

Meeting No. 3559  
JOURNAL OF PROCEEDINGS

BOARD of TRUSTEES of the GENERAL RETIREMENT SYSTEM
WEDNESDAY, NOVEMBER 10, 2004 AT 9:00 AM
RETIREMENT SYSTEMS' CONFERENCE ROOM
910 COLEMAN A. YOUNG MUNICIPAL CENTER - DETROIT, MICHIGAN 48226

**PRESENT**

Wendell Anthony	Trustee
David Clark	Trustee and Chairman
Kenneth V. Cockrel, Jr.	Ex-Officio Trustee and Councilman
Susan Glaser	Trustee
Ronald Gracia	Trustee and Vice Chairman
John Kanters	Trustee
Thomas Kneeshaw	Trustee
Kathleen Leavey	Trustee
Clarence Williams	Ex-Officio Trustee and Treasurer
Myron T. Terrell	Assistant Executive Secretary
Walter Stampor	Executive Secretary
Ronald Zajac	Legal Counsel
Kenneth Howard	Recording Secretary

**EXCUSED**

Sean Werdlow	Ex-Officio Trustee and Chief Financial Officer
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**CHAIRMAN**

***DAVID CLARK***

Called the General Retirement System of the City of Detroit Board of Trustees meeting to order at 9:38 a.m.

**RE: Service Retirements**

By: Trustee Leavey – Supported by: Trustee Gracia

**RESOLVED**, that the following applications for **Service Retirement** be hereby **APPROVED**, as reflected below.

Yeas – Trustees Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 7

Nays – None

NAME	No.	PEN. No.	EFF. DATE
Glenda M. Henderson	7370	208798	12/11/04
Nadine Robinson-Moore	5563	173358	12/4/04
Marvin Nicholson, Sr.	3030	229663	10/7/04
Ardie V. Stringer	6377	197968	11/3/04

**RE: CONFIRMATIONS**

By: Trustee Gracia – Supported by: Trustee Williams

**RESOLVED**, that the **receipts, disbursements, pay-offs and draws**, so reflected below and on the following page be hereby **CONFIRMED**.

Yeas – Trustees Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 7

Nays – None

The Board received the following receipts and made the following disbursements:

RECEIPTS		
DATE	AMOUNT	REMARKS
11/3/04	\$5.44	J.P. Morgan – cash distribution
11/8/04	\$75,221.58	Inland Retail Real Estate – cash distribution
<b>Total:</b>	<b>\$75,227.02</b>	

**RE: CONFIRMATIONS – continued**

<b>DISBURSEMENTS</b>		
<b>DATE</b>	<b>AMOUNT</b>	<b>REMARKS</b>
11/3/04	\$200,000.00	Investment on MHR II – draw #11
11/3/04	\$65,726.53	Programmers' Salaries: D. Frederick \$7,040.00; D. Linet \$7,088.55; A. Linet \$3,151.92; M. Powning \$9,172.40; B. Hardy \$3,901.76; H. Lamkin \$5,575.20; S. Prasad \$6,532.31; R. Tchou \$7,470.40; D. Davis \$5,472.25; A. Smiley \$4,081.10 and F. Learned \$6,240.64
11/4/04	\$68,129.00	Atlanta Capital Management Co. – 3 <sup>rd</sup> qtr. 2004 management fee
11/4/04	\$24,440.00	BlackRock Investment Management – 3 <sup>rd</sup> qtr. 2004 management fee
11/4/04	\$133,484.76	TT International – 3 <sup>rd</sup> qtr. 2004 management fee
11/4/04	\$29,025.10	Prudential – PRISA – 3 <sup>rd</sup> qtr. 2004 management fee
11/4/04	\$4,895.00	Medical Director – disability examinations
<b>Total:</b>	<b>\$525,700.39</b>	

**RE: REFUND OF ACCUMULATED CONTRIBUTIONS – LIST NO. 6703 – AMT: \$559,523.16**

By: Trustee Glaser – Supported by: Trustee Williams

**RESOLVED**, that the contributions to the Annuity Savings Fund, by members of the General Retirement System, as set forth on List No. 6703, in the amount of **\$559,523.16**, including interest, be REFUNDED, pending audit by Retirement Systems' Accounting Staff, as reflected on the following pages.

Yeas – Trustees Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 7

Nays – None

Retirement Systems

# Annuity Distribution List

## General Retirement Systems

List No. 6703

<u>Participant</u>		<u>Revenue</u>	<u>Suspense</u>	<u>Type of</u>	<u>Distribution</u>	<u>Amount of</u>		<u>Federal</u>
<u>SSN</u>	<u>Participant</u>	<u>Group</u>	<u>Year</u>	<u>Distribution</u>	<u>Reason</u>	<u>Distribution</u>	<u>Taxable</u>	<u>Withholding</u>
							<u>Nontaxable</u>	
2546	ALLEN MICHELE	General		Total	Laid-off	\$1,782.60	\$152.71	\$30.54
2545	ARNOLD WADE M	General		Total	Retirement	\$5,774.83	\$2,256.17	\$0.00
1447	BAILEY JOHN	General		Total	Laid-off	\$345.63	\$8.24	\$1.65
8159	BLACK DENISE L	General		Total	Separation	\$16,558.95	\$7,720.15	\$0.00
8252	BODDIE FRANKLYN	General		Total	Laid-off	\$3,523.05	\$338.26	\$67.65
9925	BOYD SHEILA L.	General		Total	Laid-off	\$1,246.55	\$60.16	\$12.03
2078	BROWN CLARENCE O.	General		Total	Laid-off	\$783.88	\$14.81	\$2.96
3477	BULLOCK CHRISTANNA	General		Total	Laid-off	\$1,363.55	\$100.91	\$20.18
2045	BYERS TYRONE	Water		Partial	25 Year	\$18,000.00	\$18,000.00	\$3,600.00
9922	CAMPBELL ELSTON	General		Total	Laid-off	\$2,447.03	\$154.87	\$30.97
7251	CARTER EARL H.	General		Total	Laid-off	\$1,137.44	\$34.53	\$6.91
0046	CARTER KEITH L.	General		Total	Separation	\$2,623.42	\$356.17	\$71.23
3212	CASTLEMAN JANUARY	DOT		Total	Retirement	\$122,429.41	\$109,540.52	\$0.00
3242	CONWRIGHT HALLIE	General		Total	Laid-off	\$984.44	\$48.49	\$9.70
8221	CURRY DARIUS L.	General		Total	Laid-off	\$734.42	\$13.02	\$2.60
3082	DAVIS SUSAN K.	General		Total	Laid-off	\$800.48	\$21.43	\$4.29
5261	DUENAS ANTHONY R	Water		Total	Retirement	\$94,193.31	\$56,320.51	\$0.00
1142	DUMAS PATRICE L.	General		Total	Laid-off	\$888.71	\$22.87	\$4.57
9109	DUPREE MARIO L.	General		Total	Laid-off	\$904.11	\$22.40	\$4.48
8043	FAVORS ROBERT D	General		Total	Laid-off	\$1,632.11	\$104.96	\$20.99
1026	FLOWERS ROBERT A	General		Total	Laid-off	\$2,705.13	\$216.91	\$43.38
4162	FRANKLIN CHRISTOPER LEE	Water	2003	Total	Separation	\$2,659.63	\$446.29	\$89.26
3107	FRAZIER MARCUS D	General		Total	Laid-off	\$1,084.83	\$26.75	\$5.35
8318	GILMORE JOSH J	General	2003	Total	Separation	\$1,316.46	\$128.56	\$25.71
0946	GRIMES STEPHANIE J	General		Total	Laid-off	\$1,341.52	\$59.34	\$11.87
1404	HAYNESWORTH	General		Total	Laid-off	\$1,124.07	\$27.57	\$5.51

Retirement Systems

# Annuity Distribution List

## General Retirement Systems

List No. 6703

<u>Participant</u>		<u>Revenue</u>	<u>Suspense</u>	<u>Type of</u>	<u>Distribution</u>	<u>Amount of</u>			<u>Federal</u>
<u>SSN</u>	<u>Participant</u>	<u>Group</u>	<u>Year</u>	<u>Distribution</u>	<u>Reason</u>	<u>Distribution</u>	<u>Taxable</u>	<u>Nontaxable</u>	<u>Withholding</u>
2717	HILL DEOUYNYA D	General		Total	Laid-off	\$2,627.15	\$281.46	\$2,345.69	\$56.29
1191	HOWARD EDRIC D.	General		Total	Laid-off	\$322.54	\$5.31	\$317.23	\$1.06
5612	HYMAN III WILLIE	General		Total	Laid-off	\$935.45	\$22.28	\$913.17	\$4.46
4373	JACKSON LORRAINE L.	General		Total	Laid-off	\$1,019.92	\$31.65	\$988.27	\$6.33
4211	JARMON MICHAEL	General		Total	Laid-off	\$2,519.52	\$203.01	\$2,316.51	\$40.60
6046	JENKINS LILLIE M	General		Total	Separation	\$7,545.03	\$3,486.36	\$4,058.67	\$697.27
1968	JOHNSON EDDIE	General		Total	Laid-off	\$1,024.98	\$25.76	\$999.22	\$5.15
3232	KENNEDY DANA D	General		Total	Laid-off	\$965.14	\$23.93	\$941.21	\$4.79
8071	LANE ANGELA A	General		Total	Laid-off	\$1,363.65	\$125.34	\$1,238.31	\$25.07
3910	LEWIS PORTIA	General		Total	Laid-off	\$675.16	\$17.75	\$657.41	\$3.55
2886	LYTLE LORITA A	General		Total	Laid-off	\$1,061.01	\$25.34	\$1,035.67	\$5.07
7580	MADDOX REGINALD B	General	2004	Total	Separation	\$10,384.41	\$2,702.03	\$7,682.38	\$0.00
9203	MASON ALFONSO S.	General		Total	Laid-off	\$671.71	\$22.96	\$648.75	\$4.59
7809	MASSEY JR. FLOYD	General		Total	Separation	\$75,246.96	\$51,122.03	\$24,124.93	\$10,224.41
6310	MAYBERRY SANDRA L	General		Partial	Separation	\$25,000.00	\$25,000.00	\$0.00	\$5,000.00
6592	MCCALISTER ALTHEA	General		Total	Laid-off	\$1,172.87	\$73.45	\$1,099.42	\$14.69
6309	MCKEE DONNIE L 11	General		Total	Separation	\$13,760.80	\$3,365.32	\$10,395.48	\$673.06
6689	NOLAN JULITA M	General		Total	Laid-off	\$906.67	\$22.57	\$884.10	\$4.51
1037	PEATROSS DAVID	Water		Total	Separation	\$5,677.47	\$638.70	\$5,038.77	\$127.74
8531	POPE DIRICK E	General		Total	Laid-off	\$2,507.86	\$154.65	\$2,353.21	\$30.93
4977	RICHARDSON KEVIN	General		Total	Laid-off	\$836.36	\$40.86	\$795.50	\$8.17
9683	ROBINSON LUCREASIA	General		Total	Laid-off	\$1,183.25	\$52.20	\$1,131.05	\$10.44
8114	SANDERS DESMOND T	General		Total	Laid-off	\$1,157.65	\$28.14	\$1,129.51	\$5.63
7967	SMITH FRANK R.	Water		Partial	25 Year	\$76,209.90	\$64,309.67	\$11,900.23	\$0.00
2504	SMITH NAEEMAH	General		Total	Laid-off	\$486.33	\$12.21	\$474.12	\$2.44
9707	THORAN LOUIS	General		Partial	25 Year	\$26,340.23	\$15,117.59	\$11,222.64	\$3,023.52
8562	VAUGHN ALVON	General		Total	Laid-off	\$3,006.48	\$263.38	\$2,743.10	\$52.68

Retirement Systems

# Annuity Distribution List

## General Retirement Systems

List No. 6703

<u>Participant</u>		<u>Revenue</u>	<u>Suspense</u>	<u>Type of</u>	<u>Distribution</u>	<u>Amount of</u>		<u>Federal</u>
<u>SSN</u>	<u>Participant</u>	<u>Group</u>	<u>Year</u>	<u>Distribution</u>	<u>Reason</u>	<u>Distribution</u>	<u>Taxable</u>	<u>Withholding</u>
							<u>Nontaxable</u>	
5696	WALKER ANTOINETTE	General		Total	Laid-off	\$1,000.06	\$91.66	\$18.33
8393	WHITE BEVERLY	General	2003	Total	Separation	\$1,185.83	\$79.55	\$15.91
8288	WHITFIELD NAKIA D	General		Total	Laid-off	\$1,060.10	\$26.43	\$5.29
7991	WILLIAMS JOSEPH P.	General		Total	Laid-off	\$989.96	\$24.63	\$4.93
7105	WILLIAMS LATINA G	General		Total	Laid-off	\$449.23	\$8.70	\$1.74
8399	WINSTON TAMIKA N.	General		Total	Laid-off	\$1,843.92	\$147.46	\$29.49
<b><u>Total Distribution for this Meeting</u></b>						<b>\$559,523.16</b>		

**RE: The General Retirement System of the City of Detroit  
Minutes/Journal No. 3554  
Wednesday, October 6, 2004**

By: Trustee Leavey – Supported by: Trustee Gracia

**RESOLVED**, that the General Retirement System of the City of Detroit Minutes/Journal No. 3554 of the Board of Trustees meeting held Wednesday, October 6, 2004 be hereby **APPROVED**, subject to corrections on page (3) regarding the maker of the motion to approve the change of option and page (10) as it relates to the total amount of the bills and the DGRS portion.

Yeas – Trustees Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 7

Nays – None

Trustee Kneeshaw left the meeting and returned.

**RE: BILLING PAYMENT REQUESTS**

By: Trustee Gracia – Supported by: Trustee Kneeshaw

**WHEREAS**, the Board of Trustees are in receipt of the following invoices requesting payment for services rendered, and

**WHEREAS**, the Board is satisfied that the services were provided to the Board as requested and required by the Board, therefore be it (continued on page 9)

**RESOLVED**, that subject to staff audit, the Board **APPROVE** payment of said invoices as reflected below and on the following page.

Yeas – Trustees Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 7

Nays – None

<b>FIRM OR INDIVIDUAL</b>	<b>DATE</b>	<b>Amount</b>	<b>SERVICES PROVIDED</b>
Gabriel, Roeder, Smith & Company	11/1/04	<b>\$5,450.00</b>	Regular actuarial services performed for the month November, 2004
The Townsend Group	11/1/04	<b>\$11,250.00</b>	Real estate consultant fee for November, 2004
Columbia Management Group	9/30/04	<b>\$49,248.91</b>	Investment management services rendered 3 <sup>rd</sup> qtr. 2004
Seizert Capital Partners	10/28/04	<b>\$31,991.00</b>	Asset management fee for 3 <sup>rd</sup> qtr. 2004

**RE: BILLING PAYMENT REQUESTS – continued**

<b>FIRM OR INDIVIDUAL</b>	<b>DATE</b>	<b>Amount</b>	<b>SERVICES PROVIDED</b>
City of Detroit	11/10/04	<b>\$1,672,754.72</b>	Retirement System – Cost Reimbursement to General Fund – Fiscal Year 2003 – 2004
MIG Realty Advisors	11/2/04	<b>\$2,081.67</b>	Servicing fees – October, 2004
Elkins/McSherry, LLC	11/4/04	<b>\$7,750.00</b>	Trade cost analysis domestic 2004 Qtr. 3
Julius Bar Investment Management	10/21/04	<b>\$174,840.65</b>	Asset management fee for 3 <sup>rd</sup> qtr. 2004
Pzena Investment Management	10/26/04	<b>\$219,467.20</b>	Asset management fee for 3 <sup>rd</sup> qtr. 2004
UBS Global Asset Management	10/31/04	<b>\$95,398.63</b>	Asset management fee for 3 <sup>rd</sup> qtr. 2004
State Street Corporation	10/29/04	<b>\$124,015.21</b>	Custodial services rendered 3 <sup>rd</sup> qtr. 2004

**RE: ½ BILLING PAYMENT REQUESTS**

By: Trustee Gracia – Supported by: Trustee Kneeshaw

**WHEREAS**, the Board of Trustees are in receipt of the following invoices requesting payment for services rendered, and

**WHEREAS**, the Board is satisfied that the services were provided to the Board as requested and required by the Board, and

**WHEREAS**, the Board is requested to pay half of said invoices, therefore be it

**RESOLVED**, that subject to staff audit the Board hereby **APPROVES** half payment of said invoices, as reflected below.

Yeas – Trustees Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 7

Nays – None

<b>FIRM OR INDIVIDUAL</b>	<b>DATE</b>	<b>Tot. Amt./DGRS Amt.</b>	<b>SERVICES PROVIDED</b>
Viking Office Supplies	10/31/04	<b>\$437.00/\$218.50</b>	Office supplies
Earthlink	11/3/04	<b>\$41.60/\$20.80</b>	Internet services
Iron Mountain	10/31/04	<b>\$1,481.02/\$740.51</b>	Files and tapes storage services

**RE: Richard Mack, No. 8936**

The Board is in receipt of a memo, dated October 18, 2004, from the Risk Management Division of the City of Detroit regarding the continuation of the aforementioned Duty disability retiree's benefits. Thus, said matter is taken under advisement and his name will be removed from the matters referred to the Medical Director.

**RE: Gregory Pruitt, No. 5819**

The Board is in receipt of a memo, dated October 18, 2004, from the Risk Management Division of the City of Detroit regarding the continuation of the aforementioned Duty disability retiree's benefits. Thus, said matter is taken under advisement and his name will be removed from the matters referred to the Medical Director.

**RE: Ernest Witkowski, No. 6172**

The Board is in receipt of a memo, dated October 18, 2004, from the Risk Management Division of the City of Detroit regarding the continuation of the aforementioned Duty disability retiree's benefits. Thus, said matter is taken under advisement and his name will be removed from the matters referred to the Medical Director.

**RE: Dennis Brown, No. 9102**

The Board has been informed that Duty disability retiree Dennis Brown was returned to work, per board meeting of Wednesday, October 20, 2004. Thus, his name shall be removed from the matters referred to the Medical Director.

**RE: Frank Daviston, Jr., No. 6496**

The Board has been informed that Duty disability retiree Frank Daviston, Jr. is unable to return to work without restrictions. Thus, his name will be removed from the matters referred to the Medical Director and continued on the Disability Retirement Payroll until unrestricted work becomes available.

**RE: James Patterson, No. 7358**

The Board has been informed that Duty disability retiree James Patterson has made the change in computations from disability to service retirement. Thus, his return to work request from the Risk Management Division, dated June 28, 2004, is null and void and his name will be removed from the matters referred to the Medical Director.

Ex-Officio Trustee and Councilman Kenneth V. Cockrel, Jr. entered the meeting at 9:45 a.m.

**RE: Edward J. Sanderson, No. 6448**

The Board has been informed that former Duty disability retiree Edward J. Sanderson returned to work, effective June 21, 2004. Thus, his name will be removed from the matters referred to the Medical Director.

**RE: Karen I. Marks, No. 6494 – Duty – Department of Public Works**

By: Trustee Gracia – Supported by: Trustee Leavey

**RESOLVED**, that the report of the Medical Director on the case of Karen I. Marks be ACCEPTED, and

**RESOLVED**, that based on the recommendation of the Medical Director the Board hereby **APPROVES** the application for Duty Disability Retirement filed by Karen I. Marks for the period February 12, 2004 through October 14, 2004.

Yeas – Trustees Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 8

Nays – None

**RE: Kenneth Baker, No. 9216 – Defined Contribution Plan (Annuity) Withdrawal**

By: Trustee Williams – Supported by: Trustee Gracia

**WHEREAS**, the Board is in receipt of a letter (undated) from the above referenced employee requesting a partial withdrawal of his Annuity Savings, and

**WHEREAS**, the Retirement System's provisions only allows for withdrawals under the following: Service Retirement; Separation from Service; Layoff; Death of employee; Twenty-Five (25) Year Withdrawals; Duty or Non-duty Disability or Change of Computations from Disability Retirement, and

**WHEREAS**, the Board has been informed that Kenneth Baker is an active employee with ten (10) years and three (3) of service credit, therefore be it

**RESOLVED**, that based on the Retirement System's Annuity Savings provisions and past practices, the request of Kenneth Baker to withdraw a portion of his Annuity Savings is hereby **DENIED**, and be it further

**RE: Kenneth Baker, No. 9216 – Defined Contribution Plan (Annuity) Withdrawal**  
– continued

**RESOLVED**, that a copy of this resolution be forwarded to Kenneth Baker.

Yeas – Trustees Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and  
Chairman Clark – 8

Nays – None

Trustee Wendell Anthony returned to the meeting at 9:49 a.m.

**RE: International Foundation – Advanced Investments Management Conference**

By: Trustee Gracia – Supported by: Trustee Leavey

**RESOLVED**, that the Board **APPROVE** the attendance of a Trustee or the Executive Secretary or the Assistant Executive Secretary or legal counsel to attend the International Foundation – Advanced Investments Management conference, September 10 – 16, 2005, in Philadelphia, Pennsylvania, and be it further

**RESOLVED**, that the Board **APPROVE** expenditures for the attendance of said conference.

Yeas – Trustees Anthony, Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey,  
Williams and Chairman Clark – 9

Nays – None

**GOALS & OBJECTIVES**

- The Board held discussion as it relates to their goals and objectives as it relates to the “procedures regarding retirement withholding”. Ms. Marilyn Berdijo, Manager I of the Retirement Systems’ accounting staff entered the meeting to discuss the “funding process/wire instructions received for Pension to the Accounts Division.”

**RE: Procedures Regarding Retirement Withholding - RECONSIDERATION**

By: Trustee Leavey – Supported by: Trustee Cockrel

**RESOLVED**, that the motion of Wednesday, November 3, 2004, to terminate account 35-22 at Bank One and substitute account in the sole name of the General Retirement System be hereby RECONSIDERED.

Yeas – Trustees Anthony, Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 9

Nays – None

MOTION TO RECONSIDER HEREBY PASSES – 9 – 0

**RE: Procedures Regarding Retirement Withholding**

By: Trustee Gracia – Supported by: Trustee Glaser

**WHEREAS**, historically the procedures involving retirement payroll checks included the use of a retirement payroll account known as account number 35-22 at Bank One to which Retirement System funds were transferred from the Board's custodial bank, and

**WHEREAS**, the City Payroll Audit section would arrange for the appropriate transfers from the 35-22 account including payment to the Internal Revenue Service (Department of Treasury) for withholding taxes, and

**WHEREAS**, until recently the system/procedures did not result in any problems between the employer (City of Detroit) and the Retirement System, and

**WHEREAS**, it has come to the Board's attention that due to errors made by the employer, the IRS garnished the amount of Twenty One Thousand Two Hundred Fifty Two and 00/100 (\$21,252.00) from the Policemen and Firemen Retirement System which amount the Policemen and Firemen Retirement System will presumably demand reimbursement from the City, and

**WHEREAS**, it has also come to the Board's attention that the employer (City of Detroit) paid the Internal Revenue Service Three Million Ninety Four Thousand Five Hundred Fifty Seven and 68/100 (\$3,094,557.68) Dollars in penalties and interest for failures to timely pay required withholding amounts and/or failure to timely file Forms 945, for a three year period beginning in 2001 (for the calendar year ending 12-31-2000), and

**RE: Procedures Regarding Retirement Withholding – continued**

**WHEREAS**, the Board notes that the pension bureau has modified the prior procedures effective January 2004 to avoid such mistakes and the Board notes that the Retirement System will be filing the Form 945 and any other related forms in January 2005 (for the year ending December 31, 2004), and for subsequent years, and

**WHEREAS**, the Board has a fiduciary responsibility for the proper administration and operation of the Retirement System, which includes compliance with Internal Revenue Services laws and regulations, therefore be it

**RESOLVED**, that the use of account 35-22 at Bank One be terminated and substitute accounts in the sole name of the General Retirement System be immediately established after consultation with the Board's custodial bank, Executive Secretary and general counsel.

Yeas – None

Nays – Trustees Anthony, Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey,  
Williams and Chairman Clark – 9

THE ABOVE MOTION HEREBY FAILS – 0 – 9

**RE: Procedures Regarding Retirement Withholding**

By: Trustee Williams – Supported by: Trustee Gracia

**WHEREAS**, historically the procedures involving retirement payroll checks included the use of accounts at Bank One and Comerica and First Independence Bank to which Retirement System funds were transferred from the Board's custodial bank, and

**WHEREAS**, the City Payroll Audit section would arrange for the appropriate transfers from the Bank One and Comerica accounts including payment to the Internal Revenue Service (Department of Treasury) through First Independence for withholding taxes, and

**WHEREAS**, until recently the system/procedures did not result in any problems between the employer (City of Detroit) and the Retirement System, and

**WHEREAS**, it has come to the Board's attention that due to errors made by the employer, the IRS garnished the amount of Twenty One Thousand Two Hundred Fifty Two and 00/100 (\$21,252.00) from the Policemen and Firemen Retirement System which amount the Policemen and Firemen Retirement System will presumably demand reimbursement from the City, and

**RE: Procedures Regarding Retirement Withholding – continued**

**WHEREAS**, it has also come to the Board's attention that the employer (City of Detroit) paid the Internal Revenue Service Three Million Ninety Four Thousand Five Hundred Fifty Seven and 68/100 (\$3,094,557.68) Dollars in penalties and interest for failures to timely pay required withholding amounts and/or failure to timely file Forms 945, for a three year period beginning in 2001 (for the calendar year ending 12-31-2000), and

**WHEREAS**, the Board notes that the pension bureau has modified the prior procedures effective January 2004 to avoid such mistakes and the Board notes that the Retirement System will be filing the Form 945 and any other related forms in January 2005 (for the year ending December 31, 2004), and for subsequent years, and

**WHEREAS**, the Board has a fiduciary responsibility for the proper administration and operation of the Retirement System, which includes compliance with Internal Revenue Services laws and regulations, therefore be it

**RESOLVED**, that the use of City accounts at Bank One, Comerica and First Independence Bank be terminated and substitute accounts in the sole name of the General Retirement System at First Independence Bank and/or other banks selected by the Board of Trustees if necessary be immediately established after consultation with the Board's custodial bank, Executive Secretary and general counsel.

Yeas – Trustees Anthony, Cockrel, Glaser, Gracia, Kanters, Leavey, Williams\* and Chairman Clark – 8

Nays – Trustee Kneeshaw – 1

THE ABOVE MOTION HEREBY PASSES – 8 – 1

Trustee Williams: "I agree if the Board agrees to move from the other bank I recommend First Independence. But, I don't concur that the accounts should be under the control of the pension system until a formal financial plan is produced."

**RE: New England Pension Consultants – 3<sup>rd</sup> Quarter Performances Review**  
Representatives Catherine Konicki and Bill Monagle of the New England Pension Consultants entered the meeting to present and discuss the following matters:

Trustee Gracia left the meeting.

**RE: New England Pension Consultants – 3<sup>rd</sup> Quarter Performances Review**  
– continued

- Third Quarter 2004 Performance Review

Trustee Kneeshaw left the meeting and returned.

Trustee Anthony left the meeting.

Trustee Gracia returned to the meeting.

Ex-Officio Trustee Cockrel left the meeting and returned.

- Private Equity Performance Report for 2004 Qtr. 2

Trustee Leavey left the meeting.

Ex-Officio Trustee Cockrel left the meeting.

**GOALS & OBJECTIVES**

- The Board directed the New England Pension Consultants to perform a search for a venture capital fund of funds manager.
  - Transition Schedule for 2004
  - Number of Investment Managers used by the System
- The Board directed the New England Pension Consultants to perform a fee comparison of all the investment managers used by the System.

After their presentations and discussion with the Board the representatives of the New England Pension Consultants were hereby excused from the meeting.

The Board recessed at 11:50 a.m. and returned to session at 12:35 p.m.

**RE: Globalt Investments**

Representatives William Roach, Jr. and Gary Fullam of the Globalt Investments entered the meeting to present the General Retirement System's large-cap diversified growth equity portfolio.

**RE: Globalt Investments – continued**

- Mr. Roach is hereby informing the Board that he will request of the New England Pension Consultants to allow his company to make the change in their benchmark from the S&P 500 to the Russell 1000 Growth Index.

Trustee Anthony returned to the meeting.

Ex-Officio Trustee Cockrel returned to the meeting.

After their presentation and discussion with the Board the representatives of Globalt Investments were hereby excused from the meeting.

## **LEGAL COUNSEL'S REPORTS/CORRESPONDENCE**

  X   General Retirement System Report  
Date of Meeting November 10, 2004

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: Petition of Kathy Harris, No. 1004 for Service Credit**

By: Trustee Gracia – Supported by: Trustee Leavey

**WHEREAS**, Kathy Harris became a City employee on or about December 21, 1984 having transferred to the City of Detroit Department of Health from the Wayne County Department of Health, and

**WHEREAS**, her position with the Wayne County Department of Health during the period February 1977 – March 1985 was primarily serving the citizens of the City of Detroit, and

**WHEREAS**, it appears that her transfer from the County to the City was done on an emergency basis and “public necessity” at the request of City officials, relative to the City’s Tuberculosis (“TB”) Control Program, and

**WHEREAS**, it appear that she was promised service credit in the city Retirement System for her county service, which service was primarily for the citizens of Detroit relative to health programs, including the TB control program, and

**RE: Petition of Kathy Harris, No. 1004 for Service Credit – continued**

**WHEREAS**, Ms. Harris has submitted documentation satisfactory to the Board of Trustees that the promises were made to her in 1985 even though the promisors lacked authority to promise anything regarding service in the General Retirement System because such matter is within the sole jurisdiction of the Board of Trustees, and

**WHEREAS**, the Board notes that the Board of Trustees is not legally bound by the promises by others to Ms. Harris regarding service credit, but the Board of Trustees deem it appropriate in this unusual case to grant the service credit requested, and

**WHEREAS**, the Board has the fiduciary responsibility for the administration, management and operation of the Retirement System, and

**WHEREAS**, the Board has granted service credit in other rare cases for service to the City by members of the Retirement System despite the employer being an entity other than the City of Detroit on the basis that the services were, in effect, rendered to the City of Detroit, and

**WHEREAS**, in 1985 Ms. Harris relinquished and waived all rights and claims to any benefits (other than a return of employee contributions) from the Wayne County Employees Retirement System, and indicated at that time to the Wayne County Employees Retirement System that she was transferring to the City based upon, in part, the promise of the “transfer” of service credit, and

**WHEREAS**, it appears that the governmental units contemplated and effectuated the transfer of the TB control program from the County to the City in 1985, and

**WHEREAS**, this is an unusual situation involving the transfer of governmental functions, and

**WHEREAS**, the Board of Trustees has discussed this matter, therefore be it

**RESOLVED**, that subject to payment to the Retirement System of the amount withdrawn from the Wayne County Employees Retirement System in 1985 plus interest (less adjustment for income taxes paid on said amount including interest earnings) Kathy Harris be credited with service credit for the period February 1, 1977 through January 10, 1985, and be it further

**RE: Petition of Kathy Harris, No. 1004 for Service Credit – continued**

**RESOLVED**, that copies of this resolution be forwarded to Kathy Harris and Duane Lewis, her attorney.

Yeas – Trustees Anthony, Glaser, Gracia, Kanters and Leavey – 5

Nays – Trustees Cockrel, Kneeshaw, Williams and Chairman Clark – 4

**RE: Raymond Johnson, No. 0946**

By: Trustee Leavey – Supported by: Trustee Anthony

**WHEREAS**, the Board of Trustee is in receipt of a Wayne County Circuit Court Order dated August 6, 2004, which provides for a payment of a portion of Mr. Johnson monthly pension benefits to the State of Michigan, and

**WHEREAS**, general counsel has discussed this matter with the Board, therefore be it

**RESOLVED**, that the Board of Trustees pay benefits consistent with said court order dated August 6, 2004.

Yeas – Trustees Anthony, Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey, Williams and Chairman Clark – 9

Nays – None

**RE: Mary Abel/David Herbert – Pension Benefits**

The Board is in receipt of a letter, dated September 27, 2004, from the Mary Abel (ex-spouse of David Herbert) concerning the receiving of pension benefits. However, Mr. Herbert was discharge from employment prior to his death. Thus, general counsel is hereby requesting that this case be referred to him for further research.

**RE: Washington v. Washington  
Wayne County Circuit Court Case No. 03-304743 DM**

By: Trustee Glaser - Supported by: Trustee Leavey

**WHEREAS**, the Board is in receipt of a Judgment of Divorce dated June 23, 2004 wherein Johnnie Washington by lack of reference to pension benefits is awarded 100% of his Defined Benefit Plan, and

**RE: Washington v. Washington**  
**Wayne County Circuit Court Case No. 03-304743 DM** – continued

**WHEREAS**, participant's date of birth is August 19, 1950 and participant has attained 4 years, 7 months of service credit, and

**WHEREAS**, alternate payee **is not** entitled to claim a portion of participant's Defined Contribution Plan, and

**WHEREAS**, alternate payee **is not** entitled to claim a portion of participant's Defined Benefit Plan, and

**WHEREAS**, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law, therefore be it

**RESOLVED**, that the Board acknowledge receipt of said court order and pay pension benefits consistent with said court order, and be it further

**RESOLVED**, that a copy of this resolution be **IMMEDIATELY** attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and be it further

**RESOLVED**, that copies of this resolution be sent to attorney J.D. Mullins, attorney David O. Perlman, Diana Miller and Johnnie Washington.

Yeas - Trustees Anthony, Cockrel, Glaser, Kanters, Kneeshaw, Leavey and Williams - 7

Nays - Trustee Gracia and Chairman Clark – 2

**RE: Kiel v. Kiel**  
**Wayne County Circuit Court Case No. 03-332370 DM**

By: Trustee Glaser - Supported by: Trustee Leavey

**WHEREAS**, the Board is in receipt of a Domestic Relations Order dated August 18, 2004 which amends/supplements a Judgment of Divorce wherein Loritha Veronica Kiel is awarded certain rights to the Defined Benefit Plan benefits, only, of Edward Lewis Kiel, and

**WHEREAS**, the Board of Trustees has been informed that participant retired effective August 15, 2003, and

**RE: Kiel v. Kiel**  
**Wayne County Circuit Court Case No. 03-332370 DM** – continued

**WHEREAS**, participant's date of birth is April 12, 1951, and

**WHEREAS**, alternate payee **is not** entitled to claim a portion of participant's Defined Contribution Plan because all amounts were previously withdrawn from the Defined Contribution Plan, and

**WHEREAS**, alternate payee **is** entitled to claim a portion of participant's Defined Benefit Plan, and

**WHEREAS**, the earliest date that payments from the Defined Benefit Plan can be made to the participant or the alternate payee is immediately, and

**WHEREAS**, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as applicable, therefore be it

**RESOLVED**, that the Board acknowledge receipt of said court order and pay pension benefits consistent with said court order subject to application being filed by the party seeking payment, and be it further

**RESOLVED**, that a copy of this resolution be **IMMEDIATELY** attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and be it further

**RESOLVED**, that copies of this resolution be sent to Loritha Veronica Kiel and Edward Lewis Kiel.

Yeas - Trustees Anthony, Cockrel, Glaser, Kanters, Kneeshaw, Leavey and  
Williams - 7

Nays - Trustee Gracia and Chairman Clark - 2

**RE: Executive Secretary Litigation – Case No. 04-412275-CZ**

Each member of the Board was given a draft copy of the plaintiffs' response to defendants' objections to proposed order submitted under MCR 2.602(B)(3), dated November 8 2004.

**RE: Gerald Dajnowicz, No. 4107**

Staff informed the Board that the aforementioned retiree has been into to Retirement Systems to sign his paper work as it relates to the change in his pension benefits and was given new forms for his Annuity Savings.

**RE: Fiduciary Responsibility Litigation – Case No. 03-304047-CZ**

General counsel provided the Board with a status update as it relates to the aforementioned case no. 03-304047-CZ. It's still in the Court of Appeals and special counsel (Chris Legghio) is awaiting a date for oral arguments.

**GOALS & OBJECTIVES**

- Staff is hereby requesting the Budget Committee Members to meet Friday, November 19, 2004 to review the Retirement Systems' budget for 2004 – 2005.
- Staff is hereby directed to schedule representative of the First Independence Bank to appear at the board meeting of Wednesday, December 1, 2004 @ 10:00 a.m.
- Pension Obligation Certificates: at the direction of the Board, staff is hereby directed to forward all information received regarding the pension obligation certification on to the Board's Actuary (Gabriel, Roeder, Smith & Company).
- Changes/Promotions in Retirement Systems' Staff: the Board is in receipt of the responses from the Labor Relations Director and the President of the Association of Professional & Technical Employees Union regarding the changes/promotions in Retirement Systems' staff.
- Everest Energy Management, LLC: the Board is in receipt of a letter, dated November 9, 2004, from the aforementioned company regarding the status update on the Everest Energy Financing proposal.
- CAP Advisors: the Board is in receipt of a letter, dated November 8, 2004, from the CAP Advisors providing updates on the following properties: 1) Tigard Marketplace Financing; 2) Spivey Junction Shopping Center Acquisition; 3) Heritage Park Financing; 4) BankWest Office Building Disposition.
- CAP Advisors/Insurance Agent: the Board is in receipt of a letter, dated November 9, 2004, from the CAP Advisors regarding the insurance agent to the Board's real estate portfolio.

**RE: Transition Schedule – Reaffirmation**

**By: Trustee Gracia – Supported by: Trustee Williams**

**WHEREAS**, New England Pension Consultants (NEPC) has provided their proposed transition schedule for the fourth quarter of calendar year 2004, per board meeting Wednesday, June 23, 2004 and at today's board meeting, therefore be it

**RE: Transition Schedule – Reaffirmation – continued**

**RESOLVED**, that the Board hereby reaffirms its action of Wednesday, June 23, 2004 as it relates to the withdrawals specified by the New England Pension Consultants, and

**RESOLVED**, that six million dollars (\$6,000,000.00) be withdrawn from the account managed by Atlanta Capital, account number Y42L, prior to November 30, 2004 and be it further

**RESOLVED**, that six million dollars (\$6,000,000.00) be withdrawn from the account managed by Earnest Partners, account number Y42X, prior to November 30, 2004 and be it further

**RESOLVED**, that six million dollars (\$6,000,000.00) be withdrawn from the account managed by Pzena, account number Y42W, prior to November 30, 2004 and be it further

**RESOLVED**, that fifteen million dollars (\$15,000,000.00) be withdrawn from the account managed by Reams, account number Y42H, prior to December 31, 2004.

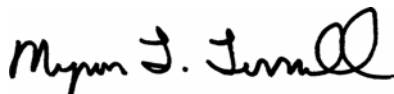
Yeas – Trustees Anthony, Cockrel, Glaser, Gracia, Kanters, Kneeshaw, Leavey,  
Williams and Chairman Clark – 9

Nays – None

**RE: ADJOURNMENT**

There being no further business to come before the Board of Trustees, the General Retirement System board meeting hereby adjourned at 1:54 p.m., until Wednesday, November 17, 2004 @ 9:00 a.m. in the Retirement Systems' Conference Room, 910 Coleman A. Young Municipal Center, Detroit, MI 48226.

Respectfully submitted,



Myron T. Terrell  
Assistant Executive Secretary