

MEETING NO. 3233
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, MARCH 07, 2019

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
MICHAEL F. BERENT	ELECTED TRUSTEE/FIRE
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYOR'S DESIGNEE
MEGAN S. MOSLIMANI	EX/OFFICIO TRUSTEE/CORPORATION COUNSEL /VICE-CHARPERSON
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
GEORGE ORZECH	ELECTED RETIRANT TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
DEAN PINCHECK	ELECTED TRUSTEE/FIRE
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/MAYOR'S ALTERNATE
JOHN SERDA	ELECTED TRUSTEE/POLICE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE

TRUSTEES EXCUSED

BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER
STEVEN WATSON	EX/OFFICIO TRUSTEE/DIRECTOR OF FORECASTING AND ECONOMIC ANALYSIS-BUDGET DEPARTMENT/BUDGET DIRECTOR'S DESIGNEE

ALSO PRESENT

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

STAFF EXCUSED

None

CHAIRPERSON

JEFFREY PEGG

A verbal Roll Call commenced at 09:18 a.m. and Chairperson Pegg called the meeting to order.

Present at Roll Call: Shawn Battle, Michael F. Berent, Matthew Gnatek, John Naglick, George Orzech, Dean Pincheck, John Serda and Gregory Trozak

Re: Approval of March 07, 2019 Agenda

Matthew Gnatek moved to approve the agenda dated **Thursday, March 07, 2019**. John Serda supported. The motion passed unanimously.

- ***Advent Capital entered the Boardroom at 9:19 a.m.***
- ***Trustee Portia Roberson entered the Boardroom at 9:20 a.m.***

Re: Approval of DROP Retirement Applications

Matthew Gnatek moved to approve the **DROP Retirements** as listed below. Dean Pincheck supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Johnell M. White – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 06 17 – 02 12 19

Re: Approval of HYBRID Retirement Applications

Matthew Gnatek moved to approve the **HYBRID Retirements** as listed below. Michael Berent supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Anthony L. Mason – Battalion Fire Chief - Fire
RETIREMENT TYPE-PLAN	Hybrid - Service
SERVICE CREDIT-EFFECTIVE DATE	04 00 00 – 06 20 18

Re: Approval of Retirement Applications

Gregory Trozak moved to approve the **Retirements** as listed below.
Matthew Gnatek supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Juan C. Ayala – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Vested - New
SERVICE CREDIT-EFFECTIVE DATE	20 05 27 – 01 04 19

NAME, TITLE, DEPARTMENT	Nate L. Bowers – Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	15 06 17 – 01 25 19

NAME, TITLE, DEPARTMENT	Erica Bucy – Child of Eric C. Bucy – Deceased – Police Officer - Police
RETIREMENT TYPE-PLAN	Non-Duty Death Child - New
SERVICE CREDIT-EFFECTIVE DATE	22 06 07 – 01 04 19

NAME, TITLE, DEPARTMENT	James Bucy – Child of Eric C. Bucy – Deceased – Police Officer - Police
RETIREMENT TYPE-PLAN	Non-Duty Death Child - New
SERVICE CREDIT-EFFECTIVE DATE	22 06 07 – 01 04 19

NAME, TITLE, DEPARTMENT	William V. Little – Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	19 10 26 – 01 22 19

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts
Company: RSCD-PFRS

Cash Account: HYBLIQRES
Start Date: 2/1/2019
End Date: 3/4/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
2/15/2019	CA	Cash Entry	001186	Pre-tax Pension Contributions 2-15-19	R/C	268,550.12
2/22/2019	CA	Cash Entry	001196	Pre tax pension contributions 2-22-19	R/C	94,820.83
						363,370.95

Cash Receipts
Company: RSCD-PFRS

Cash Account: LIQUID RES
Start Date: 2/1/2019
End Date: 3/4/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
2/13/2019	CA	Cash Entry	001191	Loan Deduction Program 2-8-19(\$35,228.90)	R/C	35,228.90
2/22/2019	CA	Cash Entry	001195	Loan Deduction Program 2-15-19(\$73,543.57)	R/C	73,543.57
2/27/2019	CA	Cash Entry	001203	Loan Deduction Program 2-22-19 (\$36,479.02)	R/C	36,479.02
						145,251.49

Total Receipts

508,622.44

Re: Approval of Disbursements

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

Disbursements

Page: 1 of 2
Date: 3/4/2019 8:08 AM

Account	Payment Method	Currency			
LIQUID RES	WIRE	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
AVENUE ASIA SPECIAL SITUATIONS FUND V LP			022819	Capital Call	2,012,635.00
GREENFIELD ACQUISITION PARTNERS VIII			030619	Capital Call #7	1,237,500.00
HAMILTON LANE SECONDARY FUND IV, LP			030719	Capital Call	2,108,470.00
KELSO INVESTMENT ASSOCIATES X, L.P			022819	Capital Call	919,311.00
PLATINUM EQUITY SMALL CAP FUND LP-HAMILTON I			022819	Capital Call	389,025.00
PriceWaterhouseCoopers (PWC) Private Limited (Mumba			41226026526	Professional Tax Service	2,630.00
ROARK CAPITAL PARTNERS V, L.P.-HAMILTON LANE			030419	Capital Call	416,891.32
Bridgett Hardy			022819BH	IT Contractual Wages - February 2019	4,498.72
James R. Hollins			022819JH	IT Contractual Wages - February 2019	4,005.33
Raymond R. Tchou			022819RT	IT Contractual Wages - February 2019	4,233.86
Venkat Rallapalli / Highbrow Systems, Inc.			022819VR	IT Contractual Wages - February 2019	6,083.88
			Cash Account/Payment Method Total:	11 Documents	7,105,284.11
HUNT VEND	ACH	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC			75358	March 2019 Rent	24,998.49
8x8 INC.			2319355	Phone System Services	1,386.69
ADP, INC			530415136	Check Printing Services	597.05
KLAUSNER & KAUFMAN			23160	Legal Services for January 2019	175.00
LOOMIS, SAYLES & COMPANY, L.P.			194085	Management Fees 3rd Qtr '18	59,197.30
Premier Parking (fka Ultimate Parking)			179740	Parking - March 2019	2,442.00
			Cash Account/Payment Method Total:	6 Documents	88,796.53
HUNT VEND	CHECK	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
Advantage Consulting, Inc.			D103	Full Functional Capacity Evaluation	1,200.00
BAB ASSOCIATES, LLC			2019-0199	Media Consultant - January 2019	3,337.70
BURGOYNE APPRAISAL COMPANY			12419	Appraisal Report of EGT Facility	3,500.00
CANON SOLUTIONS AMERICA, INC			4028414084	Copier Maintenance	90.26
CHRYSALIS CONSULTING, LLC			24316	Consulting Services 11/1/18-11/30/18	3,515.63
COMCAST			021719	High Speed Internet (Acct #8529 10 205 0807923)	180.02
F. LOGAN DAVIDSON, P.C.			181226.1	PFRS Falconhead Holding Corp: General Corporate Se	1,809.00
F. LOGAN DAVIDSON, P.C.			181226.2	PFRS Falconhead Holding Corp: Out of Pocket Expens	16,865.00
FEDEX			6-460-10615	FedEx Mailing	25.80
FEDEX			6-466-32956	FedEx Mailing	25.86
NEW JERSEY DIVISION OF TAXATION			022119	PFRS Falconhead Holding Corp EIN 27-1078496 Tax \	76.19
OFFICE DEPOT			274701124001	Office Supplies	8.39
OFFICE DEPOT			274701125001	Office Supplies	59.09
OFFICE DEPOT			274701126001	Office Supplies	21.10
POSTMASTER			022019	To Replenish the USPS Postage Account	20,000.00
QUILL CORPORATION			5100820	Office Supplies	146.28
SCHAIBLE BUILDERS, INC			005928	Plexiglass in Existing Frame	107.50
VERIZON WIRELESS			9823547038	Wireless Billing 1/5/19-2/4/19	965.21
			Cash Account/Payment Method Total:	18 Documents	51,933.03

* Payment amount is estimated based on the effective date 3/4/2019

Re: Approval of Refunds (Accumulated Contributions)

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

LIST NUMBER 3777 - \$659,094.89

LIST NUMBER 3778 - \$451,218.31

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

Matthew Gnatek moved to approve the **Frozen Defined Contribution Plan/ Employee Loan Program** as outlined below. Portia Roberson supported. The motion passed unanimously.

LIST #1 02/28/2019 – \$68,529.00

LIST #2 03/07/2019 – \$76,351.00

Re: Approval of Minutes/Journal of Proceedings No. 3231 – (02/07/2019)

Matthew Gnatek moved to approve the **Minutes/Journal of Proceedings No. 3231 (02/07/2019)** Portia Roberson supported. The motion passed unanimously.

PRESENTATION:

Advent Capital

Representatives Tracy V. Maitland and Kelly Mueller discussed the following with the Board:

- Advent Capital Management
- Convertible Dynamics
- Benefits of Convertible Securities
- Convertible Market Opportunities
- Balanced Strategy
- Portfolio Review

- ***Dr. Oscar King III entered the Boardroom at 09:22 a.m.***
- ***Trustee Megan Moslimani entered the Boardroom at 9:29 a.m.***
- ***Trustee Mark Diaz entered the Boardroom at 9:33 a.m.***
- ***Trustee Angela James entered the Boardroom at 9:54 a.m.***

- ***Advent Capital concluded their presentation at 10:10 a.m.***

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Kelly Tapper**, addressed the following with the Board of Trustees:

- Legal Request for Proposal (RFP) submission discussion
 - Although there is a Legal Review Committee, The entire Board should have input into the process of reviewing and rating the submissions.
- NASDAQ Board Vantage portal recommendation
- Global Governance Advisors discussion
 - The Board will revisit this item in six months.
- MAPERS One Day Conference re-cap
- Delegate(s) are needed for the NCPERS annual conference in May.
- Trustee Diaz educational reimbursement request

Re: Legal RFP Recommendation

Michael Berent moved to accept the recommendation of the Assistant Executive Director with respect to the Legal RFP/ Request for Proposal process as discussed: on April 4, 2019 each Trustee will select their top three of the nine firms who responded by ballot. The three firms with the most votes will be interviewed at the Board level, and then a vote will be taken. Robert Klausner will be removed from further involvement in the RFP process. Matthew Gnatek supported. The motion passed unanimously.

Re: NASDAQ BoardVantage Recommendation

John Serda moved to accept the recommendation by staff to implement the NASDAQ BoardVantage Portal. John Naglick supported. The motion passed unanimously.

Re: Education Reimbursement

John Naglick moved to acknowledge and approve reimbursement request of Trustee Diaz with respect to his Principles of Management course. Dean Pincheck supported. The motion passed unanimously.

- ***The Board recessed for a brief break at 10:35 a.m. and resumed at 10:44 a.m.***

PRESENTATION:

Quarterly Financial Update

Chief Accounting Officer Ramzee Jackson discussed the following with the Board:

- Introduction of Brie Fort, Interim Deputy-Chief Accounting Officer
 - Quarterly Financial Report
- ***Trustee John Naglick excused himself from the Boardroom at 10:49 a.m.***
- ***Mr. Jackson concluded the presentation at 10:55 a.m.***

LOBBYIST'S REPORT

Lobbyist, **Dr. Oscar King III**, provided the Board with a legislative update as listed below:

- Pension Tax Repeal
 - Tax on gas for Michigan roads
 - Committee meeting on pension tax repeal
 - Chairperson Pegg would like advance notice of the meetings so that a Board representative may attend.
- ***Dr. King excused himself from the Boardroom at 11:08 a.m.***

EXECUTIVE DIRECTOR'S REPORT

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

- Executive Director Performance appraisal has been disseminated; it should be returned to Ms. Tapper by the next Board meeting on 3/21/2019.
- 1099 update

PUBLIC RELATIONS ADVISOR REPORT

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

- Pension repeal plan is currently being monitored
- Summary Annual report inquiries; Mr. Babiarz requested authorization to speak with friendly media regarding the Summary Annual Report
- Request for Public Relations Committee meeting

CHIEF INVESTMENT OFFICER'S REPORT

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

- Police and Fire Investment Committee will meet on Monday March 11, 2019 at 10:00 a.m. This will be an on-site meeting.
 - Wilshire will be in attendance to report on performance as well as the Opportunistic Credit Bucket
 - Mr. Bigelow and Mr. Kenneally will be out of the office traveling within the next week. They will attend the COMVEST Annual Conference/meeting on Thursday March 14th and 15th, 2019 as well as performing a site visit to TH Real Estate.
 - Advent presentation discussion
- ***Bruce Babiarz excused himself from the Boardroom at 11:30 a.m.***

GENERAL COUNSEL'S REPORT

General Counsel, **Ronald King**, discussed the following matters with the Board:

- Davis v. PFRS, et al
 - Informational/ no action needed
- Chapter 9 Special Reporting
 - Eighth Annual Semi-annual reporting
- "Rendering" Annual Audited Financial Statements to the City of Detroit Mayor's Office and City Counsel
- Third Annual Certification of the Income Stabilization Fund to be executed by the Board Chair
- Securities Class Action: Axogen, Inc. and Revolutionary
- FOIA Request from Mr. Brown-Bey
 - Letter has been forwarded from General Counsel regarding cease and desist dated February 27, 2019.

Re: Axogen, Inc Securities Class Action

Portia Roberson moved to affirmatively take action and bring a claim under Section 11 of the discussed act/statute and proceed with action with respect to recovery and also to seek appointment as lead plaintiff. Mark Diaz supported. The motion passed unanimously.

GENERAL COUNSEL'S REPORT- continued

Re: Revolutionary Light and Technology Securities Class Action

Mark Diaz moved to affirmatively take action and bring a claim under Section 11 of the discussed act/statute and proceed with action with respect to recovery and also to seek appointment as lead plaintiff subject to review of any limitation on the number of times a party may seek lead counsel designation. John Serda supported. The motion passed unanimously.

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 the following: to discuss pending litigation and real estate transactions regarding Environmental Geo-Technologies, LLC and Medical Director’s Report.

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, Diaz, Gnatek, James, Moslimani, Orzech, Pincheck, Roberson, Serda, Trozak and Chairperson Pegg - 12

Nays – None

The Board entered into **Closed Session** at 11:56 a.m.

- ***Trustee Megan Moslimani excused herself from the Boardroom at 12:18 p.m.***

Re: Open Session

Matthew Gnatek moved to come out of closed session. Dean Pincheck supported. The motion passed unanimously.

The Board returned to **Open Session** at 12:23 p.m.

Re: Disability Discussion

The Board of Trustees engaged in discussion regarding the re-exam process.

- *Trustee Portia Roberson excused herself from the Boardroom at 12:38 p.m.*

Re: Annual Re-examinations

Resolution Moved By: Trustee Gnatek Supported By: Trustee Serda

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability Retirement Payroll with **no further re-exams necessary**:

Clive Johnson

Yeas – Battle, Berent, Diaz, Gnatek, James, Orzech, Pincheck, Serda, Trozak
and Chairperson Pegg - 10

Nays – None

NEW BUSINESS/OLD BUSINESS

- Policy Committee Meeting is scheduled for Wednesday March 13th, 2019 at 10:00 a.m.

ADJOURNMENT

Matthew Gnatek moved to adjourn meeting #3233. Dean Pincheck supported.

Chairperson Pegg adjourned the meeting at 12:45 p.m. The Board's next meeting is scheduled for **Thursday, March 21st, 2019**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, appearing to read "Kelly Tapper", written in black ink.

Kelly Tapper, Assistant Executive Director