

MEETING NUMBER 3839

JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES OF THE GENERAL
RETIREMENT SYSTEM OF THE CITY OF DETROIT



PROCEEDINGS HELD WEDNESDAY, MARCH 24, 2010
9:00 A.M.
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226



PRESENT

Wendell Anthony	Trustee
Alvin Brooks	Trustee
David Clark	Trustee
Cedric Cook	Trustee
Ronald Gracia	Trustee & Vice Chairperson
Saunteel Jenkins	Ex/Officio Trustee/Council Representative
Cheryl R. Johnson	Ex/Officio Trustee/Treasurer

Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst
Mena Baldwin	Recording Secretary (GRS)
Janet S. Lenear	Recording Secretary (PFRS)

EXCUSED

Susan Glaser	Trustee
Sheila W. Kneeshaw	Trustee & Chairperson

ABSENT

None

CHAIRPERSON

Sheila W. Kneeshaw

VICE CHAIRPERSON

Ronald Gracia

AT THE VICE CHAIR'S DIRECTION, ROLL CALL WAS TAKEN AT 9:30 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

SERVICE RETIREMENTS

BY MR. COOK – SUPPORTED BY MR. CLARK

RESOLVED, THAT THE SERVICE RETIREMENT APPLICATIONS WHICH ARE OUTLINED BELOW BE APPROVED:

SERVICE RETIREMENTS

NAME, TITLE, DEPARTMENT	Ralph Carson – Manager I – Civic Center
SERVICE CREDIT	31-09
EFFECTIVE DATE	09-29-09

NAME, TITLE, DEPARTMENT	Pamela Colvin – Head Clerk – Water & Sewerage
SERVICE CREDIT	31-07
EFFECTIVE DATE	01-26-10

NAME, TITLE, DEPARTMENT	Brenda A. Ice – Emergency Mgmt. Coordinator – Detroit Office Homeland Security
SERVICE CREDIT	33-01
EFFECTIVE DATE	01-20-10

NAME, TITLE, DEPARTMENT	Mildred Williams – TEO - Transportation
SERVICE CREDIT	21-11
EFFECTIVE DATE	10-21-09

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

CHANGE OF OPTION

BY MR. CLARK – SUPPORTED BY MR. COOK

RESOLVED, THAT THE OPTION CHANGES WHICH ARE DESIGNATED BELOW
BE APPROVED:

CHANGE OF OPTION

NAME, TITLE, DEPARTMENT	Claudia Lee – Clerk – Water & Sewerage
SERVICE CREDIT	36-07
EFFECTIVE DATE	01-18-10
FROM:	Option B/Pop-Up
TO:	Option B

NAME, TITLE, DEPARTMENT	*Ester Ramos – Rec Sys Spec II – Police (Civilian)
SERVICE CREDIT	35-0
EFFECTIVE DATE	01-07-10
FROM:	Straight Life
TO:	Option One

NAME, TITLE, DEPARTMENT	Vernita Wardlow – Neighborhood Service Rep – Mayor's Office
SERVICE CREDIT	13-07
EFFECTIVE DATE	02-15-10
FROM:	B/Pop-Up
TO:	Option B

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

CHANGE OF EFFECTIVE DATES

BY MR. CLARK – SUPPORTED BY MR. COOK

RESOLVED THAT THE EFFECTIVE DATE CHANGES WHICH ARE OUTLINED
BELOW BE APPROVED:

CHANGE OF EFFECTIVE DATES

NAME, TITLE, DEPARTMENT	Ester Ramos – Rec Sys Spec II – Police (Civilian)
SERVICE CREDIT	35-0
FROM:	01-08-10
TO:	01-07-10

CHANGE OF EFFECTIVE DATES - CONTINUED

NAME, TITLE, DEPARTMENT	Carol Rizzo – Principal Clerk – Water & Sewerage
SERVICE CREDIT	26-04
FROM:	01-20-10
TO:	01-12-10

***Also change of effective date**

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

CONFIRMATIONS

BY MR. CLARK – SUPPORTED BY MR. COOK

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS BE CONFIRMED:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. COOK – SUPPORTED BY MR. CLARK

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE **GENERAL RETIREMENT SYSTEM** OF THE CITY OF DETROIT, AS SET FORTH ON LIST #6949, IN THE AMOUNT OF \$1,200,467.30, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

1973 DEFINED CONTRIBUTION PLAN

BY MR. CLARK – SUPPORTED BY MR. ANTHONY

RESOLVED, THAT THE **GENERAL RETIREMENT SYSTEM** 1973 DEFINED CONTRIBUTION PLAN LOAN REQUEST LIST, SUBMITTED THIS DATE, BE

1973 DEFINED CONTRIBUTION PLAN - CONTINUED

APPROVED AND THE AMOUNT OF **\$380,363.00**, BE DISBURSED PENDING
AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

ASSISTANT EXECUTIVE SECRETARY'S REPORTS

ASSISTANT EXECUTIVE SECRETARY MYRON TERRELL ASKED THAT THE BOARD
APPROVE THE SYSTEM'S MARCH 24, 2010 CAPITAL CALLS AND FEES AND
EXPENSES.

CAPITAL CALLS

BY MR. BROOKS – SUPPORTED BY MR. CLARK

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 AND
SUBJECT TO STAFF AUDIT, THE BOARD APPROVES FUNDING OF SAID
CAPITAL CALLS:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

FEES AND EXPENSES

BY MR. CLARK – SUPPORTED BY MR. BROOKS

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH THE SUMMARY OF FEES
AND EXPENSES WHICH ARE REFERENCED AT THE END OF THESE
PROCEEDINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

FEES AND EXPENSES - CONTINUED

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 PAYMENT OF SAID FEES AND EXPENSES:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

PETER RHOADES

VICE CHAIRMAN GRACIA DIRECTED THAT PETER RHOADES' REQUEST TO RECEIVE A RETIREMENT PENSION AND ACTIVE PAYCHECK BE DISCUSSED LATER IN THE MEETING.

EMPLOYEE LOAN PROGRAM

MR. TERRELL PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH A COPY OF IT SUPERVISOR DENNIS LINET'S ANNUITY LOAN PROGRAM UPDATE AS WELL AS A COPY OF THE SYSTEM'S "GRS MEMBER/EMPLOYEE LOAN ACKNOWLEDGEMENT FOR 25-YEAR IN-SERVICE DISTRIBUTION REQUEST" FORM.

ONYX CAPITAL

MR. TERRELL INFORMED THE BOARD THAT ROY DIXON WILL NOT BE ABLE TO KEEP HIS APPOINTMENT WITH THE BOARD TODAY BECAUSE HE'S AWAITING RECEIPT OF AUDITED FINANCIALS. IT WAS THEN SUGGESTED THAT MR. TERRELL SEND MR. DIXON A LETTER INFORMING HIM THAT THE BOARD WANTS TO MEET WITH HIM REGARDLESS OF WHETHER HE HAS AUDITED FINANCIALS.

FOLLOWING FURTHER DISCUSSION, GENERAL COUNSEL ASKED THE BOARD TO ADOPT THE RESOLUTION WHICH FOLLOWS DIRECTING SPECIAL LEGAL COUNSEL TO TAKE ALL APPROPRIATE ACTION TO PROTECT THE INTERESTS OF THE SYSTEM:

\$10,000,000.00 Equity Investment
Onyx Capital Advisory Fund I, LP

BY MR. ANTHONY – SUPPORTED BY MR. COOK

WHEREAS, the General Retirement System has previously made a \$10,000,000.00 preferred member interest investment in Onyx Capital Advisory Fund I, LP (the “Partnership”), and

WHEREAS, the general partner of the Partnership is Onyx Capital Advisors, LLC (the “General Partner”), and

WHEREAS, the General Partner has failed to provide the Retirement System with the annual audited financial statements as required by Section 11.3 of the Agreement of Limited Partnership of the Partnership, and the General Partner has failed to meet with the Board of Trustees as requested to explain certain aspects of the unaudited quarterly financial statements, and

WHEREAS, the Retirement System has previously engaged special legal counsel F. Logan Davidson, P.C. regarding this investment, and

WHEREAS, the Board has discussed this matter, therefore be it

RESOLVED, that special legal counsel F. Logan Davidson, P.C. take all appropriate actions to protect the Retirement System’s interests regarding this investment, including the filing of appropriate litigation, and report to the Board regarding this matter, and be it further

RESOLVED, that a copy of this resolution be forwarded to special legal counsel F. Logan Davidson, P.C., and the Accounting Division of the Retirement System:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

WALKER & DUNLOP

VICE CHAIRMAN GRACIA DIRECTED THAT A COMMUNICATION BE FORWARDED TO PAUL BERNARD INFORMING HIM THAT THE BOARD, AFTER REVIEW AND DISCUSSION OF WALKER & DUNLOP’S INTERIM LOAN PROGRAM PROPOSAL, HAS NO INTEREST IN SAID PROPOSAL AT THIS TIME.

DRCEA

BY MR. COOK – SUPPORTED BY MR. CLARK

WHEREAS, THE BOARD IS IN RECEIPT OF A CORRESPONDENCE FROM THE DRCEA REQUESTING STATISTICAL INFORMATION ON THE RETIREMENT SYSTEM'S MEDICAL CARRIERS, AND

WHEREAS, AFTER REVIEW AND DISCUSSION, THE BOARD DEEMS IT APPROPRIATE TO GRANT SAID REQUEST, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF THE DRCEA BE GRANTED:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

I-CAP

KATHLEEN COLIN PRESENTED EACH BOARD MEMBER WITH A PERSONAL INVITATION TO NASP'S "ENCORE IV: GIVING MORE" 4TH ANNUAL AWARDS AND SCHOLARSHIP BANQUET WHICH WILL BE HELD WEDNESDAY, APRIL 7, 2010 AT 5:30 P.M. AT THE DETROIT ATHLETIC CLUB, AND NOTED THAT TRUSTEE SUSAN GLASER WILL BE HONORED.

Conference

By Mr. Brooks – Supported by Mr. Anthony

Resolved, That the Board approve the attendance of its Investment Analyst at the below-referenced conference:

Mellon Capital Client Advisory Forum Conference
Monterey, California
May 16, 2010 – May 18, 2010

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK AND VICE CHAIRMAN GRACIA – 5

NAYS – NONE

SENATE BILLS 1239 AND 1240

MR. TERRELL PRESENTED THE BOARD WITH A COPY OF CHAIRPERSON S. KNEESHAW'S MARCH 22, 2010 MEMBERSHIP ALERT MEMO REGARDING THE STATE'S PROPOSED LEGISLATION TO TAKE CONTROL OF THE GENERAL AND POLICE AND FIRE RETIREMENT SYSTEMS.

FRANCO PUBLIC RELATIONS WAS ASKED TO DRAFT MAIN POINTS OF THE BILLS FOR PRESENTATION TO THE MEDIA SO THAT THE MEDIA WILL CLEARLY UNDERSTAND THE BILLS.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING TRUSTEE STIPENDS, RULES AND PROCEDURES OF THE 1973 DEFINED CONTRIBUTION PLAN, THE HENCE FENOY LITIGATION, SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982, ASIAN VILLAGE, THE WATKINS LITIGATION, VARIOUS DETROIT FREE PRESS ARTICLES AND THE SECURITIES AND EXCHANGE COMMISSION. COUNSEL ZAJAC ALSO PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH COPIES OF THE DOCUMENTS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS.

TRUSTEE JENKINS ENTERED THE MEETING DURING LEGAL COUNSEL'S REPORTS.

TRUSTEE JOHNSON ENTERED THE MEETING DURING LEGAL COUNSEL'S REPORTS.

VICE CHAIRMAN GRACIA RECESSED THE MEETING AT 10:35 A.M. AND RECONVENED SAME AT 10:53 A.M.

MUNIMAE

EARL COLE APPEARED BEFORE THE BOARD TO DISCUSS MATTERS INVOLVING PRIVILEGED MATTERS:

MUNIMAE

By Mr. Anthony – Supported by Mr. Brooks

WHEREAS, MUNIMAE is presenting certain financial or proprietary information and documentation (“Proprietary Information”) in connection with its various obligations to the General Retirement System of the City of Detroit (GRS”) to be discussed at the March 24, 2010 meeting, and

WHEREAS, MuniMae believes that such Proprietary Information relates to financial or proprietary information pertaining to a portfolio company in real estate and MuniMae believes that such Proprietary Information is confidential since such Proprietary Information is not shared with MMA's shareholders and is subject to confidentiality agreements between MuniMae and GRS, and

WHEREAS, it is the policy of GRS to review and hold such Proprietary Information confidential pursuant to Act 314 of the Public Employee Retirement System Investment Act (the “Act”), Section 1140I and that such Proprietary Information is not subject to the disclosure requirements of the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, and

WHEREAS, GRS agrees that such Proprietary Information to be presented to GRS on March 24, 2010, will be held and reviewed as Proprietary Information and exempt from disclosure under the Freedom of Information Act pursuant to Section 1140I of the Act, and

WHEREAS, it is in the best interest of GRS to hold such Proprietary Information as provided herein, and

WHEREAS, the Board has discussed this matter before it, and

NOW, THEREFORE, IT IS RESOLVED, that the Proprietary Information provided by MuniMae to GRS for the March 24, 2010 meeting will be reviewed and considered in closed and executive session pursuant to the Act, and further

RESOLVED, that this Proprietary Information will be held by GRS as proprietary and financial information under the Act and such Proprietary Information will not be released to third parties unless required by court order and will not be subject to the disclosure requirements of the Freedom of Information Act pursuant to Section 1140I of the Act, and further

RESOLVED, that a copy of this Resolution be forwarded to MuniMae and Special Legal Counsel:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS, JOHNSON AND VICE
CHAIRMAN GRACIA - 7

NAYS – NONE

CLOSED SESSION

BY MR. ANTHONY – SUPPORTED BY MS. JOHNSON

Resolved, That the Board enter into Closed Session for the purpose of discussing privileged matters:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS, JOHNSON AND VICE
CHAIRMAN GRACIA - 7

NAYS – NONE

The Board entered into Closed Session at 10:55 A.M.

OPEN SESSION

BY MR. ANTHONY – SUPPORTED BY MS. JOHNSON

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS, JOHNSON AND VICE
CHAIRMAN GRACIA - 7

NAYS – NONE

The Board returned to Open Session at 11:40 A.M.

TRUSTEE COOK EXCUSED HIMSELF.

VICE CHAIRMAN GRACIA RECESSED THE MEETING AT 11:40 A.M. AND RECONVENED SAME AT 12:45 P.M.

LIFE ASSURANCE FUND

DEREK BATTIS DISCUSSED LIFE ASSURANCE FUND'S LIFE SETTLEMENT INVESTMENTS AT LENGTH.

TRUSTEE COOK RE-JOINED THE MEETING DURING MR. BATTIS' PRESENTATION.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3839 – WEDNESDAY – MARCH 24, 2010

BANYAN REALTY ADVISORS, LLC ("BANYAN")

BY MR. COOK – SUPPORTED BY MR. ANTHONY

WHEREAS, LOU VOGT HAS INFORMED THE BOARD OF TRUSTEES THAT HE HAS RECEIVED A GRAND JURY SUBPOENA DATED MARCH 5, 2010, AND

WHEREAS, MR. VOGT WISHES TO BE REPRESENTED BY CLARK HILL (SUBJECT TO THE BOARD HAVING NO OBJECTION TO SAME), AND

WHEREAS, CLARK HILL'S WILLINGNESS TO REPRESENT MR. VOGT IS SUBJECT TO THE BOARD HAVING NO OBJECTION, AND

WHEREAS, THE ADVISORY AGREEMENT BETWEEN THE RETIREMENT SYSTEM AND BANYAN REALTY ADVISORS, LLC PROVIDES FOR REIMBURSEMENT TO BANYAN REGARDING THIS MATTER, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH THE RETIREMENT SYSTEM'S GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE BOARD OF TRUSTEES HAS NO OBJECTION TO CLARK HILL REPRESENTING MR. VOGT IN THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT THE RETIREMENT SYSTEM REIMBURSE BANYAN/VOGT FOR COSTS INCURRED REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO LOU VOGT; CLARK HILL, ATTENTION: JOE TURNER; AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

LOU VOGT
BANYAN REALTY ADVISORS, LLC
501 N. MAGNOLIA AVENUE
ORLANDO, FL 32801

JOE TURNER
CLARK HILL
500 WOODWARD AVENUE – SUITE 3500
DETROIT, MI 48226

YEAS – TRUSTEES ANTHONY, CLARK, COOK, JENKINS, JOHNSON AND VICE CHAIRMAN GRACIA - 6

NAYS – TRUSTEE BROOKS – 1

CLARK HILL

SPECIAL LEGAL COUNSEL JOE TURNER AND LOBBYIST REGINALD M. TURNER APPEARED BEFORE THE BOARD TO DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. ANTHONY – SUPPORTED BY MR. COOK

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:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS, JOHNSON AND VICE CHAIRMAN GRACIA - 7

NAYS – NONE

The Board entered into Closed Session at 1:48 P.M.

MICHELLE ZDRODOWSKI OF FRANCO JOINED THE BOARD DURING CLOSED SESSION.

OPEN SESSION

BY MR. BROOKS – SUPPORTED BY MR. CLARK

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS, JOHNSON AND VICE CHAIRMAN GRACIA - 7

NAYS – NONE

The Board returned to Open Session at 3:00 P.M.

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982

BY MR. COOK – SUPPORTED BY MR. CLARK

WHEREAS, on March 18, 2010, Senate Bills (“SB”) 1239 and 1240 were introduced in the Michigan Senate by Senator Michael Switaski (D - Roseville) and Senator Ron Jelinek (R – Three Oaks), respectively, and

WHEREAS, the Board has received and reviewed a copy of SB 1239 deemed the Distressed Municipal Pension System Act which, *inter alia*, proposes to eliminate local municipal pension systems, such as the General Retirement System of the City of Detroit, and turnover to the Michigan Employees Retirement System (“MERS”) all of the local system’s assets and administrative responsibilities, and

WHEREAS, the Board has received and reviewed a copy of Senate Bill 1240 which proposes to amend the MERS Act, MCLA 38.1535, et seq., to facilitate the turnover of all assets of certain local municipal pension systems deemed distressed pension systems as set forth in Senate Bill 2939, and

WHEREAS, on March 23, 2010, House Bills (“HB”) 5976 and 5982 were introduced in the Michigan House of Representatives by Representative George Cushingberry (D – Detroit) and Representative Dave Hildenbrand (R – Lowell), respectively, and

WHEREAS, the Board has received and reviewed (i) a copy of HB 5976 which is substantially similar to SB 1239, and (ii) a copy of HB 5982 which is substantially similar to SB 1240 (SB 1239, SB 1240, HB 5976 and HB 5982 shall be collectively referred to as the “Detroit Pensions Takeover Bills” or individually as a “Detroit Pension Funds Takeover Bill”), and

WHEREAS, General Counsel has discussed with the Board certain legal rights and remedies regarding the Detroit Pension Funds Takeover Bills, and

WHEREAS, the Board has considered this matter, and **THEREFORE BE IT**

RESOLVED, that the Board deems the Detroit Pension Funds Takeover Bills, as a violation of the constitutional and statutory rights of the Retirement System, its members and beneficiaries and citizens of Detroit and hereby oppose such legislation or any future similar legislation seeking to (i) eliminate the Board of Trustees, or (ii) cause the Retirement System to turnover the control of its assets to another entity, and be it further

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982 -
CONTINUED

RESOLVED, consistent with the Board's fiduciary obligations to protect the Retirement System's assets, inter alia, the Board hereby engages Clark Hill PLC to serve as the Board's lobbyist and Special Legal Counsel to vigorously pursue all appropriate lobbying efforts and legal courses of action to defeat any and all Detroit Pension Funds Takeover Bills or similar legislation which may be subsequently introduced in the Michigan Legislature, and be it further

RESOLVED, that the Board shall form a committee to (i) interact with the Board's Lobbyist and Special Legal Counsel as needed, and (ii) advise the Board accordingly, and be it further

RESOLVED, that the Board's Business Consultant, Investment Analyst, General Counsel, Lobbyist, Special Legal Counsel and Media Consultant shall coordinate their efforts to defeat each Detroit Pension Funds Takeover Bill or any similar legislation, and be it further

RESOLVED, that a copy of this resolution be provided to the Board's Business Consultant, Investment Analyst, General Counsel, Lobbyist, Special Legal Counsel and Media Consultant:

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS AND VICE CHAIRMAN
GRACIA - 6

NAYS – NONE

ABSTAIN – TRUSTEE JOHNSON – 1

RETENTION OF SPECIAL LEGAL COUNSEL REGARDING
SENATE BILL 1239 AND RELATED MATTERS

BY MR. ANTHONY – SUPPORTED BY MR. COOK

WHEREAS, the Board has been presented with extraordinary legal challenges and proposed unconstitutional legislation, and

WHEREAS, the proposed legislation ignores the rights of self-governance of the voters of the City of Detroit and is contrary to a number of state statutes, and

WHEREAS, such challenges are reflective of a larger national policy attacking the independence of pension trust funds and trustees, and

RETENTION OF SPECIAL LEGAL COUNSEL REGARDING
SENATE BILL 1239 AND RELATED MATTERS - CONTINUED

WHEREAS, the Board of Trustees is also facing an unprecedented challenge to its investment authority, and

WHEREAS, the Board has a fiduciary duty to the members and beneficiaries of the plan to protect the members and beneficiaries of the Retirement System, THEREFORE BE IT

RESOLVED, that the Board shall engage the law firm of Klausner & Kaufman, a nationally recognized firm specializing solely in the representation of State and Local government retirement systems to serve as a legal consultant to the System in such capacity as the Board deems appropriate including initiating litigation on behalf of the Retirement System and the Board of Trustees or participating in such litigation, and further

RESOLVED, that the Retirement Systems General Counsel coordinate the activities of Klausner & Kaufman, and further

RESOLVED, that the Board approves the hourly rate of \$300.00 (three hundred dollars) per hour, and further

RESOLVED, that a Retainer Agreement be executed by two authorized signatories on behalf of the Retirement System with any applicable retention/escrow deposit amounts subject to final approval of the Board of Trustees and subject to approval as to form by the Retirement System's General Counsel, and further

RESOLVED, that a copy of this Resolution be forwarded to Special Counsel Klausner & Kaufman ATTN: Robert D. Klausner:

ROBERT D. KLAUSNER
KLAUSNER & KAUFMAN
10059 NORTHWEST 1ST COURT
PLANTATION, FLORIDA 33324

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS AND VICE CHAIRMAN
GRACIA - 6

NAYS – NONE

ABSTAIN – TRUSTEE JOHNSON – 1

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982

VICE CHAIRMAN GRACIA DIRECTED THAT EXECUTIVE SECRETARY WALTER STAMPOR FORWARD A LETTER TO HONORABLE MAYOR DAVE BING ASKING THAT HE IMMEDIATELY MEET WITH THE BOARD TO DISCUSS SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982.

RETIREMENT SYSTEM TAKEOVER COMMITTEE

A "RETIREMENT SYSTEM TAKEOVER" COMMITTEE WAS FORMED CONSISTING OF TRUSTEES ANTHONY, CLARK AND COOK.

DISCUSSION REGARDING WHETHER AVAILABLE INFORMATION RELATIVE TO MATTERS AFFECTING POSSIBLE LITIGATION BETWEEN THE RETIREMENT SYSTEM AND THE CITY OF DETROIT SHOULD BE SHARED WITH ALL TRUSTEES

GENERAL COUNSEL INDICATED THAT GENERAL COUNSEL HAS CONSISTENTLY ADVISED THE BOARD THAT ALL TRUSTEES ARE ENTITLED TO ALL INFORMATION AND THAT ALL TRUSTEES HAVE THE FIDUCIARY DUTY TO HONOR ANY APPLICABLE CONFIDENTIALITY SITUATIONS.

PETER RHOADES – PENSION NUMBER 205897

BY MR. COOK – SUPPORTED BY MS. JENKINS

WHEREAS, PETER RHOADES RETIRED EFFECTIVE JULY 19, 2006 AFTER BEING CREDITED WITH 25 YEARS, 07 MONTHS AND 00 DAYS OF SERVICE CREDIT, AND

WHEREAS, MR. RHOADES WAS RE-EMPLOYED BY THE CITY OF DETROIT EFFECTIVE APRIL 13, 2009, AND

WHEREAS, PURSUANT TO RETIREMENT SYSTEM PROVISIONS, MR. RHOADES DEFINED BENEFIT PENSION PAYMENTS WERE SUSPENDED AS REQUIRED BY RETIREMENT SYSTEM PROVISIONS, AND

WHEREAS, MR. RHOADES REQUESTS THE BOARD OF TRUSTEES TO REINSTATE HIS MONTHLY PENSION, NOTWITHSTANDING HIS RE-EMPLOYMENT, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH ITS LEGAL COUNSEL, AND

PETER RHOADES – PENSION NUMBER 205897 - CONTINUED

WHEREAS, THE BOARD OF TRUSTEES HAS NO AUTHORITY TO TAKE ACTION CONTRARY TO SECTION 47-2-2 OF THE RETIREMENT SYSTEM'S PROVISIONS, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF PETER RHOADES, PER HIS LETTER DATED MARCH 9, 2010, BE DENIED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MR. RHOADES:

Peter Rhoades
Attorney At Law
20195 Lichfield
Detroit, Michigan 48221

YEAS – TRUSTEES ANTHONY, BROOKS, COOK, JENKINS, JOHNSON AND VICE CHAIRMAN GRACIA - 6

NAYS – TRUSTEE CLARK – 1

Conference

By Ms. Johnson – Supported by Mr. Cook

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel at the below-referenced conference, and be it further

Resolved, That the Board approve expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel to attend said conference:

Bank of New York Mellon Conference
Phoenix, Arizona
May 2, 2010 – May 3, 2010

YEAS – TRUSTEES ANTHONY, BROOKS, CLARK, COOK, JENKINS, JOHNSON AND VICE CHAIRMAN GRACIA - 7

NAYS – NONE

ADJOURNMENT

There being no further business before the Board, Vice Chairman Gracia adjourned the meeting at 3:22 P.M. until Wednesday, March 31, 2010, at 9:00 A.M. in Room 910 of the Coleman A. Young Municipal Center, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

MYRON T. TERRELL
ASSISTANT EXECUTIVE SECRETARY