



MINUTES
Meeting No. 003
Meeting of the Police & Fire Retirement System
Investment Committee
March 10, 2015

A meeting of the Investment Committee of the Police & Fire Retirement System of the City of Detroit was held on Tuesday, March 10, 2015 at the Retirement System's office at One Detroit Center, 500 Woodward Suite 3000; Detroit, Michigan. Robert Smith, Chair, called the meeting to order at 10:05 a.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Recording Secretary with the following Committee Members present: Robert Smith, (*Chair*), McCullough Williams III (*Vice Chair*), Joseph Bogdahn, Mark Diaz, Sean Neary, Louis Sinagra, Rebecca S. Sorensen and Woodrow S. Tyler.

Others Present: Cynthia Thomas (*Executive Director*), Deborah Wilkerson (*Assistant Executive Director*), Ryan Bigelow (*Chief Investment Officer*), Ronald King (*Interim General Counsel – Clark Hill, PLC*). David Lindberg, Nicholas F. Sefchok and Michael Rush (*Investment Consultants – Wilshire*).

Visitors Present: Kathleen Colin – Director/Investments (Oppenheimer) and member of NASP.

Absent: Michael Simon.

Excused Absence: David Cetlinski (*Assistant Executive Director*)

APPROVAL OF AGENDA

Motion #15-03-01: McCullough Williams, III, moved to approve the Agenda as presented. Rebecca Sorensen seconded. Motion passed.

APPROVAL OF MINUTES

Motion #15-03-02: McCullough Williams, III, moved to approve the Minutes of Meeting No. 001, held on Friday, January 16, 2015, and Meeting No. 002, held on Monday, February 16, 2015. Rebecca Sorensen seconded. Motion passed.

PRESENTATIONS

American Realty Advisors (“ARA”)

Re: Police & Fire Real Estate Separate Account/MGRA Genesis Value Fund LP

Mr. Stanley L. Iezman, Chairman & CEO, of American Realty Advisors for the Police & Fire Retirement System of the City of Detroit, appeared before the Investment Committee (“IC”) to give an overview of the firm and an overview of the System’s Portfolio. Presentation materials were provided to the IC.

The following was discussed:

- Appointment to manage Mayfield Gentry’s Real Estate (“MGRA”) portfolio
- 4th Qtr. 2014 Separate Account Portfolio Value
- Dispositions of the following assets: Grand Park Centre, Detroit, MI; Publix at St. Andrews, Port St. Lucie, FL; Vista Industrial Center, Vista, CA; Patrick Commerce Center, Las Vegas, NV; and Crossroads Corporate Park Land, Lots J & K, Cary, NC; and
- Overview of PFRS’ properties

After considerable discussion financial or proprietary information which has not been publicly disseminated or available from other sources, the release of which might cause significant competitive harm and is acknowledged by the Investment Committee as Confidential and Privileged under MCL 38.1140(L), a request to enter into Executive Session was made.

Re: Entering Into Executive Session

Motion #15-03-03: Sean Neary moved to enter into Executive Session for the purpose of discussing financial or proprietary information regarding the negotiation of selling properties with ARA. Woodrow Tyler seconded. Motion passed.

The Committee entered into Executive Session at 10:25 a.m.

Motion #15-03-04: Joseph Bogdahn moved to enter into Open Session. Woodrow Tyler seconded. Motion passed.

The Committee returned to Open Session at 11:17 a.m.

Recess

The Committee recessed for Lunch at 11:25 a.m. and Reconvened at 11:55 a.m.

Wilshire

Re: Investment Policy Statement

David Lindberg, Nicholas F. Sefchok and Michael Rush of Wilshire, appeared before the IC to discuss revisions made to the Investment Policy Statement, an overview of the System's securities lending program and to assist in the adoption or removal of this program from the investment policy. After considerable discussion of the Investment Policy Statement, a motion was made:

Motion #15-03-05: Joseph Bogdahn moved to approve the revisions and addendum to the Investment Policy Statement. Rebecca Sorensen seconded. Motion passed.

Re: Asset Allocation & Liability Study

Wilshire's consultants provided presentation materials to the IC on the Asset Allocation Process and Wilshire Capital Market Assumptions for selecting a policy portfolio.

VEBA Trust/via Teleconference w/Andy Dillon

Re: Retiree Health Care Trust

Representatives of the VEBA Board, Floyd Allen, Greg Trozak, Thomas Sheehan, Shirley Berger, General Counsel Michael VanOverbeke, Graystone Consultants, Brian C. Green and Michael W. Holycross, and Andy Dillon, via Teleconference, appeared before the Investment Committee to request funding from the Retirement System, collateral by the VEBA "B" notes, to address short term liquidity needs of the VEBA Trust.

Through the Chair: Request feedback from the State before any action is taken.

~Concludes Presentations~

Legal Report

Interim General Counsel, Ronald King, provided a Legal Report with updates on certain legal matters and was asked that any new information will be noted in Bold Print. The following correspondence was informational only and no action was required.

Re: Mortality Experience Study

The Investment Committee was given a copy of Gabriel Roeder Smith & Company's 5-Year Retired Mortality Experience Study from July 1, 2008 through June 30, 2013.

~Concludes General Counsel's Report~

Chief Investment Officer's Report

Nothing to report or any action to be taken at today's meeting.

~Concludes CIO's Report~

Old Business/New Business

Through the Chair: Requests Staff to create some form of structure for a Payroll System with benefits.

- (RFP) for General Counsel had seven (7) responses.
- Excused Absence: April 24, 2015 – Joseph Bogdahn and Sean Neary.

Public Comment

- Kathleen Colin, Director of Investments with Oppenheimer and also associated with NASP for minority women. Will be hosting a benefit at Midtown Grill: March 18, 2015, 6 - 8 p.m., Detroit, Michigan.

ADJOURNMENT

There being no further business before the Investment Committee, **Chairman Smith** adjourned the meeting at 3:30 p.m. The Investment Committee's next meeting is scheduled for **Friday, April 24, 2015** at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Recording Secretary: Rita Coats