



City of Detroit
Office of the Chief Financial Officer
Office of the Treasury

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MEMORANDUM

Date: April 24, 2025

To: Detroit City Council members

From: Nikhil Patel, Deputy CFO / Treasurer, City of Detroit
Nur Barre, Deputy Treasurer – Cash Flow Management, City of Detroit
Sandra Stahl, Deputy CFO / Chief Procurement Officer, City of Detroit

Subject: Request to approve corrections of the termination provisions of four (4) Contracts related to the Retiree Protection Trust Fund

The purpose of this memorandum is to request approval of corrections to the termination provisions the following contracts by the City:

1. Contract number: 6002391 with Agincourt Capital Management LLC as investment manager.
2. Contract number: 6002392 (Garcia Hamilton & Associates, L.P as investment manager.
3. Contract number: 6003555 with Robinson Capital Management, LLC as investment manager.
4. Contract number: 6004545 (Mariner Institutional, LLC, as investment consultant.

(collectively the “Contracts”),

Each Contract relates to some aspect of management of the City’s Retiree Protection Trust Fund (RPTF). Each was intended to be perpetual unless terminated by either party upon thirty (30) days’ notice. Instead, the Contracts were mistakenly approved with a 2025 termination date. That mistake must be corrected.

The Retiree Protection Trust Fund was established in 2017 pursuant to Chapter 47 of the 1984 Detroit City Code, Retirement Systems, as amended by Article III Retiree Protection Trust Fund, Section 47-3-2 (the “Code”). The RPTF is an irrevocable trust fund under Sections 115 and 414(d) of the Internal Revenue Code. Through the RPTF the City receives, maintains and invests funds that are restricted for future deposits to the General Retirement System Plan and the Police and Fire Retirement System Plan. The Code designates the Chief Financial Officer (CFO) as manager of the RPTF, with advice from an eight-member “Advisory Committee.” With the recommendation of the Advisory Committee, the CFO may appoint one or more qualified investment professionals to assist in the management and investment of the RPTF assets. It was

with the recommendation of the Advisory Committee that each of the Contracts were negotiated and subsequently approved by City Council.

To mitigate financial risk and avoid unnecessary operational investment management uncertainty, it is important the services provided by these Contractors are not disrupted. Moving management of these assets to new Contractors would introduce investment management risk for uncertain benefit to the City of Detroit. This is why each of the Contracts contained the following provision

“Termination. This Agreement may be terminated by either party at any time upon 30 days’ advance written notice to the other party.”

Unfortunately, and despite the clear language and intent of the Contracts, Council approval stated a termination date of September 17, 2025. This must be corrected for the reasons stated in this memo.

RESOLUTION

WHEREAS, City Council approved contracts 6002391 (Agincourt Capital Management LLC), 6002392 (Garcia Hamilton & Associates, L.P), 6003555 (Robinson Capital Management, LLC), and 6004545 (Mariner Institutional, LLC) (the “Contracts”).

WHEREAS, the Office of Contracting and Procurement submitted incorrect descriptions concerning the end date of the Contracts.

WHEREAS, for the reasons set forth in the Memorandum dated April 24, 2025 the Contracts were intended to endure for the life of the Retiree Protection Trust Fund.

THEREFORE, BE IT RESOLVED, that the termination provision for contracts 6002391, 6002392, 6003555, and 6004545 be hereby corrected to confirm the following Termination provision in the Contracts:

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“Termination. This Agreement may be terminated by either party at any time upon 30 days’ advance written notice to the other party.”