

MEETING NO. 3757
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
HELD TUESDAY, **AUGUST 26, 2008**
9:00 A.M.

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

PRESENT

Wendell Anthony	Trustee
David Clark	Trustee
Gerald Fischer	Trustee
Susan Glaser	Trustee
Ronald Gracia	Trustee
Sheila Kneeshaw	Trustee & Vice-Chairperson
Kathleen Leavey	Trustee & Chairperson
DeDan Milton	Ex-Officio Alternate Trustee
Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst
Pamela S. Edwards	Recording Secretary

EXCUSED

None

ABSENT

Jeffrey Beasley	Ex-Officio Trustee & Treasurer
Monica Conyers	Ex-Officio Trustee & Councilwoman

Vice-Vice-Chairperson Kneeshaw called the General Retirement System Board of Trustees meeting to order at 9:48 a.m.

SERVICE RETIREMENTS

By: Trustee Glaser – Supported By: Trustee Clark

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

NAME, TITLE, DEPARTMENT	Sandra F. McGee – Senior Clerk - Law
SERVICE CREDIT	30-02
EFFECTIVE DATE	08-15-08

NAME, TITLE, DEPARTMENT	Johnson W. Tweh – Sr. Materials Chemist - DPW
SERVICE CREDIT	28-0
EFFECTIVE DATE	08-05-08

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

VESTED RETIREMENTS

By: Trustee Glaser – Supported By: Trustee Clark

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

NAME, TITLE, DEPARTMENT	Willie L. Bass – General Auto Mechanic – Transportation
SERVICE CREDIT	13-07
EFFECTIVE DATE	02-01-03

NAME, TITLE, DEPARTMENT	Thomas K. Perry - General Auto Mechanic – DPW
SERVICE CREDIT	08-09
EFFECTIVE DATE	07-01-06

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

CONFIRMATIONS

By: Trustee Clark – Supported By: Trustee Glaser

RESOLVED, that the Receipts, Disbursements, Pay-Offs and Draws, reflected as follows be hereby CONFIRMED:

RECEIPTS

Airport – August 19, 2008 - \$9,890.54 – Pension Contribution
Capozzoli Advisors – August 20, 2008 - \$268,495.00 – Remittance, July 2008
Capri Advisors – August 19, 2008 - \$82,255.40 – Monthly Remittance (Terraces), July 2008
Court Square Capital Partners, LP (Prev. Citigroup Venture) – \$346,137.00 – Distribution
General City – August 18, 2008 - \$1,494,016.13 – Pension Contribution
ICG Leaseback Fund I, LLC (ICG Real Estate Advisors, LLC) – August 20, 2008 – \$94,798.92 – Remittance, August 2008
PITG Gaming, LLC (Walton Street) – August 19, 2008 – \$562,500.00 – Credit Enhancement Remittance, 3rd Quarter 2008
The City of Detroit – August 22, 2008 – \$337,286.13 – Weekly Annuity Contribution

TOTAL – \$3,195,380.02

DISBURSEMENTS

Aronson + Johnson + Ortiz – August 22, 2008 - \$11,582.00 – Fees, 2nd Quarter 2008
Bank of New York Mellon – August 22, 2008 - \$50,659.31 – Custodial Fee, 1st Quarter 2008
BlackEagle Partners Fund, LP – August 18, 2008 - \$1,985,354.00 – Draw #4
Capozzoli Advisors – August 21, 2008 - \$70,548.00 – Fees, August 2008
DeRoy & Devereaux Private Investment Counsel, Inc. – August 18, 2008 - \$13,972.00 – Fees, 1st Quarter 2008
DeRoy & Devereaux Private Investment Counsel, Inc. – August 18, 2008 - \$13,463.00 – Fees, 2nd Quarter 2008
Earnest partners – August 19, 2008 - \$97,373.66 – Fees, 2nd Quarter 2008
First Independence National Bank – August 19, 2008 - \$594,116.84 – Annuity Refunds, List #6872
Globeflex Capital, L.P. – August 22, 2008 - \$126,116.50 – Fees, 2nd Quarter 2008
Intech Mathematical Investment Strategies – August 18, 2008 - \$95,179.31 – Fees, 2nd Quarter 2008
J.P. Morgan Investment Management – August 19, 2008 - \$53,741.30 – Fees (SPF), 1st Quarter 2008
J.P. Morgan Investment Management – August 19, 2008 - \$54,067.54 – Fees (SPF), 2nd Quarter 2008
Lawrence R. Walker, P.C. – August 18, 2008 - \$922.50 – Fees, July 2008
Lawrence R. Walker, P.C. – August 18, 2008 - \$5,350.00 – Fees, JADDA Institutional Opportunity Fund, LLC
Onyx Capital Advisors, LLC – August 18, 2008 - \$1,100,000.00 – Draw #6
The City of Detroit – August 19, 2008 - \$198,805.07 – Checkwrite
The City of Detroit – August 22, 2008 - \$290.61 – Checkwrite
Windpoint Partners VI, LP (Wind Point Partners) – August 20, 2008 - \$597,600.00 – Draw #13

TOTAL – \$4,272,445.96

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

REFUND OF ACCUMULATED CONTRIBUTIONS
LIST NO. 6874 – Amount: \$418,501.88

By: Trustee Glaser – 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. 6874 in the amount of \$418,501.88 including interest, be REFUNDED, pending audit by Retirement Systems' Accounting Staff as reflected.

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

MINUTES FOR APPROVAL

Re: Meeting No. 3751 – July 16, 2008

By: Trustee Clark - Supported By: Trustee Milton

RESOLVED, that the General Retirement System Minutes of Meeting No. 3751 held on Wednesday, July 16, 2008 hereby be APPROVED as recorded and submitted.

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

ASSISTANT EXECUTIVE SECRETARY'S REPORT

CAPITAL CALLS

Re: 6200 Second Avenue Lofts Loan

By: Trustee Milton – Supported By: Trustee Clark

WHEREAS, the Board has been presented with a communication dated August 21, 2008 from Capozzoli Advisors wherein a Capital Call request is made in the amount of \$8,153.35, therefore be it

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

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Banyan Realty Advisors LLC - \$2,853,683.34

By: Trustee Milton – Supported By: Trustee Clark

WHEREAS, the Board has been presented with a communication dated August 25, 2008 from Banyan Realty Advisors LLC wherein a Capital Call request is made in the amount of \$2,853,683.34, therefore be it

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

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

Re: Billing Payment Requests

By: Trustee Clark – Supported By: Trustee Fischer

WHEREAS, the Board of Trustees is 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, therefore be it

RESOLVED, that subject to staff audit, the Board approves payment of said invoices as reflected below:

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

BlackRock – August 14, 2008 - \$39,745.00 – Asset Management Fee, 2nd Quarter 2008
Brandywine Global – August 18, 2008 – \$77,020.64 – Asset Management Fee, 2nd Quarter 2008
Gabriel Roeder Smith – May 28, 2008 - \$2, 000.00 – Minute Master Services, January 1, 2007 thru December 31, 2007
Gabriel Roeder Smith – December 12, 2007 - \$450.00 – EDRO Calculation
HSBC Global Asset Management – July 22, 2008 - \$66,247.37 – Asset management Fee, 2nd Quarter 2008
J.P. Morgan Investment Management Inc. – July 8, 2006 - \$200,000.00 – Asset Management Fee, 2nd Quarter 2008
Prudential – July 18, 2008 - \$57,358.36 –Asset management Fee, 2nd Quarter 2008
SCM Advisors LLC – August 11, 1008 - \$65,326.26 – Asset management Fee, 2nd Quarter 2008

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Billing Payment Requests (cont'd)

FIRM OR INDIVIDUAL, DATE, AMOUNT/GRS TOTAL, SERVICE(S) PROVIDED

ADP, Inc. – August 15, 2008 - \$181.92/\$90.96 – Payroll Services
ADP, Inc. – August 8, 2008 - \$12,830.39/\$6,415.19 – Payroll Services
ADP, Inc. – August 1, 2008 - \$202.88/\$101.44 – Payroll Services
GRS Payroll – August 22, 2008 - \$40,957.39/\$20,478.69 – August Salaries
Preferred Data Systems, LLC – July 31, 2008 - \$1,239.50/\$619.75 – Computer Equipment and Maintenance
Quill Corporation – August 12, 2008 - \$47.45/\$23.72 – Office Supplies
Quill Corporation – August 15, 2008 - \$104.98/\$52.49 – Office Supplies
Zones – August 12, 2008 - \$273.97/\$136.98 – Computer Supplies
Zones – August 12, 2008 - \$268.92/\$134.46 – Computer Supplies
Zones – August 12, 2008 - \$200.90/\$100.45 – Computer Supplies
Zones – August 13, 2008 - \$1,568.00/\$784.00 – Computer Supplies
Zones – August 13, 2008 - \$629.00/\$314.50 – Computer Supplies

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

Re: Desree Dent, Jr. – No. 213154 – Public Works

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:

Desree Dent, Jr.
Pension #213154
S.S. # 2358
From: April 4, 1961 to April 2, 1965

Yeas – Trustees Clark, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – None

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Payroll Expenses

The September 30, 2008 payroll requires \$20,000,000.00. At the direction of the Chair, the Assistant Executive Secretary is hereby directed to send payroll expenses to New England Pension Consultants for direction.

Re: MMA REIT Group Trust

The MMA REIT Group Trust will be meeting in Detroit on Tuesday, September 23, 2008. The location is to be determined.

Re: Pelham Fund – Smith Whiley

The Annual Meeting of the Pelham Fund, Smith Whiley is scheduled for September 10, 2008 in Hartford, Connecticut.

Re: MMA REIT

Legal counsel recommended that the MMA REIT portfolio be reviewed by the Investment Analyst and Townsend.

PRESENTATION

Terrace Communities

Mr. Ned Wayman and Mr. Mark Mitchell of Terrace Communities appeared before the Board to provide an update on the Terrace Communities assisted living.

- ❖ *Trustee Anthony joined the meeting at 10:10 a.m.*
- ❖ *Trustee Gracia entered the meeting at 10:15 a.m.*
- ❖ *Messrs Wayman and Mitchell were thereupon excused from the meeting.*
- ❖ *Trustee Clark was excused from the meeting at 10:20 a.m.*

LEGAL COUNSEL'S REPORT

The Board's Legal Counsel discussed the following matters with the Board and provided copies of the documents indicated below:

Re: FOIA Update

Each member of the Board was provided with a copy of a letter from Christine MacDonald of the Detroit News dated August 25, 2008.

Re: R&G Securities Litigation

General Counsel reported to the Board that he has received/reviewed: (1) Motion for Final Approval of Settlement and Proposed Plan of Allocation; (2) Motion for Award of Attorney Fees and Reimbursement of Litigation Expenses; (3) Joint Declaration in Support of Motions for Approval of Final Settlement and (4) Declaration of Walter Stampor in support of the motions.

Individual copies of (1), (2) and (3) will be provided to any trustee requesting same. A copy of Mr. Stampor's Declaration has been provided to each trustee. The Board asked questions and indicated no objections to the foregoing.

Re: Strong vs. Strong
Wayne County Circuit Court Case No. 03-316998-DM

By: Trustee Fischer – Supported By: Trustee Anthony

WHEREAS, the Retirement System received (prior to November 2, 2005) an Eligible Domestic Relations Order (EDRO) dated September 23, 2005 which indicated a date of marriage of January 1, 1996 and date of divorce of July 16, 2004 which resulted in a Board resolution on November 2, 2005 providing benefits to alternate payee consistent with said EDRO, and

WHEREAS, Walter Strong, Sr. submitted an EDRO also dated September 23, 2005 which indicates a date of marriage of November 1, 1996 who now claims that \$2,536.41 was overpaid to alternate payee because Defined Contribution Plan benefits were calculated based upon an (erroneous) marriage date of January 1, 1996, and

WHEREAS, no explanation has been provided why the two Eligible Domestic Relations Orders submitted to the Retirement System are dated the same, titled the same, and are only different as to the marriage date, and

LEGAL COUNSEL'S REPORT (cont'd)

Re: Strong vs. Strong
Wayne County Circuit Court Case No. 03-316998-DM (cont'd)

WHEREAS, the Retirement System relied upon the marriage date indicated as January 1, 1996 in the first EDRO dated September 23, 2005 filed with the Retirement System, and

WHEREAS, the Board does not deem it appropriate under the circumstances to act as a collection agency for Mr. Strong, therefore be it

RESOLVED, that no adjustments be made to the amounts paid to alternate payee unless the Retirement System is provided with a court order requiring such an adjustment, and further

RESOLVED, that Mr. Strong resolve the matter with alternate payee or obtain an appropriate court order, and further

RESOLVED, that a copy of this resolution be forwarded to attorney Steven Geller, attorney Thomas Lazar, Terrie E. Strong and Walter Strong, Sr.

Yeas – Trustees Anthony, Fischer, Glaser, Milton and Vice-Chairperson Kneeshaw – 5

Nays – Trustee Gracia – 1

PRESENTATIONS (cont'd)

Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C.

Mr. Donald Wagner, Mr. Jerry Ellis and Ms. Danielle Haberstroh of Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. appeared before the Board to provide the GVC Winstar status report.

❖ *Representatives from Couzens, Lansky, Fealk, Ellis, Roeder & Lazar were thereupon excused from the meeting.*

CLOSED SESSION

By: Trustee Gracia – Supported By: Trustee Anthony

RESOLVED, that the Board enter into Closed Session for the purpose of discussing a personnel Attorney/Client privileged matter.

CLOSED SESSION (cont'd)

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Milton and
Vice-Chairperson Kneeshaw – 6

Nays – None

- *The Board went into Closed Session at 10:40 a.m.*

CLOSED SESSION-ENDING

By: Trustee Glaser – Supported By: Trustee Fischer

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

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Milton and
Vice-Chairperson Kneeshaw – 6

Nays – None

- *The Board came out of Closed Session at 11:09 a.m.*

During closed session, the Board discussed Don Wagner and GVC Winstar status update.

PRESENTATIONS (cont'd)

Banyan Realty

Mr. Lou Vogt appeared before the Board to discuss Gateway Shopping Center on Eight Mile Road, Fort Shelby and Asian Village.

- ❖ *Trustee Leavey joined the meeting at 11:25 a.m. and assumed the role of Chairperson.*
- ❖ *Mr. Vogt was excused from the meeting.*

LEGAL COUNSEL'S REPORT (cont'd)

Re: McIntosh vs. McIntosh
Wayne County Circuit Court Case No. 95-519684-DM

By: Trustee Gracia – Supported By Trustee Anthony

WHEREAS, the Board is in receipt of an Order for Reimbursement for Overpayment from Retirement Account dated November 5, 2007 which supplements an EDRO dated March 1, 1996 which amends/supplements a 1996 Judgment of Divorce, and

WHEREAS, the Retirement System previously received an EDRO dated March 1, 1996, and

WHEREAS, the Retirement System received a transmittal letter dated November 13, 2007 from Katherine L. Zopf, attorney for participant Tony McIntosh which letter refers to a "QDRO" (which previously was intended to refer to the March 1, 1996 EDRO), and

WHEREAS, the court order indicates the alternate payee was overpaid the sum of \$38,940.66 in pre-tax dollars from participant's Defined Contribution Plan, and

WHEREAS, the Board has previously adopted a resolution on April 10, 1996, and

WHEREAS, alternate payee is a vested former employee, and

WHEREAS, the order provides inter alia for alternate payee to pay the \$38,940.66 to participant from alternate payee's share of her own retirement benefits, and

WHEREAS, the March 1, 1996 EDRO provides for Little McIntosh to receive a portion of Tony McIntosh's Defined Contribution Plan and Defined Benefit Plan, and

WHEREAS, the Order for Reimbursement for Overpayment from Retirement Account dated November 5, 2007 provides "It is further ordered that defendant's award of 50% of the coverture share of plaintiff's City of Detroit Pension Plan as set forth in the Consent Judgment of Divorce at page 16 has been paid in full, and defendant is therefore not entitled to any further payments from plaintiff's City of Detroit Pension Plan", and

WHEREAS, the payments made to Little McIntosh (defendant) were paid from Tony McIntosh's Defined Contribution Plan and payments regarding Mr. McIntosh's Defined Benefit Plan will not be made until his retirement, and

WHEREAS, the Board's general counsel notes possible inconsistency between the March 1, 1996 EDRO and November 5, 2007 Order for Reimbursement unless all parties intended that alternate payee's previous awarded rights to participant's Defined Benefit Plan per March 1, 1996 order were voided by the November 5, 2007 order, and

LEGAL COUNSEL'S REPORT (cont'd)

Re: McIntosh vs. McIntosh

Wayne County Circuit Court Case No. 95-519684-DM (cont'd)

WHEREAS, the Board notes that Little McIntosh's projected vested retirement date is November 1, 2017, therefore be it

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

RESOLVED, that the appropriate parties and/or their legal counsel confirm that there are no inconsistencies or resolve the inconsistencies noted above, and further

RESOLVED, that copies of this resolution be sent to attorney Katherine Zopf, Little McIntosh and Tony McIntosh.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Milton and
Chairperson Leavey – 7

Nays – None

Re: Floyd Allen & Associates

Legal counsel reminded the Board that Floyd Allen & Associates was retained to review (Miller & Jacobs) the UBS situation to see if the Board should consider filing any litigation on the \$20 Million loss. Legal counsel recommended that Mr. Floyd Allen be invited to appear before the Board to answer any questions they may have about the aforementioned matter.

Schedule Board Appearance – Floyd Allen & Associates

At the direction of the Chair, staff is hereby directed to schedule Mr. Floyd Allen from **Floyd Allen & Associates** to appear before the Board of Trustees to discuss the status of the UBS situation.

LEGAL COUNSEL'S REPORT (cont'd)

Re: Investment Guidelines

The Board was reminded of the target issue with PITG deal closing. Legal counsel recommended that the Board review this issue with NEPC. The Executive Secretary will contact New England Pension Consultants for recommendations regarding amendments of the investment guidelines.

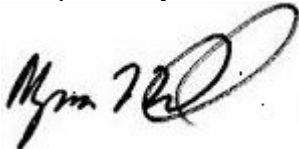
Schedule Board Appearance – The Townsend Group

At the direction of the Chair, staff is hereby directed to schedule representatives from **The Townsend Group** to appear before the Board of Trustees to discuss MMA's Action Plan.

ADJOURNMENT

There being no further business to come before the Board of Trustees, the General Retirement System Board meeting hereby adjourned at 12:08 p.m. until Wednesday, September 3, 2008 at 9:00 a.m. in the Retirement Systems' Conference Room, 910 Coleman A. Young Municipal Center, Detroit, MI 48226.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Myron T. Terrell". The signature is stylized and cursive.

Myron T. Terrell
Assistant Executive Secretary