

**MEETING NO. 3238**  
**JOURNAL OF PROCEEDINGS**  
**BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM**  
**OF THE CITY OF DETROIT**  
**HELD THURSDAY, MAY 16, 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
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER
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
STEVEN WATSON	EX/OFFICIO TRUSTEE/DIRECTOR OF FORECASTING AND ECONOMIC ANALYSIS-BUDGET DEPARTMENT/BUDGET DIRECTOR'S DESIGNEE

**TRUSTEES EXCUSED**

None

**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
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor

**STAFF EXCUSED**

None

CHAIRPERSON

**JEFFREY PEGG**

A verbal Roll Call commenced at 09:05 a.m. and Chairperson Pegg called the meeting to order.

***Present at Roll Call: Michael Berent, Matthew Gnatek, Megan Moslimani, Dean Pincheck, George Orzech, John Serda and Gregory Trozak***

**Re: Approval of May 16, 2019 Agenda**

Matthew Gnatek moved to approve the agenda dated **Thursday May 16<sup>th</sup>, 2019**. Michael Berent supported. The motion passed unanimously.

**Re: Approval of DROP Retirement Applications**

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

NAME, TITLE, DEPARTMENT	John A. Hall, Jr. - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 06 17 – 04 23 19

NAME, TITLE, DEPARTMENT	Kenneth B. Hope - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 01 07 – 05 24 19

NAME, TITLE, DEPARTMENT	David M. Kline - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 11 25 – 04 30 19

NAME, TITLE, DEPARTMENT	Tara R. Lawson - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 08 07 – 04 05 19

**Re: Approval of DROP Retirement Applications- Continued**

NAME, TITLE, DEPARTMENT Felisa Russell - Police Officer - Police  
RETIREMENT TYPE-PLAN Drop - New  
SERVICE CREDIT-EFFECTIVE DATE 16 05 16 – 04 24 19

NAME, TITLE, DEPARTMENT Matthew E. Singer - Police Officer - Police  
RETIREMENT TYPE-PLAN Drop - New  
SERVICE CREDIT-EFFECTIVE DATE 15 01 06 – 05 24 19

NAME, TITLE, DEPARTMENT Lisa L. Walton - Police Officer - Police  
RETIREMENT TYPE-PLAN Drop - New  
SERVICE CREDIT-EFFECTIVE DATE 15 01 07 – 05 24 19

**Re: Approval of RETIREMENT Applications**

Gregory Trozak moved to approve the **RETIREMENTS** as listed below.  
Michael Berent supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT Jennifer Biggers - Police Officer - Police  
RETIREMENT TYPE-PLAN Service - New  
SERVICE CREDIT-EFFECTIVE DATE 15 02 19 – 04 23 19

NAME, TITLE, DEPARTMENT Beryl Ina Curry - Police Officer - Police  
RETIREMENT TYPE-PLAN Vested - New  
SERVICE CREDIT-EFFECTIVE DATE 17 06 20 – 05 01 19

NAME, TITLE, DEPARTMENT Marshall L. Dennis, III – Police Officer -  
Police  
RETIREMENT TYPE-PLAN Service - New  
SERVICE CREDIT-EFFECTIVE DATE 15 02 19 – 04 23 19

NAME, TITLE, DEPARTMENT Tiffany Murphy – Police Officer - Police  
RETIREMENT TYPE-PLAN Service - New  
SERVICE CREDIT-EFFECTIVE DATE 15 02 19 – 04 23 19

**RECEIPTS: The Board received the following receipts for Acknowledgment:**

<b>Cash Receipts</b>			Cash Account:	HYBLIQRES		
Company: RSCD-PFRS			Start Date:	4/15/2019		
			End Date:	5/13/2019		

  

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
4/18/2019	GL		007880	Post tax Annuity Contributions 4-18-19		5,953.33
4/24/2019	GL		007974	Post Tax Annuity Contributions 4-12-19		8,229.66
4/26/2019	GL		007975	Post Tax Annuity Contributions 4-26-19		6,889.19
4/26/2019	CA	Cash Entry	001310	Pre tax Pension Contributions 4-26-19	R/C	270,652.07
5/3/2019	AR	Payment	000011	Employer Match January 1 - March 31 2019 Police & Fire	R/C	4,599,037.09
5/3/2019	CA	Cash Entry	001319	Pre tax Pension Contributions 5-3-19	R/C	95,519.57
5/3/2019	GL		008024	Post tax Annuity Contributions 5-3-19		7,704.75
5/10/2019				Post tax Annuity Contributions 5-10-19		7,525.53
5/10/2019				Pre tax Pension Contributions 5-10-19		268,902.95
						5,270,414.14

<b>Cash Receipts</b>			Cash Account:	LIQUID RES		
Company: RSCD-PFRS			Start Date:	4/15/2019		
			End Date:	5/13/2019		

  

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
4/30/2019	CA	Cash Entry	001312	Loan Deduction Program 4-26-19 (\$87,400.77)	R/C	87,400.77
						87,400.77
<b>Total Receipts</b>						<b>5,357,814.91</b>

➤ **Trustee John Naglick the Boardroom at 9:08 a.m.**

**Re: Approval of Disbursements**

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

Disbursement Report

Page: 1 of 2  
Date: 5/10/2019 2:40 PM

Account	Payment Method	Currency
LIQUID RES	WIRE	US
<b>Vendor Name</b>	<b>Invoice Number</b>	<b>Invoice Description</b>
MIDOCEAN PARTNERS V, LP	052119	Capital Call
VISTA EQUITY PARTNERS FUND VII, L.P	052019	Capital Call
Bridgett Hardy	043019BH	IT Contractual Wages - April 2019
James R. Hollins	043019JH	IT Contractual Wages - April 2019
Raymond R. Tchou	043019RT	IT Contractual Wages - April 2019
Venkat Rallapalli / Highbrow Systems, Inc.	043019VR	IT Contractual Wages - April 2019
<b>Cash Account/Payment Method Total:</b>		<b>6 Documents</b>
		<b>1,734,636.01</b>
HUNT VEND	ACH	US
<b>Vendor Name</b>	<b>Invoice Number</b>	<b>Invoice Description</b>
500 WEBWARD LLC	79564	May 2019 Rent
500 WEBWARD LLC	971364	Electrical Billing: 3/29/19-4/29/19, Meter #16055044
500 WEBWARD LLC	971365	Electrical Billing: 3/29/19-4/29/19, Meter #16055070
CLARK HILL, PLC	869472	General Counsel Services for March 2019
Cogent Communications, Inc.	050119	Internet Service
CREATIVE BREAKTHROUGHS INC	INV1662	Software Maintenance
PLANTE & MORAN	1674374	Progress Bill - Financial Audit for year-ended 6/30/19
PLANTE & MORAN	1681285	GASB 68 Audit for 6/30/18
UHY Advisors MI, Inc.	1296357	Professional IT Services for April 2019
UHY Advisors MI, Inc.	1296481	Professional IT Services for April 2019
<b>Cash Account/Payment Method Total:</b>		<b>10 Documents</b>
		<b>157,465.55</b>
HUNT VEND	CHECK	US
<b>Vendor Name</b>	<b>Invoice Number</b>	<b>Invoice Description</b>
ANGELA JAMES	042319AJ	Trustee Parking
BAB ASSOCIATES, LLC	2019-0127	Public Relations Services April 2019
DIRECTV	36195918537	Service Charges 4/23/19-5/22/19
HUNT VEND	CHECK	US
<b>Vendor Name</b>	<b>Invoice Number</b>	<b>Invoice Description</b>
FEDEX	6-531-92573	FedEx Mailing
FEDEX	6-538-76671	FedEx Mailing
First CHOICE Coffee Services	615594	Coffee Supplies
First CHOICE Coffee Services	615899	Equipment Rental
IRON MOUNTAIN	162096	Data Domain Service
IRON MOUNTAIN	162766	Data Domain Service
Iron Mountain Records Management	APUU544	Records Storage
KELLEY CAWTHORNE	10133	Lobbyist Services for May 2019
QUILL CORPORATION	6802957	Office Supplies
QUILL CORPORATION	6828998	Office Supplies
QUILL CORPORATION	6849364	Office Supplies
QUILL CORPORATION	6999188	Office Supplies
RICOH	5056553580	Printer Maintenance
SHRED-IT USA	8127101848	Shredding Service Charges
TRANSUNION RISK & ALT DATA SOLUTIONS INC	050119	TLOxp Research Services
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	102045685	Printer Maintenance
XEROX	096750762	Printer Maintenance
<b>Cash Account/Payment Method Total:</b>		<b>20 Documents</b>
		<b>16,251.73</b>

\* Payment amount is estimated based on the effective date 5/10/2019

**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 3787 - \$411,289.61

LIST NUMBER 3788 - \$523,225.88

**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. John Serda supported. The motion passed unanimously.

LIST #1 05/09/2019 – \$105,007.00

**Re: Approval of Minutes/Journal of Proceedings No. 3236 – (04/18/2019)**

George Orzech moved to approve the **Minutes/Journal of Proceedings No. 3236 (04/18/2019)** Michael Berent supported. The motion passed unanimously.

- ***Trustee Matthew Gnatek excused himself from the Boardroom at 9:10 a.m.***
- ***Public Relations Consultant Bruce Babiarz entered the Boardroom at 9:10 a.m.***
- ***Trustees Shawn Battle and Steven Watson entered the Boardroom at 9:11 a.m***

**ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

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

- Sample DROP Participation Termination Letter
- Policies for review and approval:
  - Code of Conduct; discussion commenced with emphasis on the “communication with Plan Members” section
  - Rules and Order of Business; Policies were previously reviewed and discussed by the Policy Committee.
  
- ***Trustee Matthew Gnatek returned to the Boardroom at 9:16 a.m.***
- ***Dr. Oscar King III entered the Boardroom at 9:25 a.m.***
- ***Trustee Angela James entered the Boardroom at 9:29 a.m.***
  
- List of DROP questions for VOYA has been emailed to the DROP Committee for review
- National Association of Government Defined Contribution Administrators (NAGDCA) Conference Request

**Re: Policy Approval**

Megan Moslimani moved to approve the **Rules and Order of Business and Code of Conduct Policies** as presented by Ms. Tapper. John Serda supported. The motion passed unanimously.

- ***Trustee Mark Diaz entered the Boardroom at 9:34 a.m.***

**Re: National Association of Government Defined Contribution Administrators Conference Approval (NAGDCA)**

George Orzech moved to approve the attendance by those Trustees/Staff interested to attend the **National Association of Government Defined Contribution Administrators Conference (Sunday, September 8<sup>th</sup>- Wednesday, September 11<sup>th</sup>, 2019)**. John Serda supported. The motion passed unanimously.

**EXECUTIVE DIRECTOR'S REPORT**

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

- Five Year DROP
  - Mr. Cetlinski provided further follow-up regarding the Five Year DROP
- Non-Duty Disability Income Verification discussion
- Annuity Loan interest rate discussion

**PUBLIC FORUM**

- None

**PUBLIC RELATIONS ADVISOR REPORT**

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

- Fox 2 News inquiry into properties related to the Paramount case; Mr. Babiarz drafted a statement approved by the Public Relations Committee with respect to the aforementioned inquiry

**LOBBYIST'S REPORT**

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

- SB 311
  - Make certain actions of emergency manager subject to review and approval of governor
- SB 314
  - Modify local government responsibility for obligations issues with the approval of an emergency manager
- Auto Insurance Bill

➤ Cory McNeely entered the Boardroom at 9:55 a.m.

**PRESENTATION:**

**UHY Advisors**

Cory McNeely of UHY Advisors presented the following:

- **Process and ERP Implementation Update**

***Presentation materials were provided; presentation concluded at 10:21 a.m.***



### **CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer, **Ryan Bigelow**, had no formal report, but discussed the following matters with the Board:

- Re-cap of May 13<sup>th</sup>, 2019 Police and Fire Investment Committee meeting
  - Wilshire consultants will be in attendance at the June 6<sup>th</sup>, 2019 Board meeting
    - Trustee Berent requested a fee spreadsheet
  - Fiduciary Liability coverage update; Republic Underwriters will be in attendance at the next IC meeting
  - Real Estate RFP update
- ***Trustee Christa Mclellan entered the Boardroom at 10:42 a.m.***

### **GENERAL COUNSEL'S REPORT**

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

- Order granting City of Detroit's second motion for Authority to modify the confirmed Plan of Adjustment to revise the DROP program for Police Officers
- ***Trustee Portia Roberson entered the Boardroom at 10:57 a.m.***
- ***Trustee Angela James excused herself from the Boardroom at 10:55 a.m. and returned at 10:59 a.m.***

**Re: Entering Into Closed Session**

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

**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 and items subject to physician-patient privilege regarding the following: Environmental Geo-Technologies, LLC, and Memorandum from Police and Fire Investment Committee regarding Investment Staff salaries.

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, Diaz, Gnatek, James, Mclellan, Moslimani, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 15

Nays – None

The Board entered into **Closed Session** at 11:03 a.m.

**The Board Public Relations Consultant and Lobbyist remained in the Boardroom per Board approval.**

➤ ***Trustee Brenda Jones entered the Boardroom at 11:51 a.m.***

**Re: Open Session**

Matthew Gnatek moved to come out of closed session. Mark Diaz supported. The motion passed unanimously.

The Board returned to **Open Session** at 12:16 p.m.

**Re: Decline Directive**

Mark Diaz moved to decline the directive set forth in the May 14, 2019 correspondence from the chair of the Police and Fire Investment Committee with respect to the compensation of the Deputy-Chief Investment Officer. The May 14, 2019 correspondence set forth directions for PFRS to implement the compensation adjustments approved by the PFRS IC. Matthew Gnatek supported. The motion passed unanimously.

- ***The Board recessed for lunch break at 12:19 p.m. and resumed at 12:34 p.m.***

**Re: Removal of motion from table: Selection of General Counsel**

Brenda Jones moved to remove the motion from the table with respect to the selection of General Counsel. George Orzech supported. The motion passed unanimously.

**Re: Selection of General Counsel: Ronald A. King; Clark Hill PLC**

Portia Roberson moved to hire Ronald King of Clark Hill PLC as General Counsel to the Police and Fire Retirement System; contract to be negotiated. Christa Mclellan supported. The motion passed by Roll Call vote as follows:

Yeas – Battle, Diaz, Gnatek, James, Jones, Mclellan, Moslimani, Naglick, Roberson, Serda, Trozak, and Watson - 12

Nays – Berent, Orzech, Pincheck and Chairperson Pegg- 4

**Chairperson Pegg's reasons for his "NO" vote:**

- Non-responsive to RFP with regard to fee's
- Used bad judgement towards Security Litigation Funds
- Unresponsive to Staff requests
- Charging more fee's aside from the contract

**Trustee Berent's reason for his "NO" vote:**

Trustee Berent felt that Gallagher Law possessed the same credentials as Ronald King and would therefore be a better replacement as General Counsel.

- ***Trustee Christa Mclellan excused herself from the Boardroom at 1:23 p.m.***

**NEW BUSINESS/OLD BUSINESS**

- Trustee Berent provided an update on his attendance to Wharton Advance Finance Courses as well as his opposition to the Legacy Funding presentation by John Naglick
- Trustee Brenda Jones and Dean Pincheck will be excused for the month of June
- Legal Committee will meet to discuss the new legal contract; date forthcoming

**Re: Selection of Special Legal Counsel**

Angela James moved to add Sean Gallagher Law to the group of the Board's Special Counsel. Brenda Jones supported. The motion passed unanimously.

**ADJOURNMENT**

***Mark Diaz moved to adjourn meeting #3238; Matthew Gnatek supported.***

**Chairperson Pegg** adjourned the meeting at 1:25 p.m. The Board's next meeting is scheduled for **Thursday, June 6<sup>th</sup>, 2019**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



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Kelly Tapper, Assistant Executive Director