

MEETING NO. 3183
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, FEBRUARY 15, 2018

09:00 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
CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER
MEGAN S. MOSLIMANI	EX/OFFICIO TRUSTEE/CORPORATION COUNSEL'S ALTERNATE
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/VICE CHAIRMAN
JOHN SERDA	ELECTED TRUSTEE/POLICE/CHAIRPERSON
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE

TRUSTEES EXCUSED

BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/MAYOR'S ALTERNATE
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 ABSENT

None

ALSO PRESENT

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

STAFF EXCUSED

None

CHAIRPERSON

John Serda

The Board's Administrative Assistant took a verbal Roll Call at 9:09 a.m. and Chairperson Serda called the meeting to order.

Present at Roll Call: Shawn Battle, Joseph English, Christa Mclellan, John Naglick, Sean Neary, Jeffrey Pegg, Gregory Trozak, and John Serda.

Re: Approval of February 15, 2018 Agenda

Motion By: Trustee Pegg – Supported By: Trustee English

RESOLVED, that today's February 15, 2018 agenda be approved as prepared and submitted by the Board's Recording Secretary:

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

Re: Hybrid Retirement(s)

Motion By: Trustee Pegg - Supported By: Trustee English

RESOLVED, that the application(s) for **HYBRID RETIREMENT** as outlined below be hereby APPROVED:

NAME-TITLE-DEPARTMENT: MARC J DELUCA – LIEUTENANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 07 00 – 01 17 18

NAME-TITLE-DEPARTMENT: DEVIN M DUNBECK – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 07 00 – 01 23 18

NAME-TITLE-DEPARTMENT: OTIS W MILHOUSE – OFFICER - POLICE
RETIREMENT TYPE-PLAN: HYBRID SERVICE – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 00 06 00 – 02 16 15

NAME-TITLE-DEPARTMENT: DON D PAINTER – OFFICER - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 07 00 – 01 18 18

NAME-TITLE-DEPARTMENT: STEVEN L PEIL – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 07 00 – 01 17 18

NAME-TITLE-DEPARTMENT: RICHARD M SEAGRAM – INVESTIGATOR - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 07 00 – 01 18 18

NAME-TITLE-DEPARTMENT: KEVIN B SHEPHERD – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 05 00 – 11 28 17

NAME-TITLE-DEPARTMENT: ERWIN STEPHENS – FIRE ENGINE OPERATOR - FIRE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 04 00 – 10 24 17

NAME-TITLE-DEPARTMENT: ALBERT YASSO – LIEUTENANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID SERVICE – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 07 00 – 01 18 18

NAME-TITLE-DEPARTMENT: STEPHEN L GEELHOOD – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID SERVICE – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 03 00 – 09 19 17*

*** EFFECTIVE DATE CHANGE FROM DECEMBER 18, 2017 TO SEPTEMBER 19, 2017**

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

Re: Drop Application(s)

Motion By: Trustee English - Supported By: Trustee Pegg

RESOLVED, that the application(s) for **DROP PLAN** which is outlined below be hereby APPROVED:

NAME-TITLE-DEPARTMENT: DEVIN M DUNBECK – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: DROP – NEW
SERVICE CREDIT-EFFECTIVE DATE: 19 05 14– 01 23 18

NAME-TITLE-DEPARTMENT: RICHARD M SEAGRAM – INVESTIGATOR - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 19 05 14 – 01 18 18

NAME-TITLE-DEPARTMENT: ERWIN STEPHENS – FIRE ENGINE OPERATOR - FIRE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 21 10 14 – 10 24 17

NAME-TITLE-DEPARTMENT: CATHY D WRIGHT – OFFICER - POLICE
RETIREMENT TYPE-PLAN: DROP – NEW
SERVICE CREDIT-EFFECTIVE DATE: 16 05 19– 01 30 18

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

Re: Service Retirement(s)

Motion By: Trustee Pegg - Supported By: Trustee English

RESOLVED, that the application(s) for SERVICE RETIREMENT as outlined below be hereby APPROVED:

NAME-TITLE-DEPARTMENT: RAYMOND W HOOD, JR. – OFFICER - POLICE
RETIREMENT TYPE-PLAN: CONVERTED DISABILITY FROM DUTY - NEW
SERVICE CREDIT-EFFECTIVE DATE: 25 00 00 – 12 21 17

NAME-TITLE-DEPARTMENT: MONICA J CHILDS. – INVESTIGATOR - POLICE
RETIREMENT TYPE-PLAN: CONVERSION DUTY DISABILITY TYPE 35 - NEW
SERVICE CREDIT-EFFECTIVE DATE: 25 00 00 – 03 15 00*

***BENEFIT CHANGE EFFECTIVE DATE OCTOBER 07, 2017**

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

RECEIPTS: The Board received the following receipts for Acknowledgment:

The Police & Fire Retirement System of the City of Detroit			
Receipts for Acknowledgement			
1/29/18-2/9/18			
Meeting #3183			
February 15, 2018			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
City of Detroit	01/29/18	4th Qtr '17 Pension Contributions	4,662,640.43
American Realty Advisors	01/30/18	Distribution	20,000.00
RREEF American REIT II	01/31/18	Distribution	194,042.29
Lightstone Value Plus REIT	02/02/18	Distribution	153,101.81
FIRST INDEPENDENCE BANK	01/30/18	Loan Deductions	49,024.95
FIRST INDEPENDENCE BANK	02/07/18	Loan Deductions	138,317.78
CITY OF DETROIT	02/02/18	Weekly Mandatory Employee Contribution	259,133.39
CITY OF DETROIT	02/02/18	Weekly Annuity Contribution	573.94
CITY OF DETROIT	02/09/18	Weekly Mandatory Employee Contribution	90,239.02
CITY OF DETROIT	02/09/18	Weekly Annuity Contribution	226.87
TOTAL RECEIPTS			\$ 5,567,300.48

Prepared by Witt, Alec on 2/14/2018

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Re: Disbursements

Resolution Moved By: Trustee Naglick - Supported By: Trustee Neary

RESOLVED, that the DISBURSEMENTS which follows be approved:

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
1/29/18-2/9/18			
Meeting #3183			
February 15, 2018			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
Annuity Refunds		Refund List #3721	359,084.01
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3182	42,969.00
TOTAL DISBURSEMENTS			\$ 402,053.01

Prepared by Witt, Alec on 2/14/2018

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Re: Disbursements - Continued

Resolution Moved By: Trustee Naglick - Supported By: Trustee Neary

RESOLVED, that the DISBURSEMENTS which follows be approved **with the exception of the BAB Associates, LLC invoice:**

Police & Fire Retirement System
Company:
User:

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Date: 2/12/2018 3:33 PM

Account	Payment Method	Currency			
F ACCT PAY	ACH	US			
Vendor Name	Invoice Number	Invoice Description			Amount To Pay
500 WEBWARD LLC	45506	Rent - January 2018			23,765.04
500 WEBWARD LLC	47625	Rent - February 2018			23,765.04
500 WEBWARD LLC	842799	Electrical Billing 12/29/17-1/30/18, Meter #16055044			931.94
500 WEBWARD LLC	842800	Electrical Billing 12/29/17-1/30/18, Meter #16055070			1,087.45
Cogent Communications, Inc.	020118	Internet Service			1,023.00
PLANTE & MORAN	1511321	Final Bill for Year-end 6/30/17 Audit			4,200.00
UHY Advisors MI, Inc.	1238576	Professional Accounting Services for January 2018			40,053.13
Cash Account/Payment Method Total:			7 Documents		94,825.60

Account	Payment Method	Currency			
F ACCT PAY CHECK	CHECK	US			
Vendor Name	Invoice Number	Invoice Description			Amount To Pay
BAB ASSOCIATES, LLC	2018-011	Media Consultant - January 2018			3,717.70
Bodman PLC	635113	Paylocity Contract Review			1,657.75
DALTON COMMERCIAL CLEANING CORP.	235789	Carpet Cleaning			1,057.50
FEDEX	6-073-43597	FedEx Mailings			52.09
Iron Mountain Records Management	PTW1176	Records Storage			1,700.41
KELLEY CAWTHORNE	8929	Lobbyist Services for February 2018			7,500.00
OFFICE DEPOT	100521008001	Office Supplies			11.98
REGINALD E. ONEAL	020218	Medical Billings 1/3/18-1/12/18			405.00
RICOH	5052249094	Printer Maintenance			257.25
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	100055870	Printer Maintenance			129.11
XEROX	092064362	Printer Maintenance			25.16
Cash Account/Payment Method Total:			11 Documents		16,513.95

* Payment amount is estimated based on the effective date 2/12/2018

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

Re: Refunds of Accumulated Contributions

Resolution Moved By: Trustee Pegg - Supported By: Trustee Trozak

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 the Retirement System Accounting Staff:

LIST NUMBER 3722 - \$643,362.64

LIST NUMBER 3723 - \$795,050.00

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

Re: 1974 Defined Contribution Plan/ Employee Loan Program

Resolution Moved By: Trustee Pegg - Supported By: Trustee English

RESOLVED, that the 1974 Defined Contribution Plan/ Loan Request Lists submitted on this date be hereby **APPROVED** and the requested amounts be disbursed pending audit by Retirement System Accounting Staff:

LIST #1 2/08/2018 – \$42,969.00

LIST #1 2/15/2018 – \$26,052.00

Yeas – Trustees Battle, English, Mclellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

Re: Minutes/Journal No. 3179 – (01/18/18)

Resolution Moved By: Trustee Pegg – Supported By: Trustee Mcllellan

RESOLVED, that the Minutes/Journal of Proceedings of the Police and Fire Retirement System of the City of Detroit, of Meeting No. 3179, held on January 18, 2018, be hereby **APPROVED** as recorded and submitted.

Yeas – Trustees Battle, English, Mcllellan, Naglick, Neary, Pegg, Trozak, and Serda - 8

Nays – None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Kelly Tapper**, had no report.

~Assistant Executive Director's Report concludes~

EXECUTIVE DIRECTOR'S REPORT

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

- Ongoing training of new Assistant Executive Director's for both systems and the Chief Accounting Officer is progressing well.
- Consulting Director, Cynthia A. Thomas's last day with the Retirement Systems is **February 28th, 2018**.

~Executive Director's Report concludes~

- **Bruce Babiarz entered the Boardroom at 09:20 a.m.**

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, discussed the following matters with the Board:

- Hamilton Lane is scheduled to present at the April 5, 2018 meeting to discuss Private Equity Portfolio.
- American Realty Advisors update
- Introduction of new Investment Officer Kevin Kenneally.

~Chief Investment Officer's Report concludes~

PUBLIC RELATIONS ADVISOR REPORT

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

- New release regarding new appointments of David Cetlinski to Executive Director and Kelly Tapper to Assistant Executive Director as well as 2017 Financial Results has been posted.
- Pension Litigation matter

Trustee Pegg requested a detailed invoice from Mr. Babiarz

LOBBYIST'S REPORT

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

- New and active legislation updates

GENERAL COUNSEL'S REPORT

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

- Bodman Invoice Discussion
 - ***Trustee Pegg motioned to decline payment of the Book Cadillac invoice from Clark Hill as it falls within General Legal Counsel's scope of work. The motion did not receive a support.***
 - ***Trustee Megan Moslimani entered the Boardroom at 9:33 a.m.***
 - ***Trustee Angela James entered the Boardroom at 9:43 a.m.***

Re: Payment of Bodman Invoice

Resolution Moved By: Trustee Neary – Supported By: Trustee Mcllellan

RESOLVED, that the Board authorize payment of the Bodman invoice as discussed.

Yeas – Trustees Battle, English, Mcllellan, Moslimani, Naglick, Neary, Trozak, and Serda - 8

Abstentions: James - 1

Nays: Pegg – 1

Statement from Trustee Pegg: No vote on paying the Bodman Invoice: It falls within General Legal Counsel's Contract Work Section E.

Re: Entering Into Closed Session

Resolution Moved By: Trustee Neary – Supported By: Trustee English

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** and **Stirling vs Stirling litigation**.

A Roll Call Vote was taken as follows:

Yeas – Trustees Battle, English, James, Mclellan, Moslimani, Naglick, Neary, Pegg, Trozak, and Serda - 10

Nays – None

The Board entered into **Closed Session** at 9:50 a.m.

- *Trustee Mark Diaz entered the Boardroom at 10:20 a.m.*
- *Trustee Matthew Gnatek entered the Boardroom at 10:20 a.m.*

Re: Open Session

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

RESOLVED, that the Board come out of Closed Session.

Yeas – Trustees Battle, Diaz, English, Gnatek, James, Mclellan, Moslimani, Naglick, Neary, Pegg, Trozak, and Serda - 12

Nays – None

The Board returned to **Open Session** at 10:54 a.m.

- ***The Board recessed for a brief break at 10:55 a.m. and resumed at 11:02 a.m.***

Re: Legal Discussion

The Board of Trustees engaged in discussion regarding legal fees, scope of services and contracts.

Re: Funding Policy Discussion

The Board of Trustees engaged in discussion regarding the funding policy.

NEW BUSINESS/OLD BUSINESS

None

ADJOURNMENT

There being no further business before the Board, **Chairperson Serda** adjourned the meeting at 11:26 a.m. The Board's next meeting is scheduled for **Thursday, March 1, 2018**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director