

MEETING NO. 3188
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, MARCH 22, 2018

10:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

SHAWN BATTLE	EX/OFFICIO TRUSTEE/FIRE PREVENTION CHIEF/MAYOR'S DESIGNEE
MARK DIAZ	ELECTED TRUSTEE/POLICE
JOSEPH ENGLISH	ELECTED TRUSTEE/FIRE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYOR'S DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER
MEGAN S. MOSLIMANI	EX/OFFICIO TRUSTEE/CORPORATION COUNSEL'S ALTERNATE
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/VICE CHAIRMAN
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/MAYOR'S ALTERNATE
JOHN SERDA	ELECTED TRUSTEE/POLICE/CHAIRPERSON
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE
STEVEN WATSON	EX/OFFICIO TRUSTEE/DIRECTOR OF SPECIAL PROJECTS-OFFICE OF CHIEF FINANCIAL OFFICER/BUDGET DIRECTOR'S DESIGNEE

TRUSTEES EXCUSED

SEAN P. NEARY	ELECTED TRUSTEE/FIRE
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TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Ryan Bigelow	Chief Investment Officer
Ronald King	General Counsel
Investment Officer	Kevin Kenneally
Bruce Babiarz	Public Relations Advisor
Dr. Oscar King III	Lobbyist
TaKneisha Johnson	Administrative Assistant III

STAFF EXCUSED

Kelly Tapper	Assistant Executive Director
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CHAIRPERSON

John Serda

The Board's Administrative Assistant took a verbal Roll Call at 10:00 a.m. and Chairperson Serda called the meeting to order.

Present at Roll Call: Shawn Battle, Mark Diaz, Joseph English, Matthew Gnatek, Angela James, Brenda Jones, John Naglick, Christa Mclellan, Gregory Trozak, John Tucker, Steven Watson and John Serda.

Re: Approval of March 22, 2018 Agenda

Matthew Gnatek moved to approve the agenda dated Thursday, March 22, 2018. Gregory Trozak supported. The motion passed unanimously.

Re: Approval of Hybrid Retirement Applications

Matthew Gnatek moved to approve the **Hybrid Retirements** as listed below. Mark Diaz supported. The motion passed unanimously.

NAME-TITLE-DEPARTMENT: RODNEY E COX – CAPTAIN-NU POL UNI - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 08 00 – 02 23 18

NAME-TITLE-DEPARTMENT: ELVIS JOHNSON – SERGEANT - FIRE
RETIREMENT TYPE-PLAN: HYBRID SERVICE – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 01 10 00 – 04 18 16

Re: Approval of Drop Retirement Applications

Matthew Gnatek moved to approve the **Drop Retirements** as listed below. Mark Diaz supported. The motion passed unanimously.

NAME-TITLE-DEPARTMENT: MICHELE D BELL- OFFICER - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 17 02 20 – 11 29 17

NAME-TITLE-DEPARTMENT: RODNEY E COX – CAPTAIN - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 24 04 09 – 02 23 18

NAME-TITLE-DEPARTMENT: JOHN F KENNEDY – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 21 04 09 – 03 07 18

Re: Approval of Service Retirement Applications

Joseph English moved to approve the **Service Retirements** as listed below. Matthew Gnatek supported. The motion passed unanimously.

NAME-TITLE-DEPARTMENT: ANTHONY CASTONE – CHILD OF DECEASED ANTHONY C CASTONE –
FIRE FIGHTER- FIRE
RETIREMENT TYPE-PLAN: DUTY DEATH CHILD - NEW
SERVICE CREDIT-EFFECTIVE DATE: 17 09 09 – 01 21 17

NAME-TITLE-DEPARTMENT: EMILY CASTONE – CHILD OF DECEASED ANTHONY C CASTONE –
FIRE FIGHTER - FIRE
RETIREMENT TYPE-PLAN: DUTY DEATH CHILD - NEW
SERVICE CREDIT-EFFECTIVE DATE: 17 09 09 – 01 21 17

NAME-TITLE-DEPARTMENT: MICHAEL CASTONE – CHILD OF DECEASED ANTHONY C CASTONE –
FIRE FIGHTER - FIRE
RETIREMENT TYPE-PLAN: DUTY DEATH CHILD - NEW
SERVICE CREDIT-EFFECTIVE DATE: 17 09 09 – 01 21 17

NAME-TITLE-DEPARTMENT: LAURA CASTONE – WIDOW OF DECEASED ANTHONY C CASTONE –
FIRE FIGHTER - FIRE
RETIREMENT TYPE-PLAN: DUTY DEATH WIDOW - NEW
SERVICE CREDIT-EFFECTIVE DATE: 17 09 09 – 01 21 17

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts HYBLIQRES
RSCD-PFRS Start Date: 2/27/2018
User: End Date: 3/19/2018

Doc. Date	Tran. Type	Description	R/C	Receipt
3/2/2018	Cash Entry	Employee Pension Contributions 3/2/2018	R/C	262,558.12
3/9/2018	Cash Entry	Employee Pension Contributions 3/9/2018	R/C	90,211.54
3/16/2018	Cash Entry	Employee Pension Contributions 3/16/2018	R/C	259,049.91
				<u>611,819.57</u>

Cash Receipts Legacy LIQUID RES
RSCD-PFRS 2/27/2018
User: 3/19/2018

Doc. Date	Tran. Type	Description	R/C	Receipt
2/28/2018	Cash Entry	Loan Program Deductions 2/23/2018 (\$45,146.82)	R/C	45,146.82
2/28/2018	GL Entry	Interest Payden Rygel	R/C	35,283.34
2/28/2018	GL Entry	Class Action - Adelpia Communications	R/C	16.44
2/28/2018	GL Entry	Class Action - Worldcom Inc.	R/C	798.53
2/28/2018	GL Entry	Securities Lending Earnings	R/C	187,957.05
2/28/2018	GL Entry	Class Action - Schering Plough Corp	R/C	51.23
3/9/2018	Cash Entry	Loan Program Deduction 3/2/2018 (\$145,260.01)	R/C	145,260.01
				<u>414,513.42</u>
		Total Receipts		<u>\$1,026,332.99</u>

Re: Approval of Disbursements

Matthew Gnatek moved to approve the **Disbursement List** as outlined below.
Mark Diaz supported. The motion passed unanimously.

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Date: 3/19/2018 2:18 PM

Disbursements

Account	Payment Method	Currency		
F ACCT PAY	ACH	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
500 WEBWARD LLC	850902	Electrical Billing 1/31/18-2/27/18, Meter #16055044	726.28	
500 WEBWARD LLC	850903	Electrical Billing 1/31/18-2/27/18, Meter #16055070	902.36	
500 WEBWARD LLC	49842	Rent - March 2018	23,765.04	
8x8 INC.	2136748	Phone System Services	1,389.95	
American Realty Advisors (ARA)	6980	Takeover First Mortgage Acquisition Analysis Fee	83,250.00	
BNY Mellon	111-2018-0004897	Management Fees - 4th Qtr '17	76,932.55	
Bridgett Hardy	022818	IT Contractual Wages - February 2018	4,760.35	
Cogent Communications, Inc.	030118	Internet Service	1,023.00	
Equus Investment Partnership X, LP	031418	Equus Investment Partnership X - Capital Call #11	2,929,452.00	
Hamilton Lane Advisors, LLC (HL)	020818	Centre Lane Credit Partners II - Capital Call #3	1,307,189.54	
Hamilton Lane Advisors, LLC (HL)	030818	Hamilton Lane Secondary Fund IV - Capital Call #3	3,680,303.00	
James R. Hollins	022818	IT Contractual Wages - February 2018	4,191.36	
MORGAN STANLEY INVESTMENT MANAGEMENT	20171231-7785-A	Management Fees - 4th Qtr '17	102,574.70	
PAYDEN & RYGEL	1612-M118	Management Fees - January 2018	9,126.00	
Raymond R. Tchou	022818	IT Contractual Wages - February 2018	7,889.60	
Scott D. Vrooman	022818	IT Contractual Wages - February 2018	204.75	
UHY Advisors MI, Inc.	1242599	Professional Accounting Services for February 2018	29,203.13	
UHY Advisors MI, Inc.	1242709	Professional IT Services for February 2018	84,465.00	
UHY Advisors MI, Inc.	1242710	Professional IT Services for February 2018	18,018.75	
Venkat Rallapalli / Highbrow Systems, Inc.	022818	IT Contractual Wages - February 2018	6,013.35	
WILSHIRE ASSOCIATES INCORPORATED	INV00172986	Consulting Services - 2nd Qtr '18	133,360.74	
Cash Account/Payment Method Total:			21 Documents	8,504,741.45
F ACCT PAY	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
ALLEGRA	47727011	Office Supplies	412.50	
BASSETT & BASSETT	14315	Web Development - December 2017	113.85	
BASSETT & BASSETT	14557	Web Development - January 2018	43.13	
CINTAS CORPORATION-300	300200539	Floor Mats	79.23	

Re: Approval of Disbursements- Continued

F ACCT PAY	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
CLARK HILL, PLC	711810	CTPF Book Cadillac thru 4/30/17	4,554.30	
CLARK HILL, PLC	741928	CTPF Book Cadillac thru 10/31/17	1,358.30	
CREATIVE BREAKTHROUGHS INC	1198401	IT Security Services	11,750.00	
CREATIVE BREAKTHROUGHS INC	1198538	IT Security Services	10,150.00	
CREATIVE BREAKTHROUGHS INC	1198593	Software Maintenance	1,603.80	
CRESTWOOD ASSOCIATES	INV030083	MaxQ SaaS License Renewal	375.00	
DIRECTV	33606158317	Service Charges 2/23/18-3/22/18	37.62	
EXAMWORKS, INC.	160-1462837	Independent Medical Evaluation	150.00	
FEDEX	6-102-75230	FedEx Mailings	49.80	
FEDEX	6-110-87117	FedEx Mailings	23.70	
FEDEX	6-117-20914	FedEx Mailings	23.80	
FEDEX	030118	FedEx Printing	346.72	
First CHOICE Coffee Services	537654	Equipment Rental	11.13	
GABRIEL, ROEDER, SMITH & CO	436957	Actuarial Services for February 2018	9,917.00	
GABRIEL, ROEDER, SMITH & CO	437182	EDRO Calculations for Rydell Smith	1,200.00	
IRON MOUNTAIN	147291	Data Domain Service	1,504.30	
IRON MOUNTAIN	201550577	Storage CDs	707.82	
Iron Mountain Records Management	PWG848	Records Storage	1,705.24	
KELLEY CAWTHORNE	9000	Lobbyist Services for March 2018	7,500.00	
Kevin R King	MSC 030118-234543	MSC Refund	5,255.74	
MERCURY STORAGE	17614	Annual Service Maintenance for Tape Backup Unit	2,925.00	
METCOM	102673	Business Cards	62.18	
METCOM	103047	Business Cards	62.03	
MSCI INC.	400075221	Finance Subscription 4/14/18-4/13/19	500.00	
OFFICE DEPOT	114147502001	Office Supplies	36.46	
OFFICE DEPOT	114147503001	Office Supplies	37.49	
PERMIRA CREDIT SOLUTIONS III	022818	Permira Credit Solutions Managed Account - Capital Call #2	4,962,673.86	
PLANET TECHNOLOGIES, INC	I001123	Office 365 Annual Renewal	4,747.50	
PROCENTIA, INC.	2261	Procentia License & Implementation	3,094.07	
REGINALD E. ONEAL	030218	Medical Billings 1/29/18-2/27/18	405.00	
SHRED-IT USA	8124188457	Shredding Service Charges	48.73	
Veriato	16722	Software	2,160.00	
VERIZON WIRELESS	9802907233	Wireless Charges 2/5/18-3/4/18	1,504.81	
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	100196299	Printer Maintenance	129.11	
WYCOM SYSTEM, INC	258892	Signature Change Service	147.50	

F ACCT PAY	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
XEROX	092383999	Printer Maintenance	29.15	
Cash Account/Payment Method Total:			40 Documents	5,037,435.87

Re: Approval of Refunds (Accumulated Contributions)

Matthew Gnatek moved to approve the **Refunds/Accumulated Contributions** as outlined below. Mark Diaz supported. The motion passed unanimously.

LIST NUMBER 3726 - \$132,553.52

LIST NUMBER 3727 - \$67,940.46

Re: Approval of the 1974 Defined Contribution Plan/ Employee Loan Program

Matthew Gnatek moved to approve the **1974 Defined Contribution Plan/ Employee Loan Program** as outlined below. Mark Diaz supported. The motion passed unanimously.

LIST #1 3/08/2018 – \$31,303.00

LIST #2 3/15/2018 – \$21,065.00

LIST #3 3/22/2018 – \$56,652.00

Re: Approval of Minutes/Journal of Proceedings No. 3183 – (02/15/18)

Matthew Gnatek moved to approve the **Minutes/Journal of Proceedings No. 3183 (02/15/18)** Mark Diaz supported. The motion passed by vote as follows.

Yeas: Battle, Diaz, English, Gnatek, James, Jones, Mclellan, Naglick, Trozak, Watson and Chairperson Serda - 11

Nays: None

Abstentions: Tucker - 1

- **Trustee Jeffrey Pegg** entered the Boardroom at 10:10 a.m.
- **Trustee Megan Moslimani** entered the Boardroom at 10:13 a.m.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- MAPERS (Michigan Association of Employee Retirement Systems) Spring Conference Request to attend by the Chief Accounting Officer, Ramzee Jackson
- Acknowledgement of Trustee Angela James's re-appointment to the Police and Fire Board of Trustees
- Correspondence from member Glenda Heath-Fisher
 - ***Ms. Heath-Fisher's complete file will come back at a later date to allow the Board of Trustees more time to opine on her request.***
- Approval of Active and Retiree Trustee election dates
- Board Medical Director Dr. Reginald O'Neal's resignation

Re: MAPERS Spring Conference Approval

Mark Diaz moved to approve the attendance by those Trustees/Staff interested to the **MAPERS Spring Conference (Saturday, May 19-Tuesday, May 22, 2018)**. Brenda Jones supported. The motion passed unanimously.

Re: Approval of Active and Retiree Election Dates

Matthew Gnatek moved to approve the **Active and Retiree Dates** as outlined and discussed. Jeffrey Pegg supported. The motion passed unanimously.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow**, had no formal report, but discussed the following with the Board:

- Hamilton Lane will report to the Board on 4/5/2018
 - Courtland is tentatively scheduled for the same day; if there is a conflict, Courtland will present on April 19th, 2018.

PUBLIC RELATIONS ADVISOR REPORT

Public Relations Advisor, **Bruce Babiarz**, discussed the following matters with the Board:

- Pew Charitable Trust report
- Stirling Litigation matter
- Paramount Litigation

Re: Entering Into Closed Session

Resolution Moved By: Trustee Gnatek – Supported By: Trustee Diaz

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enters into Closed Session for the purpose of discussing Attorney-Client Privileged matters regarding updates on pending litigation: **Book Cadillac Litigation**.

A Roll Call Vote was taken as follows:

Yeas – Trustees Battle, Diaz, English, Gnatek, James, Jones, Mclellan, Moslimani, Naglick, Pegg, Trozak, Tucker, Watson and Serda - 14

Nays – None

The Board entered into **Closed Session** at 10:32 a.m.

- **Trustee Portia Roberson** entered the Boardroom at 10:36 a.m.
- **Trustee Brenda Jones** excused herself from the Boardroom at 11:12 a.m.
- **Trustee Christa Mclellan** excused herself from the Boardroom at 11:40 a.m.

Re: Open Session

Resolution Moved By: Trustee Gnatek – Supported By: Trustee Diaz

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 11:43 a.m.

GENERAL COUNSEL’S REPORT

General Counsel Ronald King, in addition to his formal legal report discussed the following matters with the Board:

- EDROS for approval
 - **Charles V.R. Clark v. Vershonn J. Clark**

Re: Charles V. R. Clark. v. Vershonn J. Clark
Wayne County Circuit Court Case No. 13-111895 DO

Motion By: Trustee Pegg Supported By: Trustee Diaz

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit (“Board”) on March 1, 2018, adopted a Resolution approving an Eligible Domestic Relations Order entered on February 8, 2018 (“EDRO”) for the above-referenced Participant, and

WHEREAS, this Amended Resolution revises certain details to conform the Resolution with the terms of the EDRO, and

WHEREAS, the Board is in receipt of an EDRO entered on February 8, 2018, which supplements a Judgment of Divorce entered on September 16, 2014, wherein Alternate Payee **VERSHONN J. CLARK** is awarded certain rights to the retirement benefits of Participant **CHARLES V. R. CLARK**, who is a retired employee, and

WHEREAS, the Board has been informed that Participant **CHARLES V. R. CLARK** is a retired employee who is receiving retirement benefits, and

WHEREAS, Participant has attained 20 years of service credit, and

WHEREAS, the EDRO awards the Alternate Payee **VERSHONN J. CLARK** a fifty percent (50%) portion of the Participant’s Component I Retirement Allowance, including a pro-rata share of any guaranteed automatic pension increases, which has accrued as of the division date of May 12, 2014, and

Re: Charles V. R. Clark. v. Vershonn J. Clark
Wayne County Circuit Court Case No. 13-111895 DO

WHEREAS, the Alternate Payee **VERSHONN J. CLARK IS** entitled to claim a fifty percent (50%) portion of the Participant's Component I Retirement Allowance as set forth in the EDRO, and

WHEREAS, because the division date of May 12, 2014 precedes the establishment of the Police and Fire Retirement System's Component I Retirement Allowance Plan on July 1, 2014, the Participant had not accrued any Component I Retirement Allowance as of the division date. Therefore, no Component I Retirement Allowance is available as of May 12, 2014 to either the Participant or the Alternate Payee, and whereas consistent with paragraph 10 of the EDRO, the Police and Fire Retirement System is not required to pay any benefit not available under the terms of the Combined Plan.

WHEREAS, the EDRO awards the Alternate Payee **VERSHONN J. CLARK** a fifty percent (50%) portion of the Participant's Component II Pension, including a pro-rata share of any guaranteed automatic pension increases, which has accrued as of the division date of May 12, 2014, and

WHEREAS, the Alternate Payee **VERSHONN J. CLARK IS** entitled to claim a fifty percent (50%) portion of the Participant's Component II Pension as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the court order provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel 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, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of said court order and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this resolution be added to the Participant's 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 Alternate Payee Vershonn J. Clark and Participant Charles V. R. Clark.

Yeas – Trustees Battle, Diaz, English, Gnatek, James, Moslimani, Naglick, Pegg, Roberson, Trozak, Tucker, Watson and Chairperson Serda - 13

Nays – None

- ***The Board recessed for a brief break at 11:44 a.m.***
- ***The meeting reconvened at 11:49 a.m.***

Wilshire Consultants

Representative David Lindberg discussed the following with the Board:

- Capital Markets Review
- Fourth Quarter 2017 Executive Summary
- Fourth Quarter 2017 Watch list
- U.S. Equity Structure Analysis
- Fixed Income Review

Presentation materials were provided.

~Concludes Presentation~

LOBBYIST'S REPORT

Lobbyist, **Dr. Oscar King III**, discussed the following matters with the Board:

- New and active legislation updates

NEW BUSINESS/OLD BUSINESS

- None

ADJOURNMENT

There being no further business before the Board, **Chairperson Serda** adjourned the meeting at 12:34 p.m. The Board's next meeting is scheduled for **Thursday, April 05th, 2018**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



David Cetlinski, Executive Director