

MEETING NO. 3279
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, MARCH 04, 2021

9:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Douglas Baker	Ex/Officio Trustee/Corporation Counsel Alternate/Vice-Chairperson
Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Michael F. Berent	Elected Trustee/Fire/Chairperson
Matthew Gnatek	Elected Trustee/Police
Brenda Jones	Ex/Officio Trustee/City Council President
Angela R. James	Ex/Officio Retiree Trustee/Police/Mayoral Designee
Christa McLellan	Ex/Officio Trustee/Treasurer
John Naglick Jr.	Ex/Officio Trustee/Finance Director
George Orzech	Elected Retiree Trustee/Fire
Jeffrey Pegg	Elected Trustee/Fire
John Serda	Elected Trustee/Police
Ronald Thomas	Elected Trustee/Police/Vice-Chairperson
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Budget Director

TRUSTEES EXCUSED

Portia Roberson	Ex/Officio/Mayor's Designee
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ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Marcella Brewer	Recording Secretary
Ronald King	General Counsel
Bruce Babiarz	Public Relations Advisor
Dr. Oscar King III	Board Lobbyist

STAFF EXCUSED

None

Meeting is being hosted electronically due to Covid-19 per Senate Bill 1108

CHAIRPERSON

Michael Berent

A verbal Roll Call commenced at 9:06 a.m. and Chairperson Berent called the meeting to order.

Present at Roll Call: Baker (Detroit, MI), Battle (Detroit, MI), Gnatek (Detroit, MI), James (Detroit, MI), McLellan (Wayne County, MI), Naglick (Detroit, MI), Orzech (Oakland County, MI), Pegg (Wayne County, MI), Pincheck (Macomb County, MI), Serda (Oakland County, MI), Thomas (Detroit, MI), Trozak (Macomb County, MI), Watson (Detroit, MI) and Berent – Chairperson (Detroit, MI)

Re: Approval of March 4, 2021 Agenda

Trustee Thomas moved to approve the agenda dated Thursday, March 4, 2021. Trustee Gnatek supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

Trustee Trozak moved to approve the RETIREMENT applications as listed below. Trustee Pegg supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	William B. Johnson – Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	13 05 02 – 02 06 21

NAME, TITLE, DEPARTMENT	Erica Y. Jordan – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	19 01 13 – 02 12 21

NAME, TITLE, DEPARTMENT	Tiffany A. Jordan - Police Sergeant - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	20 02 10 – 02 05 21

NAME, TITLE, DEPARTMENT	Justin K. Theut – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 09 04 – 02 04 21

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
 MEETING NO. 3279- THURSDAY – MARCH 04, 2021

RECEIPTS:

The Board acknowledged the following receipts:

Cash Receipts		Cash Account: HYBLIQRES	
Company:	RSCD-PFRS	Start Date:	2/11/2021
		End Date:	2/26/2021

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
2/11/2021	GL	013674		After tax annuity contributions 2-12-21 (rec'd 2/11)		14,212.71
2/19/2021	CA	Cash Entry	002010	Pre tax pension contributions 2-19-21	R/C	39.07
2/25/2021	CA	Cash Entry		Pre tax pension contributions 2-25-21	-I/C	108,761.77
2/26/2021	CA	Cash Entry		Pre tax pension contributions 2-26-21	-I/C	303,285.51
						426,299.06

Cash Receipts		Cash Account: LIQUID RES	
Company:	RSCD-PFRS	Start Date:	2/11/2021
		End Date:	2/26/2021

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
2/18/2021	CA	Cash Entry	002011	Loan Deductions 2-12-21 (\$93,818.50)	R/C	93,818.50
2/23/2021	CA	Cash Entry		Loan Deductions 2-19-21	-I/C	21,787.51
						115,606.01

Total Receipts **541,905.07**

Re: Approval of Disbursements

Trustee Pincheck moved to approve the Disbursement as outlined below excluding Acknowledgement of Investment Committee expenses. Trustee Pegg supported. The motion passed unanimously.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NO. 3279- THURSDAY – MARCH 04, 2021

Page: 1 of 2
Date: 3/1/2021 8:36 AM

Disbursement Report

Account	Payment Method	Currency		
LIQUID RES	WIRE	US		
Vendor Name		Invoice Number	Invoice Description	Amount To Pay
CLAYTON, DUBILIER & RICE FUND X, L.P - HL		022321	Capital Call	2,421,101.00
PLATINUM EQUITY CAPITAL PARTNERS V, LP		022221	Capital Call	132,525.00
		Cash Account/Payment Method Total:	2 Documents	2,553,626.00
HUNT VEND	ACH	US		
Vendor Name		Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC		132246	March 2021 Rent	27,217.97
CDW GOVERNMENT		7283934	Computer Equipment	1,980.99
CLARK HILL, PLC		1067000	Raby for January 2021	297.50
CLARK HILL, PLC		1066999	Zawislak for January 2021	42.50
CLARK HILL, PLC		1066995	General Counsel Services for January 2021	26,250.00
Cogent Communications, Inc.		020121	Internet Service	650.00
GABRIEL, ROEDER, SMITH & CO		460417	EDRO Calculations for Willie Pierrie	1,200.00
ORG Portfolio Management LLC		10-017	Real Estate Consulting Services 3rd Qtr 2020	45,000.00
ORG Portfolio Management LLC		01-017	Real Estate Consulting Services 4th Qtr 2020	50,000.00
PAYDEN & RYGEL		1612-M121	Management Fees - January 2021	6,252.00
Premier Parking (fka Ultimate Parking)		115576	Validation Charges - January 2021	90.00
Premier Parking (fka Ultimate Parking)		115843	Parking - March 2021	132.00
Premier Parking (fka Ultimate Parking)		115776	Parking - March 2021	2,112.00
PROCENTIA, INC.		2388	Implementation	51,338.90
QUILL CORPORATION		14541071	Office Supplies	13.00
QUILL CORPORATION		14527846	Office Supplies	115.66
RACINE & ASSOCIATES		12865	DPF v. Paramount 1/1/21-1/31/21	3,709.40
		Cash Account/Payment Method Total:	17 Documents	216,401.92
HUNT VEND	CHECK	US		
Vendor Name		Invoice Number	Invoice Description	Amount To Pay
Advantage Consulting, Inc.		D119	Full Functional Capacity Evaluation	1,200.00
ALLEGRA		79825011	Direct Deposit Mailings	886.16
CANON SOLUTIONS AMERICA, INC		4035403223	Copier Maintenance	122.24
CINTAS CORPORATION-300		4076288876	Floor Mats	130.65
Dean Pincheck		010721DP	Trustee Parking	25.00
FEDEX		7-280-69773	Mailing	29.10
Quadient Leasing USA (formerly MailFinance)		N8731717	Mail Machine Lease Payment 3/17/21-6/16/21	545.78
SCANTRON CORPORATION		14850213	Toner Cartridge Supply	1,632.50
SCANTRON CORPORATION		14850214	Toner Cartridge Supply	291.00
		Cash Account/Payment Method Total:	9 Documents	4,862.43

* Payment amount is estimated based on the effective date 3/1/2021

Re: Approval of Refunds (Accumulated Contributions)

Trustee Thomas moved to approve the Refunds/Accumulated Contributions list as outlined below. Trustee Gnatek supported. The motion passed unanimously.

List number 3881 - \$ 234,234.51
List number 3882 - \$ 44,031.00

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

Trustee Gnatek moved to approve the Frozen Defined Contribution Plan/Employee Loan Program as outlined below. Trustee Pegg supported. The motion passed unanimously.

List #1 - \$23,436.00 – 02/25/2021

List #2 - \$40,078.00 – 03/04/2021

Re: Approval of Minutes

Trustee Thomas moved to approve the Minutes of January 21, 2021 and February 4, 2021. Trustee Pegg supported. The motion passed. Trustees Gnatek and Pincheck abstained (1/21/21).

ASSISTANT EXECUTIVE DIRECTOR’S REPORT

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

- Foundation for Detroit’s Future
- Retiree Election Notice
- Shinske DFFA DROP Report Request
- Neal Gensler Appeal

RE: Shinske DFFA DROP Report Request

Trustee Pegg moved to approve a list to be sent to the Detroit Fire Department monthly of all employees in the DROP Program (DFFA Employees Only), as requested by Deputy Chief Shinske. Trustee Gnatek supported. The motion passed unanimously.

Trustee James requested a copy of all employees that are in the DROP Program.

Trustee James asked to sit down with someone from the staff to understand the Retirement Process. It was decided that it would be done with the entire Board.

EXECUTIVE DIRECTORS REPORT

- Update on Direct Deposit Mailing

Chief Investment Officer Report

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

- Real Estate Portfolio Summary
- Executive Summary of Investment Performance
- Asset Allocation Review
- February 28, 2021 Black & Blue Report

PUBLIC COMMENT

- **Trustee Jones joined the meeting at 9:40 am (Detroit, MI)**

The following persons spoke on behalf of the sale of Baldwin Hills Crenshaw Mall:

Veronica
Amber High
Donald Beyers
Elaine
Harold Huggins
Patrice Fisher

PUBLIC RELATIONS REPORT

- WXYZ TV Inquiry
- Draft Medicare Letter

Trustee Pegg asked that letters be sent. Trustee James asked that some details on how many members would be affected be added to the letter if possible.

Trustee Pegg also noted that Bruce Babiarz of our Public Relations team did a great job with the draft Medicare Letter.

LOBBYIST'S REPORT

- Medicare Act of 50
- Legislative Log

Trustee Naglick moved to table any decisions on adopting a Funding Policy. Trustee McLellan supported. A roll call vote was taken. The motion did not pass.

Yeas: Baker, James, Jones, McLellan, Naglick, Watson - 6

Nays: Battle, Gnatek, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak and Chairperson Berent - 9

Re: Gabriel Roeder Smith & Co., Presentation

Representatives Judith Kermans and David Kausch discussed the following with the Board of Trustees:

- Funding Policy Projection

The system’s actuary, GRS Consulting, presented information and scenarios with respect to the adoption of various actuarial assumptions for purposes of developing and finalizing a funding policy for PFRS. Following a detailed discussion related to this matter,

Trustee Pegg moved that the Board approve a funding policy which adopts layered amortization of any unfunded accrued liability using a 20-year amortization period and that the Funding Policy contained in Appendix II of the GRS March 3, 2020 Funding Policy Report presented to the Board be amended such that under Elements of Actuarial Funding Policy:

3. Amortization Method

- b.
- a) delete “to 25” and add at the end of the sentence, “using layered amortizations.”
 - (i) delete
 - b) delete

Trustee Gnatek supported. A roll call vote was taken. The motion passed.

Yeas: Gnatek, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak and Chairperson Berent – 8

Nays: Baker, James, Jones, McLellan, Naglick, Watson – 6

Abstain: Battle

Re: Wilshire Presentation

Representatives David Lindberg and Calvin Born discussed the following with the Board of Trustees:

- Asset Class Performance
- Actual Allocation v Policy Allocation
- Composite Performance Summary
- Plan Sponsor Peer Group Analysis – Multi Statistics
- Diversification Challenges
- Looking Forward
- Illustration of Risk – Examples
- Economic Factor Exposures
- Distribution of Returns (One Year)
- Drawdown Potential and Liquidity Considerations

Presentation materials provided.

GENERAL COUNSEL’S REPORT

General Counsel Ronald King, as part of his legal report, discussed the following matters with the Board:

- FOIA Request from Mr. Ross Jones
- Foundation for Detroit
- PFRSIC - Financial Services Update
- Eric Raby and Norbert Zawislak Update
- Gregory Davis Case
- EDRO

Re: FOIA Request

Trustee Pegg moved to deny the Appeal of the FIOA Request from Ross Jones. Trustee Thomas supported. The motion passed unanimously.

Re: Gregory Davis Case

Trustee Pegg moved to hire Clark Hill in the matter of Gregory Davis v Police and Fire Retirement System of the City of Detroit. Trustee Gnatek supported. The motion passed unanimously.

Re: EDRO

Re: Calvin L. Adkins v. Stacy Devonne Adkins, Case No. 18-110058-DO Wayne County Circuit Court, Detroit, Michigan

Motion By: Trustee Pegg Supported By: Trustee Thomas

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit (“Board”) is in receipt of an Eligible Domestic Relations Order (“EDRO”) entered on May 14, 2020, which supplements a Judgment of Divorce entered on May 23, 2019, and, wherein Alternate Payee **CALVIN L. ADKINS** is awarded certain rights to the retirement benefits of Participant **STACY DEVONNE ADKINS**, a retired employee.

WHEREAS, the EDRO provides that the Alternate Payee **STACY DEVONNE ADKINS** is not entitled to receive any portion of the Participant’s Component I Retirement Allowance or Component II Pension; and

WHEREAS, the EDRO provides that the Alternate Payee **STACY DEVONNE ADKINS** receive a distribution from the participant’s Component I Voluntary Employee Contribution in the amount of \$7,318.51 accumulated under the plan as of May 23, 2019. If there are insufficient funds in the

Participant's Voluntary Employee Contributions to satisfy the award, the Alternate Payee shall be awarded 100% of the available balance; and

WHEREAS, the Alternate Payee **STACY DEVONNE ADKINS** **IS** entitled to receive a distribution from the participant's Component I Voluntary Employee Contribution in the amount of \$7,318.51 accumulated under the plan as of May 23, 2019. If there are insufficient funds in the Participant's Voluntary Employee Contributions to satisfy the award, the Alternate Payee shall be awarded 100% of the available balance, when the Participant is eligible to receive such benefits and as set forth in the EDRO and **SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME**, and

WHEREAS, the EDRO provides that the Alternate Payee **STACY DEVONNE ADKINS** receive a distribution from the participant's Component II Annuity Savings Fund in the amount of \$0.00 accumulated under the plan as of May 23, 2019, unless there are insufficient funds in the Participant's Voluntary Employee Contributions portion of the Plan as described above. In that event, the Alternate Payee will receive a distribution from the Annuity Savings Fund equal to the balance owed from the Voluntary Employee Contributions portion of the plan up to a cumulative limit of \$7,318.51 of the accumulated balance under the plan as of May 23, 2019; and

WHEREAS, the Alternate Payee **STACY DEVONNE ADKINS** **IS NOT** entitled to receive a distribution from the participant's Component II Annuity Savings Fund in the amount of \$0.00 accumulated under the plan as of May 23, 2019, **UNLESS** there are insufficient funds in the Participant's Voluntary Employee Contributions portion of the Plan as described above. In that event, the Alternate Payee **IS** entitled to receive a distribution from the Annuity Savings Fund equal to the balance owed from the Voluntary Employee Contributions portion of the plan up to a cumulative limit of \$7,318.51 of the accumulated balance under the plan as of May 23, 2019, when the Participant is eligible to receive such benefits and as set forth in the EDRO and **SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME**, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution **SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT**, and be it further

RESOLVED, that this file be forwarded to the Board’s actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant’s pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Stacy Devonne Adkins and her counsel, John B. O’Neill, and to Participant, Calvin L. Adkins and his counsel, Eleanor C. Smith.

Yeas: Baker, Battle, Gnatek, James, Jones, McClellan, Naglick, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak, Watson and Chairperson Berent - 15

Nays: None

**Re: Brian Christopher McCleary v. Kendra Sue McCleary, Case No. 12-0109-DM
Macomb County Circuit Court, Mount Clemons, Michigan**

Motion By: Trustee Thomas Supported By: Trustee Pegg

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit (“Board”) is in receipt of a First Amended Eligible Domestic Relations Order (“EDRO”) entered on February 9, 2021, which supplements a Judgment of Divorce entered on September 24, 2012, and, wherein Alternate Payee **KENDRA SUE MCCLEARY** is awarded certain rights to the retirement benefits of Participant **BRIAN CHRISTOPHER MCCLEARY**, an active employee.

WHEREAS, the EDRO provides that is supersedes all prior eligible domestic relations orders; and

WHEREAS, the EDRO provides that the Alternate Payee **KENDRA SUE MCCLEARY** receive a distribution from the participant’s vested account balance accumulated under the plan in the amount of \$36,971.59 as of the valuation date, September 24, 2012; and

WHEREAS, the Alternate Payee **KENDRA SUE MCCLEARY** **IS** entitled to receive a distribution from the participant’s vested account balance accumulated under the plan in the amount of \$36,971.59 as of the valuation date, September 24, 2012, when the Participant is eligible to receive such benefits and as set forth in the EDRO and **SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME**, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary’s fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including

Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution **SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT**, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee, Kendra Sue McCleary, and her counsel, Kathy J. Vogt, and to the Participant, Brian Christopher McCleary.

Yeas: Baker, Battle, Gnatek, James, Jones, McClellan, Naglick, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak, Watson and Berent-Chairperson - 15

Nays: None

Re: Neal Gensler Appeal

Mr. Gensler is asking to be paid his Vested Pension based on information that he received from the Retirement System. His information will be reviewed by Legal Counsel.

COMMITTEE REPORT

The Funding Policy Committee met on Thursday, February 25, 2021 at 1:00 pm

The Policy Committee Meeting will meet on Thursday, March 11, 2021.

NEW BUSINESS/OLD BUSINESS

Trustee Trozak asked that Legal Counsel, Ron King address that questions asked during public comment at the last meeting by Louis Sinagra.

ADJOURNMENT

Trustee Thomas moved to adjourn meeting #3279; Trustee Gnatek supported.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NO. 3279- THURSDAY – MARCH 04, 2021

Chairperson Berent adjourned the meeting at 12:27 P.M. The Board's next meeting is scheduled for Thursday, March 18, 2021 at 9:00 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

DRAFT