committee/Active Trustee Election 2010

The Board will be sending a letter to Vice-Chairman Ronald Gracia to respond to his "Intent to Retire," in order to hold a special election and combine the two elections in order to conserve on expenses.

Trustee Cook was informed to submit his letter with the intent to run before February 12th.

Re: Council Members

The Board of Trustees would like to extend an invitation to City Council Members to come in and visit with the Pension Board and to see how the Board proceeds.

- ❖ *The Board **recessed** for a fifteen-minute break period at 10:15 a.m. and resumed back on the record at 10:30 a.m.*

PRESENTOR:

Re: PITG

Representatives Neal Bloom, Irish Showman and David Cotton, appeared before the Board to discuss the update on Rivers Casino which opens in August 2010 as the target date. **Investment Analyst Richard Huddleston requests to view their financial statement.**

- ❖ *Trustee **Clark** stepped away from the meeting at 11:30 a.m.*

- ❖ *The Board **recessed** for a 30-minute break period at 11:31 a.m. and returned back on the record at 12:00 noon.*

CLOSED SESSION

By Trustee Anthony – Supported By Trustee Glaser

RESOLVED, that the Board enter into Closed Session for the purpose of discussing an attorney/client privileged matter.

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

Nays: None

The Board entered into Closed Session at 12 Noon.

- ❖ *Trustee **Anthony** stepped away from the meeting at 12:05 p.m.*
- ❖ *Trustee **Clark** rejoined the meeting at 12:09 p.m.*
- ❖ *Trustee **Anthony** rejoined the meeting at 12:13 p.m.*

OPEN SESSION

By Trustee Glaser – Supported by Trustee Brooks

RESOLVED, that the Board come out of Closed Session discussion.

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

Nays: None

The Board came out of Closed Session at 12:15 p.m.

NEW BUSINESS/OPEN DISCUSSION:

Re: PITG/Rivers Casino

By Trustee Johnson – Supported by Trustee Brooks

RESOLVED, that the Board APPROVES the recommendation by Legal Counsel regarding Rivers Casino to provide financial reports to Special Legal Counsel.

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

Nays: None

Re: PITG

By Trustee Johnson – Supported by Trustee Glaser

WHEREAS, based on recommendation by Special Legal Counsel, therefore be it

RESOLVED, that PITG management team be requested to provide the Board with quarterly updates on the progress of the investment, and further

REOLVED, that copy of this resolution be forwarded to PITG Management and Special Legal Counsel.

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

Nays: None

- ❖ *The Board **recessed** for Lunch at 12:17 p.m. and resumed back on the record at 1:15 p.m.*
- ❖ *Trustee **Brooks** left the meeting for the day at 12:45 p.m.*

AES REPORT – (CONTINUES)

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

Re: Michael Ewing – No. 202708

By Trustee Clark – Supported by Trustee Glaser

WHEREAS, the individual whose name is designated below has applied to this Board for **Pre-Employment Military Service Credit** and has complied with all of the necessary requirements of **Section 54-5-3-b** of the **Charter Provisions**, therefore be it

RESOLVED, that payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individual and the number of months eligible active duty be credited him as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions:

Michael Ewing
Pension #202708
S.S. #6609
From: August 6, 1971 to May 5, 1974

Yeas: Trustee Anthony, Clark, Cook, Glaser, Jenkins, Johnson,
and Chairperson S. Kneeshaw - 7

Nays: None

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

Re: Charles Boyd – No. 208402

By Trustee Clark – Supported by Trustee Glaser

WHEREAS, the individual whose name is designated below has applied to this Board for **Pre-Employment Military Service Credit** and has complied with all of the necessary requirements of **Section 54-5-3-b** of the **Charter Provisions**, therefore be it

RESOLVED, that payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individual and the number of months eligible active duty be credited him as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions:

Re: Charles Boyd – No. 208402 – (continued)

Charles Boyd
Pension #208402
S.S. #2287
From: October 20, 1967 to September 2, 1971

Yeas: Trustee Anthony, Clark, Cook, Glaser, Jenkins, Johnson,
and Chairperson S. Kneeshaw - 7

Nays: None

Re: PFRS/GRS Jefferson Avenue Insurance Quotes

The Board of Trustees received a copy of insurance rates provided by Milestone Realty Services. The insurance is up for renewal. The Board will revisit this issue next week and decide what company they will select.

Re: American Arbitration Association

By Trustee Clark – Supported by Trustee Glaser

RESOLVED, that the Letter Agreements with the American Arbitration Association to conduct the Active Employee Trustee election be hereby **APPROVED**.

Yeas: Trustee Anthony, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw - 7

Nays: None

Re: ICG – General Motors Leaseback: Appointment of Real Estate
Advisor to Monitor Loan

By Trustee Anthony – Supported by Trustee Glaser

WHEREAS, the Board has previously made a loan to and ICG-REA Manager, LLC in connection with the captioned project, and

WHEREAS, due to General Motors filing for bankruptcy protection in June of 2009, the Borrower had requested the Board agree to modify certain provisions of the loan documents, and

WHEREAS, in connection with the requested modification, the Board had requested Banyan Realty Advisors, LLC, (“Banyan”) to perform due diligence and analysis activities and report its findings and recommendations to the Board, and

WHEREAS, after the Board had received the report from Banyan the Board entered into a First Amendment to Loan Documents dated as of July 2, 2009, and

WHEREAS, the Board is generally aware of the loan payment history from the Board’s accounting staff, and

WHEREAS, the Board wishes to assure that all loan provisions applicable to the Borrower are being performed as required by the loan documents, and

WHEREAS, the Board has determined that Banyan should be appointed to perform monitoring and loan servicing activities in connection with this loan, THEREFORE BE IT

RESOLVED, the Board hereby approves Banyan Realty Advisors, LLC to perform monitoring and loan servicing activities in connection with this loan, and be it further

Re: ICG – General Motors Leaseback: Appointment of Real Estate
Advisor to Monitor Loan – (continued)

RESOLVED, that compensation to Banyan be consistent with the Retirement System Actuary Agreement with Banyan or otherwise mutually agreed between the parties; and be it further

RESOLVED, that ICG-REA Manager, LLC and Inheritance Capital Group, LLC, as applicable, be directed to fully cooperate with Banyan and provide Banyan with copies of all reports, distribution notices and correspondence it provides to the Board, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Borrower, ICG-REA Manager, LLC, c/o ICG Real Estate Advisors, LLC, 25900 W. 11 Mile Road, Suite 260; Southfield, Michigan 48034, Banyan Realty Advisors, LLC and to F. Logan Davidson, P.C.

Yeas: Trustees Anthony, Brooks, Cook, Glaser
And Chairperson S. Kneeshaw – 5

Nays: None

RE: NEW ENGLAND PENSION CONSULTANTS – TRANSITION SCHEDULE

BY: TRUSTEE CLARK - SUPPORTED BY TRUSTEE ANTHONY

WHEREAS, staff has previously advised the Board that withdrawals from the managed accounts will be required to fund new investments, benefits and expenses, and

WHEREAS, the Board by prior action referred this matter to new England Pension Consultants (NEPC), the Board's retained consultant, and

WHEREAS, the Board is in receipt of the transition schedule proposed by NEPC, and

WHEREAS, the Board has discussed this matter with staff on this date, therefore be it

RESOLVED, that the following withdrawals be made as soon as practical using standard settlement (T+3),

Rhumblin S&P 500	\$8,000,000.00
Seizert	6,000,000.00
Atlanta Capital	8,000,000.00
Reams	1,500,000.00
Transamerica	1,500,000.00

and be it further

RESOLVED, that a copy of this resolution be sent to all parties affected as well as The Bank of New York Mellon Asset Servicing, the Board's master securities custodian.

Yeas: Trustee Anthony, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw – 7

Nays: None

NEW BUSINESS/OPEN DISCUSSION – (continued)

• **DIRECTION OF THE CHAIR**

It is directed by the Chair that staff contact NEPC regarding cash withdrawals for loan programs.

Re: Travel

As a reminder, receipts and a synopsis for all educational travel must be submitted within three business days.

- ❖ *The Board **recessed** for a fifteen-minute break at 2:30 p.m. and resumed back on the record at 2:45 p.m.*

LEGAL COUNSEL'S REPORTS/ CORRESPONDENCE

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: 1973 Defined Contribution Plan Loan Program

The Board of Trustees was informed that the December 22, 2009 Resolution included a list of all collective bargaining associations (through January 7, 2010), which covered employees that have been recognized by the Labor Relations Department as eligible for the loan program.

Entry in Minutes:

Re: International Rectifier Corp. Securities Litigation

The Board of Trustees received a copy of the United States District Court Central District of California, Joint Declaration of Walter Stampor and Barry C. McAnarney in Support of Class Action Settlement Hearing Date: February 8, 2010, in the above case.

Re: North Point Advisors

The Board received a copy of a questionnaire utilized by North Point Advisors to be filled out by the Trustees in order to help prepare an analysis and to better understand the business plan for the City of Detroit General Retirement System.

Re: Freedom of Information Act

The Board of Trustees received a copy of the Response to the Freedom of Information Act Request of the General Retirement System, dated January 11, 2010, submitted via facsimile on November 19, 2009, acknowledging receipt of the check in the amount of \$178.76, requesting travel records and receipts of Mr. Gracia.

This concludes Legal Counsel's Report

Executive Secretary's Report

- Mapers dues are due February 12, 2010.

Re: Conference

By Trustee Johnson – Supported by Trustee Glaser

Resolved, that the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and Legal Counsel to attend the 104th GFOA Annual Conference, on June 6 – 9, 2010, in Atlanta, Georgia, and be it further

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

Yeas: Trustee Anthony, Clark, Cook, Glaser, Jenkins, Johnson
and Chairperson S. Kneeshaw - 7

Nays: None

ADJOURNMENT

There being no further business before the Board, **Chairperson S. Kneeshaw** adjourned the meeting at **3:17 p.m.** until **Wednesday, January 20, 2010**, at 9:00 a.m. in Room 910 of the Coleman A. Young Municipal Center, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Myron T. Terrell". The signature is fluid and cursive, with a large loop at the end.

MYRON T. TERRELL
ASSISTANT EXECUTIVE SECRETARY