

MEETING NUMBER 3078

JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT

HELD THURSDAY, FEBRUARY 11, 2016

9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
ONE DETROIT CENTER, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

JUNE ADAMS	EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYORAL DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR/VICE CHAIRPERSON
DAVID SZYMANSKI	EX/OFFICIO TRUSTEE/TREASURER
TRACY THOMAS	ELECTED TRUSTEE/FIRE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE

TRUSTEES EXCUSED

SEAN P. NEARY	ELECTED TRUSTEE/FIRE
PAMELA SCALES	EX/OFFICIO TRUSTEE/BUDGET DIRECTOR
JOHN SERDA	ELECTED TRUSTEE/POLICE

TRUSTEES ABSENT

NONE

STAFF PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	CHIEF INVESTMENT OFFICER
MICHAEL KRUSHENA	INVESTMENT OFFICER
RONALD A. KING	GENERAL COUNSEL
JANET S. LENEAR	RECORDING SECRETARY
REGINALD O'NEAL	MEDICAL DIRECTOR

STAFF EXCUSED

NONE

STAFF ABSENT

NONE

CHAIRPERSON

JEFFREY PEGG

VICE CHAIRPERSON

PORTIA ROBERSON

FOLLOWING A VERBAL ROLL CALL, CHAIRPERSON **PEGG** CALLED THE MEETING TO ORDER AT **9:15 A.M.**

PUBLIC RELATIONS ADVISOR **BRUCE BABIARZ** ENTERED THE MEETING AT 9:16 A.M.; TRUSTEE **JUNE ADAMS** ENTERED AT 9:17 A.M.; AND EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** ENTERED AT 9:20 A.M.

NEWLY APPOINTED CITY OF DETROIT TREASURER

NEWLY APPOINTED CITY TREASURER **DAVID SZYMANSKI** WAS INTRODUCED TO THE BOARD. **MR. SZYMANSKI** SUCCEEDS **JOHN NAGLICK** AS AN EX/OFFICIO TRUSTEE OF THE SYSTEM; AND **JOHN NAGLICK** SUCCEEDS **MICHAEL JAMISON** AS AN EX/OFFICIO TRUSTEE OF THE SYSTEM.

FEBRUARY 11, 2016 AGENDA APPROVAL

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE ADAMS

RESOLVED, THAT TODAY'S **FEBRUARY 11, 2016** AGENDA BE APPROVED AS PREPARED AND PRESENTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

DROP APPLICATION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE DROP APPLICATION WHICH IS DESIGNATED BELOW BE APPROVED:

DROP APPLICATION

NAME, TITLE, DEPARTMENT: DANIEL BURMISTRZAK – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CREDIT, EFFECTIVE DATE: 18 07 11 – 11 20 15

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, SZYMANSKI, THOMAS,
TROZAK, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

RETIREMENT APPLICATION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE TROZAK

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

RETIREMENT APPLICATION

NAME, TITLE, DEPARTMENT: EMILE BOYER – FIRE ENGINE OPERATOR - FIRE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE: 26 00 14 – 01 13 16

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, SZYMANSKI, THOMAS,
TROZAK, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

CHANGE OF EFFECTIVE DATE

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE DIAZ

RESOLVED, THAT THE EFFECTIVE DATE CHANGE WHICH IS OUTLINED BELOW BE APPROVED:

CHANGE OF EFFECTIVE DATE

NAME, TITLE, DEPARTMENT: CHARLES A. SICILIANO – OFFICER - POLICE
 RETIREMENT TYPE, PLAN: DUTY - NEW
 EFFECTIVE DATE CHANGE: FROM: 10-13-15 – TO: 11-07-15

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

RECEIPTS

THE FOLLOWING RECEIPTS WERE ACKNOWLEDGED BY THE BOARD:

The Police & Fire Retirement System of the City of Detroit			
Receipts for Acknowledgement			
1/25/16-2/5/2016			
Meeting #3078			
February 11, 2016			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
American Realty Advisors	01/28/16	Distribution	123,742.68
RREEF American REIT II	01/29/16	Distribution	202,780.36
Lightstone Val Plus REIT	02/01/16	Distribution	153,101.81
FIRST INDEPENDENCE BANK	01/28/16	Loan Deductions	41,643.48
FIRST INDEPENDENCE BANK	02/01/16	Loan Deductions	134,433.19
CITY OF DETROIT	01/25/16	Weekly Mandatory Employee Contribution	226,747.42
CITY OF DETROIT	01/25/16	Weekly Annuity Contribution	3,769.91
CITY OF DETROIT	02/01/16	Weekly Mandatory Employee Contribution	79,500.65
CITY OF DETROIT	02/01/16	Weekly Annuity Contribution	940.84
TOTAL RECEIPTS			\$ 966,660.34

DISBURSEMENTS

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE THOMAS

RESOLVED, THAT THE DISBURSEMENTS WHICH ARE REFERENCED BELOW BE APPROVED:

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
 LIST OF DISBURSEMENTS FOR BOARD APPROVAL
 FOR FEBRUARY 11, 2016

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
MANAGEMENT FEES:				
ADVENT CAPITAL MANAGEMENT, LLC	1/31/2016	4Q15	Management Fees - 4th Qtr '15	\$69,003.61
AMERICAN REALTY ADVISORS	2/1/2016		Advisory Fees - 4Q15, Invoice # 6685	\$168,932.84
ATIVO CAPITAL	12/31/2015	1579	Management Fees - 4th Qtr '15	\$32,806.39
BANYAN REALTY ADVISORS, LLC	2/8/2016		Advisory Fees - 4Q15	\$8,054.11
BNY MELLON ASSET SERVICING	1/28/2016		Service Fees - 4Q15, Invoice # 508420	\$70,809.77
CBRE CLARION SECURITIES	1/26/2016	4Q15	Management Fees - 4th Qtr '15	\$112,365.00
DEROY & DEVEREAUX	1/19/2016	4Q15	Management Fees - 4th Qtr '15	\$15,866.00
INCOME RESEARCH + MANAGEMENT INC.	1/29/2016	14045	Management Fees - 4th Qtr '15	\$49,038.55
JOHNSTON ASSET MANAGEMENT	1/21/2016	DETPFRE888591215	Management Fees - 4th Qtr '15	\$144,509.95
KENNEDY CAPITAL MANAGEMENT	1/29/2016	4Q15	Management Fees - 4th Qtr '15	\$156,707.00
LOOMIS, SAYLES & COMPANY, L.P.	1/15/2016	173693	Management Fees - 4th Qtr '15	\$63,105.69
MORGAN STANLEY INVESTMENT MANAGEME	1/26/2016	20151231-7785-A	Management Fees - 4th Qtr '15	\$134,673.15
PENN CAPITAL MANAGEMENT COMPANY, Inc	12/31/2015	4Q15	Management Fees - 4th Qtr '15	\$52,803.25
PRUDENTIAL	1/26/2016	012616	Management Fees - 4th Qtr '15	\$58,836.56
RHUMBLINE ADVISERS	1/25/2016	gdet1gro2015Q4	Management Fees - 4th Qtr '15	\$21,198.00
SALIENT CAPITAL ADVISORS, LLC	1/6/2016	4Q15	Management Fees - 4th Qtr '15	\$148,182.56
SEIZERT CAPITAL PARTNERS	1/12/2016	4Q15	Management Fees - 4th Qtr '15	\$27,024.00
TT INTERNATIONAL	12/31/2015		Management Fees - 4Q15, Invoice # 20151231-114-A	\$137,482.03
WELLS CAPITAL MANAGEMENT	1/26/2016	10218352	Management Fees - 4th Qtr '15	\$155,373.63
WELLS CAPITAL MANAGEMENT	1/15/2016	10217078	Management Fees - 4th Qtr '15	\$73,161.98
Subtotal				\$1,699,934.07
ADMINISTRATIVE EXPENSES:				
500 WEBWARD LLC	1/28/2016	651187	Electrical Billing 12/31/15-1/28/16 meter # 87249577	\$404.61
500 WEBWARD LLC	1/28/2016	651188	Electrical Billing 12/31/15-1/28/16 meter # 93052937	\$1,129.63
500 WEBWARD LLC	1/28/2016	651186	Electrical Billing 12/31/15-1/28/16 meter # 65750763	\$911.14
ADP, INC	1/29/2016	468033685	Check Printing Services	\$265.71
ADP, INC	1/22/2016	467775733	Check Printing Services	\$119.64
ALEX BROWN REALTY	12/8/2015	12082015	Loan Servicing Fees - November 2015	\$1,337.95

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3078 – THURSDAY – FEBRUARY 11, 2016

DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR FEBRUARY 11, 2016

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ALLEGRA	2/2/2016	92520	Office Supplies	\$2,195.25
ALLEGRA	1/29/2016	92218	Office Supplies	\$452.50
BAB ASSOCIATES, LLC	2/1/2016	2016-121	Media Consultant - January 2016	\$2,817.70
BASSETT & BASSETT	12/15/2015	PF W121515	Media Consultant: Web Development November 2015	\$181.50
BASSETT & BASSETT	1/28/2016	PF W012816	Media Consultant: Web Development December 2015	\$88.00
CINTAS CORPORATION-300	1/27/2016	300440403	Floor Mats	\$54.26
COMCAST	1/14/2016	011416	High-Speed Internet	\$132.18
DIRECTV	1/24/2016	27679985857	Service Charges	\$35.50
FEDEX	1/27/2016	530052926	FedEx Mailings	\$20.63
FEDEX	2/3/2016	5-307-89163	FedEx Mailings	\$66.41
FORMS TRAC ENTERPRISES, INC	2/8/2016	63396	Printing Services	\$32.07
IT STAFF WAGES	1/31/2016		IT Staff Wages for January 2016	\$61,376.56
KELLEY CAWTHORNE	2/8/2016	6991	Lobbyist Services for January 2016	\$7,500.00
MERCURY STORAGE	2/4/2016	16428	Maintenance	\$966.95
PREFERRED DATA SYSTEMS, LLC	1/31/2016	23248	Computer Support, Equipment	\$4,192.50
QUILL CORPORATION	1/11/2016	2327595	Office Supplies	\$8.00
QUILL CORPORATION	1/11/2016	2191795	Office Supplies	\$24.29
QUILL CORPORATION	1/11/2016	2182281	Office Supplies	\$43.38
SHRED-IT USA	1/21/2016	9409113723	Off-Site Regular Service	\$46.50
UHY ADVISORS MI INC	1/31/2016		Prof Accounting Svcs - 1/16/16-1/31/16, Inv # 1158666	\$25,528.13
ULTIMATE PARKING MANAGEMENT LLC	2/11/2016		Monthly Parking - Invoice # 132585, covering June 2015 thru Feb 2016	\$48,240.00
UNIVERSAL SYSTEM TECHNOLOGIES INC	2/5/2016	2105244	IT Staff Salary for Scott Vrooman - December 2015	\$745.88
Subtotal				\$158,916.87
OTHER EXPENSES:				
Charles D. Adams	1/28/2016		MSC Overpayment Reimbursement	\$297.96
COURTLAND PARTNERS, LTD.	2/8/2016	2173	Real Estate Consulting Services: October-December 2015	\$46,120.00
JEFF PEGG	2/8/2016	020816	Trustee Parking	\$90.00
Marilyn Schoen	2/5/2016		Due City Reimbursement	\$328.49
REBECCA SORENSON	1/25/2016	012516	PFRS IC MEMBER Parking Fees	\$80.00

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF DISBURSEMENTS FOR BOARD APPROVAL
FOR FEBRUARY 11, 2016

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Subtotal				\$46,916.45
Total Disbursements for Board Approval				\$1,905,767.39

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

TRUSTEE **PORTIA ROBERSON** ENTERED THE MEETING AT 9:29 A.M.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER 3619 - \$574,006.88

LIST NUMBER 3620 - \$389,182.75

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 11

NAYS – NONE

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT THE **1974** DEFINED CONTRIBUTION PLAN LOAN REQUEST LISTS SUBMITTED THIS DATE BE APPROVED AND THE REQUESTED AMOUNTS BE DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST #1 – \$30,298.00

LIST #2 – \$29,989.00

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 11

NAYS – NONE

TRUSTEE **ANGELA JAMES** ENTERED THE MEETING AT 9:32 A.M.

JANUARY 14, 2016 MINUTES

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TUCKER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, JANUARY 14, 2016** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

ASSISTANT EXECUTIVE DIRECTOR'S REPORTS

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** INFORMED THE BOARD THAT A FIRST ROUGH DRAFT OF GENERAL COUNSEL'S CONTRACT IS BEING PREPARED AND WILL BE PRESENTED TO THE BOARD'S LEGAL REVIEW COMMITTEE UPON COMPLETION. **MR. CETLINSKI** ALSO ASKED THE BOARD TO APPROVE THE FOLLOWING CONFERENCE:

KLAUSNER, KAUFMAN, JENSEN & LEVINSON 18TH ANNUAL CLIENT CONFERENCE

BY TRUSTEE JONES – SUPPORTED BY TRUSTEE THOMAS

RESOLVED, THAT THE BOARD APPROVE THE ATTENDANCE OF ANY INTERESTED TRUSTEE, THE EXECUTIVE DIRECTOR, THE ASSISTANT EXECUTIVE DIRECTOR AND GENERAL COUNSEL AT THE BELOW-DESIGNATED CONFERENCE, AND BE IT FURTHER

RESOLVED, THAT THE BOARD APPROVE EXPENDITURES FOR ANY INTERESTED TRUSTEE, THE EXECUTIVE DIRECTOR, THE ASSISTANT EXECUTIVE DIRECTOR AND GENERAL COUNSEL TO ATTEND SAID CONFERENCE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF SAID CONFERENCE BROCHURE BE PROVIDED TO RETIREMENT SYSTEM STAFF MEMBER **DEBRA TYLER**:

ASSISTANT EXECUTIVE DIRECTOR'S REPORTS - CONTINUED

KLAUSNER, KAUFMAN, JENSEN & LEVINSON 18TH ANNUAL CLIENT CONFERENCE -
CONTINUED

KLAUSNER, KAUFMAN, JENSEN & LEVINSON 18TH ANNUAL CLIENT
CONFERENCE
FORT LAUDERDALE, FLORIDA
MARCH 6 – 9, 2016

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

GASB 68 REPORT

MR. CETLINSKI ALSO INFORMED THE BOARD THAT THE RETIREMENT SYSTEM
EXECUTED THE ENGAGEMENT LETTER BETWEEN THE SYSTEM AND AUDITORS
PLANTE MORAN, RE: CITY OF DETROIT GASB 68 REPORT PREPARATION.

EXECUTIVE DIRECTOR'S REPORTS

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** DISCUSSED RATE INCREASES FOR
CERTAIN RETIREMENT SYSTEM POSITIONS AND ASKED THE BOARD TO APPROVE
SAME. AT TRUSTEE **JONES'** REQUEST, THIS MATTER WILL BE RE-ADDRESSED AT
THE BOARD'S FEBRUARY 25, 2016 MEETING.

MEDICAL DIRECTOR **REGINALD O'NEAL** ENTERED THE MEETING AT 9:58 A.M. AND
THE BOARD WAS REQUESTED TO ENTER INTO CLOSED SESSION.

CLOSED SESSION

BY TRUSTEE TUCKER – SUPPORTED BY TRUSTEE JONES

WHEREAS, THE BOARD'S MEDICAL DIRECTOR IS NOW BEFORE THE BOARD OF
TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF
DETROIT TO DISCUSS THE MEDICAL AND PSYCHIATRIC REPORTS OF INDIVIDUALS
WHO HAVE RECEIVED RE-EXAMINATIONS, AND

CLOSED SESSION - CONTINUED

WHEREAS, THE MICHIGAN OPEN MEETINGS ACT PROVIDES FOR CLOSED SESSIONS IN CERTAIN CIRCUMSTANCES, INCLUDING THE FOREGOING MATTERS, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER CONSISTENT WITH THE MICHIGAN OPEN MEETINGS ACT, THEREFORE BE IT

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION CONSISTENT WITH THE MICHIGAN OPEN MEETINGS ACT:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **10:03 A.M.**

OPEN SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE JONES

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **10:16 A.M.**

RE-EXAMINATIONS

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE THOMAS

RESOLVED, THAT IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD'S MEDICAL DIRECTOR, THE FOLLOWING DIRECTIVES BE FOLLOWED:

RE-EXAMINATIONS

NAME/PENSION NO. DEPARTMENT DISABILITY TYPE RE-EXAM NUMBER	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH RETIRANT RECEIVING NEXT RE-EXAM IN ONE (1) YEAR UNLESS OTHERWISE DIRECTED	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH NO FURTHER RE-EXAMS BEING NECESSARY FOR RETIRANT	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH RETIRANT RECEIVING NEXT RE-EXAM AT MEDICAL DIRECTOR'S OFFICE IN ONE (1) YEAR UNLESS OTHERWISE DIRECTED
CRAIG BROWN - 235423 FIRE - DUTY - 3RD		X	
RONALD GRIFFIN - 234243 POLICE - DUTY - 3RD		X	
CLAUDE HARRIS - 232362 FIRE - DUTY - 2ND	X		
CLIFFORD LEE - 237136 POLICE - DUTY - 3RD		X	
DERWIN LENARD - 232760 FIRE - DUTY - 2ND	X		
CELESTE REED - 235194 POLICE - DUTY - 1ST	X		
TANYA SHAW - 235303 POLICE - DUTY - 5TH		X	

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
 SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

CHIEF INVESTMENT OFFICER'S REPORTS

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** ADDRESSED CERTAIN MATTERS, INCLUDING GUGGENHEIM; AND HAMILTON LANE.

GUGGENHEIM GLOBAL HIGH YIELD FUND

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT IN CONJUNCTION WITH THE BOARD'S INVESTMENT COMMITTEE, THE BOARD APPROVE THE SYSTEM'S TRANSITION TO GUGGENHEIM'S GLOBAL HIGH YIELD FUND, AS RECOMMENDED BY THE BOARD'S CHIEF INVESTMENT OFFICER AND WILSHIRE, THE SYSTEM'S CONSULTANT:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

HAMILTON LANE

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT IN CONJUNCTION WITH THE BOARD'S INVESTMENT COMMITTEE, AND BASED UPON THE RECOMMENDATION OF THE BOARD'S CHIEF INVESTMENT OFFICER AND WILSHIRE ASSOCIATES, THE SYSTEM'S GENERAL INVESTMENT CONSULTANT, HAMILTON LANE BE HIRED AS A PRIVATE EQUITY INVESTMENT MANAGER SUBJECT TO AN ON-SITE VISIT, LEGAL DOCUMENT REVIEW, FEE NEGOTIATIONS, PORTFOLIO CONSTRUCTION AND GUIDELINE REVIEW:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

PUBLIC RELATIONS ADVISOR'S REPORTS

PUBLIC RELATIONS ADVISOR **BRUCE BABIARZ** PROVIDED THE BOARD WITH A POST-CHAPTER 9 BANKRUPTCY UPDATE.

LOBBYIST'S REPORTS

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

GENERAL COUNSEL'S REPORTS

GENERAL COUNSEL **RONALD A. KING** ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS PENDING LITIGATION INVOLVING A SETTLEMENT OFFER; AND PERSONAL MEDICAL INFORMATION PERTAINING TO WILLIAM HAMILTON'S NON-DUTY HEARING.

CLOSED SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE ROBERSON

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION INVOLVING A SETTLEMENT OFFER; AND PERSONAL MEDICAL INFORMATION PERTAINING TO WILLIAM HAMILTON'S NON-DUTY HEARING:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON, SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

CLOSED SESSION - CONTINUED

THE BOARD ENTERED INTO CLOSED SESSION AT **10:43 A.M.**

OPEN SESSION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **11:53 A.M.**

ICG LEASEBACK FUND I, LLC MEZZANINE LOAN

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE TUCKER

WHEREAS, The Board of Trustees is in receipt of a confidential memorandum from Special Counsel Sean Gallagher of Clark Hill, PLC concerning the Retirement System's "mezzanine" loan, along with the General Retirement System of the City of Detroit ("GRS"), in the ICG Leaseback Fund I, LLC investment ("Leaseback"), and

WHEREAS, AXA Equitable Life Insurance Company ("AXA"), the first priority lender in Leaseback, has requested, through counsel, that both Retirement Systems, in addition to the borrower, ICG Leaseback Fund I, LLC (the "Borrower"), authorize release of escrowed lease payments; direct use of \$7.5 million of those escrowed lease payments for use as the "Tenant Reserve Requirement" under the loan documents; and provide wire instructions for transferring the remainder of the escrowed funds to the Retirement Systems, and

WHEREAS, The Board desires to release and receive its portion of escrowed lease payment funds from Leaseback, and

WHEREAS, The Board has been advised by the Executive Director and General Counsel in this matter, and

ICG LEASEBACK FUND I, LLC MEZZANINE LOAN - CONTINUED

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

RESOLVED, That the Board, expressly contingent on similar authorization by the General Retirement System of the City of Detroit, authorizes release of escrowed lease payments related to Leaseback (i) to first satisfy the Tenant Reserve Requirement under the Leaseback loan documentation; (ii) to next release remaining funds to the Retirement Systems; and (iii) authorizes the Executive Director, General Counsel, and Special Counsel, to communicate the necessary wire information to AXA, and take other actions necessary to effectuate this Board action, and be it further

RESOLVED, That a copy of this resolution be forwarded to AXA Equitable Life Insurance Company; Lou Vogt; Clark Hill, PLC; and the Board of Trustees of the General Retirement System of the City of Detroit:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

COURTLAND PARTNERS

MIKE MURPHY (VIA PHONE CONFERENCE) DISCUSSED HARRISON STREET; JAMESTOWN; EQUUS CAPITAL PARTNERS; AND THE SYSTEM'S 2016 REAL ESTATE POLICY STATEMENT AND TACTICAL PLAN.

HARRISON STREET

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT IN CONJUNCTION WITH THE BOARD'S INVESTMENT COMMITTEE AND BASED UPON THE RECOMMENDATION OF THE BOARD'S CHIEF INVESTMENT OFFICER AND COURTLAND PARTNERS, THE BOARD'S REAL ESTATE CONSULTANT, HARRISON STREET BE HIRED AS A CORE (CORE PROPERTY FUND) INVESTMENT MANAGER WITH AN INITIAL ALLOCATION OF \$20,000,000.00 SUBJECT TO THE EXECUTION OF AN INVESTMENT MANAGEMENT AGREEMENT SATISFACTORY TO THE SYSTEM AND THE SYSTEM'S GENERAL COUNSEL:

HARRISON STREET - CONTINUED

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

JAMESTOWN

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT IN CONJUNCTION WITH THE BOARD'S INVESTMENT COMMITTEE AND BASED UPON THE RECOMMENDATION OF THE BOARD'S CHIEF INVESTMENT OFFICER AND COURTLAND PARTNERS, THE BOARD'S REAL ESTATE CONSULTANT, JAMESTOWN BE HIRED AS A CORE PLUS (PREMIER PROPERTY FUND) INVESTMENT MANAGER WITH AN INITIAL ALLOCATION OF \$20,000,000.00 SUBJECT TO THE EXECUTION OF AN INVESTMENT MANAGEMENT AGREEMENT SATISFACTORY TO THE SYSTEM AND THE SYSTEM'S GENERAL COUNSEL:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

EQUUS CAPITAL PARTNERS, LTD.

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

RESOLVED, THAT IN CONJUNCTION WITH THE BOARD'S INVESTMENT COMMITTEE AND BASED UPON THE RECOMMENDATION OF THE BOARD'S CHIEF INVESTMENT OFFICER AND COURTLAND PARTNERS, THE BOARD'S REAL ESTATE CONSULTANT, EQUUS CAPITAL PARTNERS, LTD. BE HIRED AS A VALUE-ADDED (INVESTMENT PARTNERSHIP X) INVESTMENT MANAGER WITH AN INITIAL ALLOCATION OF \$25,000,000.00 SUBJECT TO THE EXECUTION OF AN INVESTMENT MANAGEMENT AGREEMENT SATISFACTORY TO THE SYSTEM AND THE SYSTEM'S GENERAL COUNSEL:

EQUUS CAPITAL PARTNERS, LTD. – CONTINUED

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

REAL ESTATE POLICY STATEMENT AND TACTICAL PLAN

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE SZYMANSKI

WHEREAS, on even date, the Board of Trustees received a presentation from Michael Murphy of Courtland Partners, the Police and Fire Retirement System's Real Estate Consultant, which included a recommendation regarding the Retirement System's 2016 Real Estate Policy Statement and Tactical Plan, and

WHEREAS, the Board has been advised by the Executive Director and General Counsel in this matter, and

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

RESOLVED, that the Board adopts the recommendations of Courtland Partners and adopts the 2016 Real Estate Policy Statement and Tactical Plan for the Retirement System as presented and recommended by Courtland Partners, and be it further

RESOLVED, that a copy of this resolution be forwarded to Courtland Partners; and Clark Hill, PLC:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, ROBERSON,
SZYMANSKI, THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 12

NAYS – NONE

TRUSTEE **ROBERSON** EXCUSED HERSELF AT 2:12 P.M.

DOTT ACQUISITION, LLC

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, THE POLICE AND FIRE RETIREMENT SYSTEM FOR THE CITY OF DETROIT (“RETIREMENT SYSTEM”) WAS GRANTED A MORTGAGE ON CERTAIN PROPERTY IN KUTTAWA, KENTUCKY BY DOTT ACQUISITION, LLC, AND

WHEREAS, MIDWEST BUSINESS CREDIT, LLC RECEIVED A SUBSEQUENT MORTGAGE ON THE KUTTAWA PROPERTY, BUT CLAIMS PRIORITY BY REASON OF A SUBORDINATION PROVISION IN THE RETIREMENT SYSTEM’S MORTGAGE, AND

WHEREAS, THE COMPETING CLAIMS OF THE PARTIES ARE IN LITIGATION IN KENTUCKY, AND

WHEREAS, MIDWEST BUSINESS CREDIT, LLC AND THE RETIREMENT SYSTEM DESIRE TO SETTLE THEIR DIFFERENCES AND RESOLVE THIS MATTER, AND

WHEREAS, THE RETIREMENT SYSTEM HAS SOUGHT AND RECEIVED THE ADVICE OF COUNSEL, BOTH IN KENTUCKY AND MICHIGAN, REGARDING WHETHER TO ACCEPT THE PROPOSED SETTLEMENT, THEREFORE BE IT

RESOLVED, THAT THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM FOR THE CITY OF DETROIT HEREBY AGREE TO ACCEPT THE SUM OF TWO HUNDRED AND FIFTY THOUSAND (\$250,000) DOLLARS FROM MIDWEST BUSINESS CREDIT, LLC IN FULL SETTLEMENT AND SATISFACTION OF THE RETIREMENT SYSTEM’S CLAIMS AND MORTGAGE INTEREST, AND AUTHORIZE ITS AGENTS AND ATTORNEYS TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE SAID SETTLEMENT, AND DISCHARGE THE SUBJECT MORTGAGE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL COUZENS, LANSKY, FEALK, ELLIS, ROEDER & LAZAR, P.C.; AND CLARK HILL, PLC:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, SZYMANSKI,
THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 11

NAYS – NONE

UHY

CINDY HANNAFEY DISCUSSED UHY'S PROPOSAL TO UPDATE THE RETIREMENT SYSTEMS' PROCESSES AND TECHNOLOGIES (PHASE I: DIAGNOSTIC AND REQUIREMENTS GATHERING – PHASE II: PROCESS DESIGN AND STABILIZATION – PHASE III: SOFTWARE IMPLEMENTATION).

IT KEY PROJECTS

CHIEF INFORMATION OFFICER **DENNIS LINET** PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING IT'S KEY PROJECTS. AMONG THE PROJECTS DISCUSSED WERE:

HYBRID ANNUITY (IS OPERATIONAL AND CONTRIBUTIONS AND INTEREST ARE POSTED WEEKLY)

HYBRID CALCULATIONS, RE: FACESHEETS AND ESTIMATES (COMPLETED)

DEATH BENEFIT CASH OPTION LETTERS (COMPLETED AND MAILED)

DATA DOMAIN BACKUP DEVICES (BEING REPLACED WITH A HIGHER CAPACITY UNIT)

UHY CONTRACT FOR PROCESS OPTIMIZATION /SOFTWARE SELECTION SERVICES

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, in correspondence of even dated, UHY Advisors of MI, Inc., from Managing Partner Tom Callan ("UHY"), including an Exhibit A directed to the Police and Fire Retirement System entitled, "Statement of Work: Process Optimization and Software Selection," UHY proposes an engagement agreement to provide professional services for Process Optimization and Software Selection (the "Contract"), and

WHEREAS, the Contract and the services received will benefit the joint administration of PFRS and the General Retirement System of the City of Detroit ("GRS"), and

UHY CONTRACT FOR PROCESS OPTIMIZATION /SOFTWARE SELECTION SERVICES
- CONTINUED

WHEREAS, the Board expects the fees for the Contract will be split evenly between PFRS and GRS, as each will benefit equally from improved administration through administrative process optimization and software, and

WHEREAS, the Board views investment in improvements to optimization of administrative processes and software as a use of funds consistent with the obligation to discharge fiduciary duties to PFRS pursuant to the Public Employee Retirement System Investment Act, Act 314 of 1965, and

WHEREAS, the Board has been advised by the Executive Director and General Counsel in this matter, and

WHEREAS; the Board has considered this matter in open session, therefore be it

RESOLVED, that the Board authorizes execution of the Contract with UHY on behalf of PFRS, pending negotiations with General Counsel, and be it further

RESOLVED, that a copy of this resolution be forwarded to UHY; and Clark Hill, PLC:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, SZYMANSKI,
THOMAS, TROZAK, TUCKER AND CHAIRPERSON PEGG - 11

NAYS – NONE

PUBLIC FORUM

AT **2:18 P.M.**, **CHAIRPERSON 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, **CHAIRPERSON PEGG** ADJOURNED THE MEETING AT **2:18 P.M.** UNTIL **THURSDAY, FEBRUARY 25, 2016**, AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT

ADJOURNMENT - CONTINUED

SYSTEMS, ONE DETROIT CENTER, 500 WOODWARD AVENUE, 30TH FLOOR (SUITE 3000), DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "David Cetlinski". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke at the end.

DAVID CETLINSKI
ASSISTANT EXECUTIVE DIRECTOR