

MEETING NO. 3291
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, SEPTEMBER 2, 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
Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Michael F. Berent	Elected Trustee/Fire
Matthew Gnatek	Elected Trustee/Police
Angela R. James	Ex/Officio Retiree Trustee/Police/Mayoral Designee
John Naglick Jr.	Ex/Officio Trustee/Finance Director
George Orzech	Elected Retiree Trustee/Fire
Jeffrey Pegg	Elected Trustee/Fire
Dean Pincheck	Elected Trustee/Fire/Vice-Chairperson
John Serda	Elected Trustee/Police
Ronald Thomas	Elected Trustee/Police/Chairperson
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Budget Director

TRUSTEES EXCUSED

Brenda Jones	Ex/Officio Trustee/City Council President
Conrad Mallett	Ex/Officio/Mayor's Designee
Christa McLellan	Ex/Officio Trustee/Treasurer

ALSO PRESENT

David Cetlinski	Executive Director
Ronald King	General Counsel
Marcella Brewer	Recording Secretary
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor

STAFF EXCUSED

Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer

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“Declaration of Continued Emergency Due to Covid-19 To Allow Public Meetings of Governmental Bodies To Be Held Remotely Under Public Act 228 of 2020 Extended From September 1, 2021 to December 31, 2021.”- Detroit, MI.

CHAIRPERSON

Ronald Thomas

A verbal Roll Call commenced at 9:04 a.m. and Chairperson Thomas called the meeting to order.

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

Re: Approval of September 2, 2021 Agenda

Trustee Pegg moved to approve the agenda dated Thursday, September 2, 2021. Trustee Gnatek supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

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

NAME, TITLE, DEPARTMENT	Walter J. Grysko – Fire Lieutenant - Fire
RETIREMENT TYPE-PLAN	Conversion from Duty Disability - New
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 08 29 21

NAME, TITLE, DEPARTMENT	Craig M. Purdy – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Hybrid - Service
SERVICE CREDIT-EFFECTIVE DATE	07 02 00 – 08 23 21

NAME, TITLE, DEPARTMENT	Robin M. Rodgers – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 04 04 – 08 03 21

RECEIPTS:

The Board acknowledged the following receipts:

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Cash Receipts
 Company: RSCD-PFRS
 Cash Account: HYBLIQRES
 Start Date: 8/13/2021
 End Date: 8/27/2021

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
8/13/2021	GL	015112		After Tax Annuity Contributions 8-13-21		15,975.76
8/16/2021	CA	Cash Entry	002131	Pretax Pension Contributions 8-13-21 (Rec'd 8/16)	R/C	98.84
8/25/2021	CA	Cash Entry		Pretax Pension Contributions 8-25-21	-/C	8.85
8/27/2021	CA	Cash Entry		Pretax Pension Contributions 8-27-21	-/C	318,558.25
						334,641.50

Cash Receipts
 Company: RSCD-PFRS
 Cash Account: LIQUID RES
 Start Date: 8/13/2021
 End Date: 8/27/2021

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
8/23/2021	CA	Cash Entry	002133	Loan Deductions 8-13-21 (\$86,396.35) (Rec'd 8/23)	R/C	86,396.35
8/23/2021	CA	Cash Entry	002134	Loan Deductions 8-20-21 (\$8,022.74) (Rec'd 8/23)	R/C	8,022.74
						94,419.09

Total Receipts 429,060.59

Re: Approval of Disbursements

Trustee Pegg moved to approve the Disbursement as outlined below. Trustee Gnatek supported. The motion passed unanimously.

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Date: 8/30/2021 10:18 AM

Disbursement Report

Account	Payment Method	Currency		
LIQUID RES	WIRE	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
CHURCHILL MIDDLE MKT SR. LN FD III (USTE)	082521	Capital Call	1,008,979.92	
Cash Account/Payment Method Total:		1 Documents	1,008,979.92	
HUNT VEND	ACH	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
500 WEBWARD LLC	146757	Work Orders for Office Maintenance	16.25	
ADP, INC	584538749	Check Printing Services	463.65	
ADP, INC	586411015	Check Printing Services	467.15	
DELL MARKETING, LP	10483889383	Computer Equipment	523.00	
DELL MARKETING, LP	10506636191	Computer Equipment	560.19	
DELL MARKETING, LP	10507607515	Computer Equipment	1,120.37	
FEDEX	7-479-16250	Mailing	59.99	
PAYDEN & RYGEL	1612-M721	Management Fees - July 2021	17,443.00	
Premier Parking (fka Ultimate Parking)	175004	Parking Validation Charges - July 2021	130.00	
PROCENTIA, INC.	2411	Implementation	58,351.29	
QUILL CORPORATION	18796192	Office Supplies	229.65	
SALIENT CAPITAL ADVISORS, LLC	2Q21	Management Fees 2nd Qtr '21	101,500.65	
TEAMVIEWER GERMANY GmbH	R00881188	Premium Subscription 8/19/21 - 8/18/22	588.83	
Cash Account/Payment Method Total:		13 Documents	181,454.02	
HUNT VEND	CHECK	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
ASCENSION MICHIGAN AT WORK(fka Providence O	436189	Disability Re-Exam Fee	300.00	
ASCENSION MICHIGAN AT WORK(fka Providence O	436194	Medical Record Review	75.00	
BAB ASSOCIATES, LLC	2021-20	Public Relations Services for August 2021	1,900.00	
CANON SOLUTIONS AMERICA, INC	4037122813	Copier Maintenance	122.24	
COMCAST	081721	High Speed Internet	213.03	
First CHOICE Coffee Services	789170	Coffee Supplies	175.20	
Quadient Leasing USA (formerly MailFinance)	N9004326	Mail Machine Lease Payment 9/17/21-12/16/21	545.78	
VERIZON WIRELESS	9885547346	Wireless Billing 7/5/21-8/4/21	778.93	
XEROX	014113589	Printer Maintenance	9.62	
Cash Account/Payment Method Total:		9 Documents	4,119.80	

* Payment amount is estimated based on the effective date 8/30/2021

Re: Approval of Refunds (Accumulated Contributions)

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

List number – 3907 - \$391,494.53

List number – 3908 - \$362,234.46

Re: Approval of the Defined Contribution Plan/Employee Loan Programs

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

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List #1 - \$16,517.00 – 08/26/2021

List #2 - \$12,765.00 – 09/02/2021

Re: Approval of Minutes

Trustee Pegg moved to approve the Minutes of August 5, 2021. Trustee Berent supported. The motion passed unanimously.

EXECUTIVE DIRECTOR’S REPORT

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

- Annuity Statements
- Direct Deposit Update

Annuity Statements have gone out in the mail.

Office is closed on Monday, September 6, 2021 in observance of Labor Day.

There are currently 14 members who have not set up direct deposit.

Public Comment

- None

PUBLIC RELATIONS REPORT

- News Article regarding the sale of the Baldwin Hills Crenshaw Rising Mall

LOBBYIST’S REPORT

- State Representative Tyrone Carter
- **Trustee Naglick joined the meeting at 9:11 am (Detroit, MI)**

GENERAL COUNSEL’S REPORT

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

- COVID 19 Restrictions Update
- 15 Year DROP Motion
- Babcock & Wilcox Enterprises, Inc.

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- Gregory Davis v PFRS
- Altice USA, Inc.
- EDROS

Re: EDROS

**Re: Kenneth Regnerus v. Nicole Regnerus, Case No. 2017-002775-DO
Macomb County Circuit Court, Mt. Clemens, Michigan**

Motion By: Trustee Gnatek – 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 June 14, 2021, which supplements the Judgment of Divorce entered on January 19, 2018, wherein Alternate Payee **NICHOLE REGNERUS** is awarded certain rights to the retirement benefits of Participant **KENNETH REGNERUS**, an active employee participating in the DROP program,

WHEREAS, the EDRO awards the Alternate Payee **NICHOLE REGNERUS** a monthly benefit from the retirement allowance portion of Participant’s Component I benefit in an amount equal to 50% of the marital portion of the Participant’s retirement allowance, including a pro-rata share of any guaranteed automatic pension increases accrued as of the Participant’s date of retirement, and

WHEREAS, the Alternate Payee **NICHOLE REGNERUS** IS entitled to receive a monthly benefit from the retirement allowance portion of Participant’s Component I benefit in an amount equal to 50% of the marital portion Participant’s retirement allowance, including a pro-rata share of any guaranteed automatic pension increases accrued as of the participant’s date of retirement, 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 awards the Alternate Payee **NICHOLE REGNERUS** a distribution from the voluntary employee contributions of the Participant’s Component I benefit equal to 50% of the marital portion of the accumulated balance as of Participant’s date of retirement, unless Participant withdrew his voluntary employee contribution; and

WHEREAS, the Alternate Payee **NICHOLE REGNERUS** IS entitled a distribution from the voluntary employee contributions of the Participant’s Component I benefit equal to 50% of the marital portion of the accumulated balance as of Participant’s date of retirement, unless the Participant withdrew his voluntary employee contribution, 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

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WHEREAS, the EDRO awards the Alternate Payee **NICHOLE REGNERUS** a monthly benefit from the Pension portion of Participant’s Component II benefit in an amount equal to 50% of the marital portion Participant’s retirement pension, including a pro-rata share of any guaranteed automatic pension increases accrued as of January 19, 2018, and

WHEREAS, the Alternate Payee **NICHOLE REGNERUS** IS entitled to receive a monthly benefit from the Pension portion of Participant’s Component II benefit in an amount equal to 50% of the marital portion Participant’s retirement pension, including a pro-rata share of any guaranteed automatic pension increases accrued as of January 19, 2018, 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 confirms that the Alternate Payee is not awarded any share of the Participant’s Component II annuity savings fund, and

WHEREAS, the EDRO confirms that the Alternate Payee is not awarded any share of the Participant’s DROP proceeds, 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 Nichole Regnerus and her counsel, Robert J. Vitale, and Participant Kenneth Regnerus.

Yeas: Baker, Battle, Berent, Gnatek, James, Naglick, Orzech, Pegg, Serda, , Trozak, and Chairperson Thomas - 11

Nays: None

COMMITTEE REPORT

None

PRESENTATION – State Representative Tyrone Carter

State Representative Tyrone Carter discussed the following with the Board of Trustees:

- GAP Coverage
 - Health Care Cost
 - Impact Bankruptcy had on the City
 - No payment of Social Security
 - Public Pension being taxed
- **Trustee Pincheck joined the meeting at 9:27 am (Detroit, MI)**

Board took a 5-minute break at 9:35 am

- **Trustee Watson joined the meeting at 9:43 am (Detroit, MI)**

PRESENTATION – WILSHIRE

Representatives Calvin Born, David Lindberg and Cian Desmond of Wilshire discussed the following with the Board of Trustees:

Private Credit Portfolio – CLO Education

- CLO'S and Leveraged Loans
 - CLO Structure and Composition
 - Hypothetical CLO Example
 - Structural Advantages and Enhancements
 - Evolution of CLO Structure
- **Trustee Watson left the meeting at 10:00 am**

Presentation materials provided.

NEW BUSINESS/OLD BUSINESS

Trustee Pegg asked about the \$30-million-dollar allocation to Nuveen that was approved at the PFRS Investment Committee Meeting. The Board will act on the IC's recommendation at its meeting on September 16, 2021.

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Trustee Pegg also raised the issue of whether the IC’s action to issue an RFP for Investment Advisor without making a formal recommendation was in violation of the Plan of Adjustment. General Counsel noted that the Governance Term as part of the State Contribution Agreement require “all actions and recommendations” of the IC to be forwarded to the Board for approval. General Counsel will put IC counsel on notice regarding this requirement.

ADJOURNMENT

Trustee Gnatek moved to adjourn meeting #3291. Trustee Pegg supported.

Chairperson Thomas adjourned the meeting at 10:45 AM. The Board’s next meeting is scheduled for Thursday, September 16, 2021 at 9:00 a.m. via Go to Meeting. Please see the news tab on our website for meeting login instructions.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "David Cetlinski". The signature is written in a cursive, flowing style.

David Cetlinski, Executive Director