

MEETING NUMBER 3037

JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, APRIL 30, 2015
9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYTSEMS
ONE DETROIT CENTER
500 WOODWARD AVENUE
30TH FLOOR (SUITE 3000)
DETROIT, MICHIGAN 48226



PRESENT

MARK DIAZ	ELECTED TRUSTEE/POLICE/CHAIRMAN
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
MICHAEL JAMISON	EX/OFFICIO TRUSTEE/DEPUTY FINANCE DIRECTOR
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
JOHN NAGLICK	EX/OFFICIO TRUSTEE/INTERIM TREASURER
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/VICE CHAIRMAN
PAMELA SCALES	EX/OFFICIO TRUSTEE/BUDGET DIRECTOR
JOHN SERDA	ELECTED TRUSTEE/POLICE
MICHAEL A. SIMON	ELECTED RETIRANT TRUSTEE/FIRE
TRACY THOMAS	ELECTED TRUSTEE/FIRE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE

ALSO PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	INVESTMENT OFFICER
RONALD A. KING	INTERIM GENERAL COUNSEL
JANET S. LENEAR	RECORDING SECRETARY

EXCUSED

JUNE ADAMS	EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL
ANGELA R. JAMES	EX/OFFICIO TRUSTEE/POLICE/MAYORAL DESIGNEE
EDSEL JENKINS	EX/OFFICIO TRUSTEE/FIRE/MAYORAL DESIGNEE
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR

ABSENT

NONE

CHAIRMAN

MARK DIAZ

VICE CHAIRMAN

JEFFERY PEGG

FOLLOWING A REQUESTED VERBAL ROLL CALL BY CHAIRMAN **DIAZ**, THE MEETING CONVENED AT **9:28 A.M.**

APRIL 30, 2015 AGENDA

BY TRUSTEE SIMON – SUPPORTED BY TRUSTEE JAMISON

RESOLVED, THAT TODAY'S **APRIL 30, 2015** AGENDA BE APPROVED AS PRREPARED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

DROP APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE SERDA

RESOLVED, THAT THE DROP APPLICATIONS WHICH ARE DESIGNATED BELOW BE APPROVED:

DROP APPLICATIONS

NAME, TITLE, DEPARTMENT: AUDREY CURTIS – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SER. CR., EFF. DATE: 19 03 10 – 08 15 14

NAME, TITLE, DEPARTMENT: DARIN MILLER – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SER. CR., EFF. DATE: 19 00 19 – 06 12 15

NAME, TITLE, DEPARTMENT: DON DENT – OFFICER – POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SER. CR., EFF. DATE: 19 07 03 – 02 20 15

DROP APPLICATIONS - CONTINUED

NAME, TITLE, DEPARTMENT: JOSEPH TISEO – LIEUTENANT - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SER. CR., EFF. DATE: 23 03 17 – 04 24 15

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

RETIREMENT APPLICATION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT THE RETIREMENT APPLICATION WHICH IS OUTLINED
BELOW BE APPROVED:

RETIREMENT APPLICATION

NAME, TITLE, DEPARTMENT: JAMES MCKEAGUE – OFFICER - POLICE
RETIREMENT TYPE, PLAN: CONVERSION FROM DUTY DISABILITY - NEW
SER. CR., EFF. DATE: 25 08 20 – 02 21 97

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

CONFIRMATIONS

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE
REFERENCED BELOW BE CONFIRMED:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3037 – THURSDAY – APRIL 30, 2015

CONFIRMATIONS - CONTINUED

The Police & Fire Retirement System of the City of Detroit			
Weekly Receipts & Disbursements			
4/13/15-4/24/15			
Meeting #3037			
April 30, 2015			
REMITTER / PAYEE NAME	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS-BNY			
SAS Mortgage Trust	04/15/15	Distribution	1,622,750.00
SAS Equity REIT	04/17/15	Distribution	312,500.00
City of Detroit	04/17/15	Weekly Mandatory Employee Contribution	222,991.54
Falconhead Capital Partners II	04/21/15	Distribution	171,261.00
First Independence Bank	04/22/15	Loan Deductions	137,491.49
Mesirow Arbitrage	04/22/15	Distribution	109,874.06
City of Detroit	04/24/15	Weekly Mandatory Employee Contribution	78,068.46
First Independence Bank	04/17/15	Loan Deductions	39,291.12
City of Detroit	04/17/15	Weekly Annuity Contribution	4,567.83
City of Detroit	04/24/15	Weekly Annuity Contribution	834.08
		TOTAL RECEIPTS	\$ 2,699,629.58
DISBURSEMENTS-BNY			
Annuity Refunds	04/22/15	Refund List #3578	402,520.35
Annuity Refunds	04/22/15	Refund List #3579	147,750.78
Checkwrite	04/17/15	Legal, Administrative & Misc. Expenses	117,006.51
Checkwrite	04/18/15	Legal, Administrative & Misc. Expenses	93,733.71
Loan Program	04/17/15	Loan Funding: Meeting No. 3035	58,294.00
American Realty Advisors	04/17/15	Crossroads Land Corp Disposition Fee	19,875.00
Loan Program	04/17/15	Loan Funding: Meeting No. 3034	15,327.00
Syndicated Communications	04/21/15	Capital Call	2,723.00
Office Expense Fund	04/17/15	Replenishment	2,383.46
		TOTAL DISBURSEMENTS	\$ 859,613.81

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER
EXPENSES

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH A SCHEDULE OF
MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER
EXPENSES (SAID SCHEDULE IS REFERENCED BELOW), AND

MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER EXPENSES - CONTINUED

WHEREAS, THE BOARD HAS BEEN REQUESTED TO APPROVE PAYMENT OF SAID MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER EXPENSES, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO FINAL APPROVAL OF ALL TRANSACTION DOCUMENTS BY THE BOARD’S GENERAL COUNSEL/INTERIM GENERAL COUNSEL AND SUBJECT TO STAFF AUDIT, THE BOARD APPROVES PAYMENT OF SAID MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER EXPENSES:

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
 LIST OF DISBURSEMENTS FOR BOARD APPROVAL
 FOR APRIL 23, 2015

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
MANAGEMENT FEES:				
KENNEDY CAPITAL MANAGEMENT	4/17/2015	041715	Management Fees: 1st Qtr '15	\$239,030.00
LOOMIS, SAYLES, & COMPANY, LP.	4/13/2015	167962	Management Fees: 1st Qtr. '15	\$65,378.45
PARADIGM ASSET MANAGEMENT CO., LLC	4/16/2015	041615	Management Fees: 1st Qtr. '15	\$43,081.81
PAYDEN & RYGEL	4/14/2015	1612-M315	Management Fees: 3/1/15-3/31/15	\$19,873.00
PAYDEN & RYGEL	4/14/2015	1613-M315	Management Fees: 3/1/15-3/31/15	\$7,549.00
PENN CAPITAL MANAGEMENT COMPANY, Inc	3/31/2015	033115	Management Fees: 1st Qtr. '15	\$57,655.83
PUGH CAPITAL MANAGEMENT, INC.	4/20/2015	042015	Management Fees: 1st Qtr. '15	\$56,031.40
QUANTUM CAPITAL MANAGEMENT	3/31/2015	033115	Management Fees: 1st Qtr. '15	\$16,609.59
RHUMBLINE ADVISERS	4/17/2015	gdet1gro2015Q1	Management Fees: 1st Qtr. '15	\$20,980.00
Subtotal				\$526,189.08
LEGAL FEES:				
COUZENS, LANSKY, FEALK, ELLIS P.C.	4/20/2015	89818	Book Cadillac through 4/17/15	\$4,557.52
COUZENS, LANSKY, FEALK, ELLIS P.C.	4/15/2015	89651	Book Cadillac through 4/10/15	\$792.00
Subtotal				\$5,349.52
ADMINISTRATIVE EXPENSES:				
ADP, INC	4/10/2015	452798189	Check Printing Services	\$7,966.49
ANGELA JAMES	4/2/2015	040215	Trustee Parking: 3/4/15-4/2/15	\$136.00
CRAIN COMMUNICATIONS, INC	2/23/2015	I00052181	RFP Ads: 2/23/15	\$677.28
CRAIN COMMUNICATIONS, INC	2/9/2015	I00051371	RFP Ads: 2/9/15	\$677.28
FEDEX	4/15/2015	500095888	FedEx Mailings	\$57.26
MATTHEW GNATEK	3/5/2015	030515	Trustee Parking: 3/5/15	\$20.00
MERCURY STORAGE	3/9/2015	15372	Tapes for Media Backup	\$1,023.95
QUILL CORPORATION	4/9/2015	3148500	Office Supplies	\$53.53
STAFF WAGES	4/19/2015		Contractual Staff: 3/23/15-4/19/15	\$44,587.20
VERIZON WIRELESS	4/4/2015	9743410685	Trustee Wireless: 3/5/15-4/4/15	\$529.84
VERIZON WIRELESS	4/4/2015	9743410684	Trustee Wireless: 3/5/15-4/4/15	\$541.36
Subtotal				\$56,270.19

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3037 – THURSDAY – APRIL 30, 2015

MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER EXPENSES – CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR APRIL 23, 2015

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
OTHER EXPENSES:				
GREEN MEADOWS LAWNSCAPE, INC	4/4/2015	103129	PFRS/GRS Jefferson Property Maintenance	\$90.00
Subtotal				\$90.00
Total Disbursements for Board Approval				\$587,898.79

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR APRIL 30, 2015

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
MANAGEMENT FEES:				
300 NORTH CAPITAL, LLC	4/10/2015	109128	Management Fees: 1st Qtr. '15	\$14,481.00
ATVO CAPITAL	3/31/2015	1466	Management Fees: 1st Qtr. '15	\$32,829.90
DEROY & DEVEREAUX	4/20/2015	042015	Management Fees: 1st Qtr. '15	\$16,826.00
INCOME RESEARCH + MANAGEMENT INC.	4/28/2015	10484	Management Fees: 1st Qtr. '15	\$50,598.87
MORGAN STANLEY INVESTMENT MANAGEMEN	4/28/2015	20150331-7785-A	Management Fees: 1st Qtr. '15	\$170,578.20
TT INTERNATIONAL	3/31/2015		Management Fees: 1st Qtr. '15 Invoice #20150331-114-A	\$153,189.34
UNION HERITAGE CAPITAL MANAGEMENT	4/17/2015	041715	Management Fees: 1st Qtr. '15	\$29,858.80
Subtotal				\$468,352.11
LEGAL FEES:				
COUZENS, LANSKY, FEALK, ELLIS P.C.	4/28/2015	89947	Book Cadillac through 4/24/15	\$5,201.81
Subtotal				\$5,201.81
ADMINISTRATIVE EXPENSES:				
ADP, INC	4/17/2015	453072868	Check Printing Services	\$118.50
ADP, INC	4/3/2015	452521328	Check Printing Services	\$121.19
BLOOMBERG FINANCE LP	4/22/2015	5602855653	Subscription Services for 4/21/15-7/20/15	\$3,135.00
COMCAST	4/14/2015	041415	High-Speed Internet: May Charges	\$131.18
FEDEX	4/22/2015	500850616	FedEx Mailings	\$58.77
RUSSELL INVESTMENTS	4/16/2015	49845	Russell Index Subscriptions through 3/31/15	\$125.00
Subtotal				\$3,689.64
OTHER EXPENSES:				
CINTAS CORPORATION	4/22/2015	300268491	Commercial Floor Mats	\$40.88
Subtotal				\$40.88
Total Disbursements for Board Approval				\$477,284.44

MANAGEMENT FEES, LEGAL FEES AND ADMINISTRATIVE AND OTHER EXPENSES - CONTINUED

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE THOMAS

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST NUMBERS **3036 (\$807,958.97)** AND **3037 (\$651,163.34)** INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE JAMISON

RESOLVED, THAT THE **1974** DEFINED CONTRIBUTION PLAN LOAN REQUEST LISTS SUBMITTED THIS DATE BE APPROVED AND THE AMOUNTS OF **\$32,071.00** AND **\$25,376.00** BE DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

ASSISTANT EXECUTIVE DIRECTOR'S REPORTS

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** ASKED THE BOARD TO ADOPT A RESOLUTION DENYING LAMAR SMALL'S REQUEST TO CHANGE HIS RETIREMENT OPTION FROM 3 WITH POP-UP B TO STRAIGHT LIFE.

LAMARR SMALL – PENSION NUMBER 184706

BY TRUSTEE SIMON – SUPPORTED BY TRUSTEE THOMAS

WHEREAS, the Board received and reviewed a March 17, 2015 correspondence from retiree Lamarr Small requesting a change in benefits after having previously made a benefit election and after having received and cashed benefit payments, and

WHEREAS, this matter has been discussed in open session, THEREFORE BE IT

RESOLVED, that the Board denies the request of Mr. Small as set forth in his March 17, 2015 letter, and be it further

RESOLVED, that a copy of this resolution be forwarded to Mr. Small:

YEAS – TRUSTEES GNATEK, JAMISON, NEARY, PEGG, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN DIAZ – 9

NAYS – NONE

TRUSTEE **NAGLICK** ENTERED THE MEETING AT 9:40 A.M.

MR. CETLINSKI ALSO ASKED THE BOARD TO COMPLETE A JOINT PERSONNEL COMMITTEE PERFORMANCE EVALUATION FOR EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS**, AND ASKED THAT SAID EVALUATION BE RETURNED TO HIM OR INTERIM GENERAL COUNSEL BY HAND OR IN A SEALED ENVELOPE PRIOR TO THE CONCLUSION OF TODAY'S MEETING OR AT THE BOARD'S MAY 14, 2015 MEETING.

MR. CETLINSKI THEN CONCLUDED HIS REPORT BY NOTING THAT TODAY IS TRUSTEE **SIMON'S** LAST DAY AS AN ELECTED RETIRANT TRUSTEE OF THE SYSTEM. THE FULL BOARD THEN THANKED TRUSTEE **SIMON** FOR HIS

ASSISTANT EXECUTIVE DIRECTOR'S REPORTS - CONTINUED

CONCERN, DEDICATION AND SERVICE DURING HIS TRUSTEE TENURE WHICH COMMENCED ON **JULY 12, 2012**.

EXECUTIVE DIRECTOR'S REPORTS

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** HAD NOTHING TO REPORT.

TRUSTEE **SCALES** ENTERED THE MEETING AT 9:45 A.M.

PUBLIC RELATIONS DIRECTOR'S REPORTS

PUBLIC RELATIONS DIRECTOR **BRUCE BABIARZ** PROVIDED THE BOARD WITH A STATUS UPDATE, RE: POST CHAPTER 9 BANKRUPTCY MATTERS.

INVESTMENT OFFICER'S REPORTS

INVESTMENT OFFICER **RYAN C. BIGELOW** DISCUSSED VALSTONE PARTNERS; STOUT, RISIUS & ROSS; STEWARD REAL ESTATE; AMERICAN REALTY ADVISORS; AND THE SYSTEM'S INVESTMENT POLICY STATEMENT AT LENGTH.

TRUSTEE **JONES** ENTERED THE MEETING DURING MR. BIGELOW'S REPORT (AT 10:20 A.M.).

VALSTONE OPPORTUNITY FUND II, LLC AND VALSTONE OPPORTUNITY FUND II-AIV I, LLC (INDIVIDUALLY AND COLLECTIVELY, THE "FUND")

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE PEGG

WHEREAS, THE BOARD IS IN RECEIPT OF A LETTER FROM VALSTONE PARTNERS DATED APRIL 16, 2015 WHEREIN VALSTONE PARTNERS HAS REQUESTED THAT THE BOARD CONSENT TO AN EXTENSION OF THE DISSOLUTION DATE OF VOF II, LLC AND VOF II-AIV I, LLC UNTIL **MAY 13, 2016**, AND

WHEREAS, THE BOARD HAS BEEN ADVISED BY THE BOARD'S INVESTMENT OFFICER AND DISCUSSED THIS MATTER WITH INTERIM GENERAL COUNSEL THIS DATE, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO A WRITTEN RECOMMENDATION FROM THE BOARD'S REAL ESTATE CONSULTANT, THE REQUEST OF VALSTONE

VALSTONE OPPORTUNITY FUND II, LLC AND VALSTONE OPPORTUNITY FUND II-AIV I, LLC (INDIVIDUALLY AND COLLECTIVELY, THE "FUND") - CONTINUED

PARTNERS THAT THE BOARD APPROVE THE EXTENSION OF THE DISSOLUTION DATE OF VOF III UNTIL **MAY 13, 2016** IS GRANTED, AND BE IT FURTHER

RESOLVED, THAT THE "JOINT CONSENT OF MANAGER AND MAJORITY INTEREST OF MEMBERS" BE EXECUTED BY THE APPROPRIATE PARTIES, AND BE IT FURTHER

RESOLVED, THAT THE EXECUTED ORIGINAL DOCUMENT BE FORWARDED TO THE APPROPRIATE PARTY, AND BE IT FURTHER

RESOLVED, THAT RETIREMENT SYSTEM ACCOUNTING STAFF RETAIN A COPY OF SAID EXECUTED ORIGINAL DOCUMENT:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, NEARY, PEGG,
SCALES, SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN
DIAZ – 12

NAYS – NONE

STOUT, RISIUS & ROSS

FAIR VALUE MEASUREMENT OF PFRS ALTERNATIVE INVESTMENTS (2015)

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, THE BOARD HAS AGREED TO RETAIN STOUT, RISIUS & ROSS (SRR) TO PROVIDE THE ABOVE-CAPTIONED SERVICES, AND

WHEREAS, THE BOARD IS IN RECEIPT OF AN APRIL 30, 2015 VERBAL REPORT FROM ITS INVESTMENT OFFICER, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT STOUT, RISIUS & ROSS BE RETAINED TO PROVIDE THE ABOVE-CAPTIONED SERVICES CONSISTENT WITH THE COSTS PRESENTED, SUBJECT TO APPROVAL OF THE CONTRACT BY THE BOARD AND THE BOARD'S INTERIM GENERAL COUNSEL, AND BE IT FURTHER

STOUT, RISIUS & ROSS

FAIR VALUE MEASUREMENT OF PFRS ALTERNATIVE INVESTMENTS (2015) -
CONTINUED

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO STOUT, RISIUS & ROSS; THE BOARD'S INVESTMENT OFFICER; AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, NEARY, PEGG, SCALES, SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN DIAZ – 12

NAYS – NONE

APPROVAL OF PFRS INVESTMENT POLICY STATEMENT

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE BOARD'S MOTION REGARDING THE SYSTEM'S INVESTMENT POLICY STATEMENT, WHICH WAS TABLED APRIL 16, 2015, BE REMOVED FROM THE TABLE:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, NEARY, PEGG, SCALES, SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN DIAZ – 12

NAYS – NONE

FOLLOWING IS THE BOARD'S **APRIL 16, 2015** MOTION REGARDING THE SYSTEM'S INVESTMENT POLICY STATEMENT:

APPROVAL OF PFRS INVESTMENT POLICY STATEMENT

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

WHEREAS, in October 2014, the Police and Fire Retirement System and its Chief Investment Officer ("CIO") distributed a draft PFRS Investment Policy Statement which was drafted by Wilshire Consulting (the "PFRS Consultant") for review and subsequent approval, and

WHEREAS, General Counsel submitted to the System's Consultant and the System's CIO certain comments to the draft PFRS Investment Policy Statement, and

APPROVAL OF PFRS INVESTMENT POLICY STATEMENT - CONTINUED

WHEREAS, General Counsel's comments have been accepted and incorporated into the draft PFRS Investment Policy Statement, and

WHEREAS, this matter has been considered in open session, therefore be it

RESOLVED, that consistent with a "best practice" approach and the Board's fiduciary obligation, the Board accepts the recommendations of its Consultant, Wilshire Consulting, and Chief Investment Officer, and approves the PFRS Investment Policy Statement as presented, and be it further

RESOLVED, that a copy of this resolution be provided to the Board's Consultant, Wilshire Consulting; the Board's Chief Investment Officer; and the Accounting Division of the PFRS:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, NEARY, PEGG, SCALES,
SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN DIAZ – 12

NAYS – NONE

RESOLUTION REGARDING MARCH 14, 2013 CLARK HILL, PLC RETAINER AGREEMENT

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, on March 13, 2013, the Board entered into a retainer agreement with Clark Hill, PLC related to matters involving the enactment of 2012 PA 436, the appointment of an Emergency Manager for the City of Detroit and the possible filing for bankruptcy by the City of Detroit under Chapter 9 of the United States Bankruptcy Code, and

WHEREAS, as part of the retainer agreement, the Board authorized the deposit of a \$2 million dollar (\$2,000,000.00) retainer into the client trust account maintained by Clark Hill, PLC, and

WHEREAS, the retainer deposit was made, and

RESOLUTION REGARDING MARCH 14, 2013 CLARK HILL, PLC RETAINER
AGREEMENT - CONTINUED

WHEREAS, the initial purpose for entering into the retainer agreement has been resolved and the Board desires the return of the retainer funds, and

WHEREAS, this matter has been discussed in open session, THEREFORE BE IT

RESOLVED, that the Board directs the return of the retainer funds as soon as reasonably practical, and be it further

RESOLVED, that a copy of this resolution be delivered to Clark Hill, PLC:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, NEARY, PEGG, SCALES,
SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN DIAZ – 12

NAYS – NONE

RECESS

THE BOARD RECESSED FROM 10:50 A.M. UNTIL 11:00 A.M., DURING WHICH TIME TRUSTEE **NEARY** EXCUSED HIMSELF.

LOBBYIST'S REPORTS

LOBBYIST **OSCAR W. KING, III** PROVIDED THE BOARD WITH A MICHIGAN LEGISLATIVE UPDATE.

AT 11:20 A.M., CHAIRMAN **DIAZ** RELINQUISHED THE CHAIR TO VICE CHAIRMAN **PEGG** AND EXCUSED HIMSELF.

INTERIM GENERAL COUNSEL'S REPORTS

INTERIM GENERAL COUNSEL **RONALD A. KING** DISCUSSED THE FOLLOWING MATTERS:

INTERIM GENERAL COUNSEL'S REPORTS - CONTINUED

APRIL 16, 2015 CORRESPONDENCE FROM SPECIAL COUNSEL SEAN GALLAGHER TO SANDRA HANSHAW BRUINK

PFRS INVESTMENT COMMITTEE LEGAL REPORTS

APRIL 16, 2015 FOIA REQUEST OF LUCINDA DARRAH

APRIL 23 AND APRIL 24, 2015 PFRS CORRESPONDENCES TO CARLITO YOUNG

APRIL 27, 2015 PFRS CORRESPONDENCE TO STEPHAN JOHNSON

APRIL 27, 2015 PFRS CORRESPONDENCE TO JORDAN TROY

COUNSEL **KING** THEN ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE JONES

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 GNATEK, JAMISON, JONES, NAGLICK, SCALES, SERDA, SIMON, THOMAS, TROZAK AND CHAIRMAN PEGG – 10

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **11:21 A.M.**

TRUSTEE **NAGLICK** TEMPORARILY EXCUSED HIMSELF AT 11:29 A.M. AND THEN RETURNED TO THE MEETING AT 11:40 A.M.

OPEN SESSION

BY TRUSTEE JONES – SUPPORTED BY TRUSTEE JAMISON

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, SCALES, SERDA, SIMON,
THOMAS, TROZAK AND CHAIRMAN PEGG – 10

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **12:02 P.M.**

RE: PENSION NUMBER: **231960 (MICHAEL FUNCHESS)**
PARTICIPANT: **MICHAEL FUNCHESS**
ALTERNATE PAYEE: **DEBORAH FUNCHESS**
Michael Funchess v. Deborah Funchess, Case No. 13-13403-DM
Wayne County Circuit Court, Family Division (Detroit, Michigan)

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE NAGLICK

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of an Eligible Domestic Relations Order dated September 12, 2014 (EDRO) which amends/supplements a Judgment of Divorce entered on June 9, 2014 wherein **DEBORAH FUNCHESS** is awarded certain rights to the defined benefit plan benefits of **MICHAEL FUNCHESS**, who is a retired employee, and

WHEREAS, the Board has been informed that Participant **MICHAEL FUNCHESS** retired effective October 7, 2014 and is receiving retirement benefits, and

WHEREAS, Participant's date of birth is October 6, 1966 and to date Participant has attained 25 years and 2 months of service credit, and

WHEREAS, Alternate Payee **DEBORAH FUNCHESS** **IS** entitled to claim a portion of participant's defined benefit plan, and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, Alternate Payee **IS NOT** entitled to claim a portion of Participant's defined contribution benefit plan, and

WHEREAS, the court order provides for the parties to share the cost of the actuary's fees, 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 (MCL §38.1701) as applicable, THEREFORE BE IT

RESOLVED, that the Board acknowledges 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 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

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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 William Jurczak, counsel for Participant, **MICHAEL FUNCHESS**; Jeffrey Hoag, counsel for Alternate Payee, **DEBORAH FUNCHESS**; and Retirement Specialist, **YVONNE MOORE**:

YEAS – TRUSTEES GNATEK, JAMISON, JONES, NAGLICK, SCALES, SERDA, SIMON,
THOMAS, TROZAK AND VICE CHAIRMAN PEGG – 10

NAYS – NONE

PUBLIC FORUM

AT **12:15 P.M.**, **VICE CHAIRMAN PEGG** DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, **VICE CHAIRMAN PEGG** ADJOURNED THE MEETING AT **12:15 P.M.** UNTIL **THURSDAY, MAY 14, 2015** AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, ONE DETROIT CENTER, 500 WOODWARD AVENUE, 30TH FLOOR (SUITE 3000), DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,



DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR