

MEETING NO. 3307
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **THURSDAY, MAY 19, 2022**

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

TRUSTEES PRESENT

Michael F. Berent	Elected Trustee/Fire
Matthew Gnatek	Elected Trustee/Police
Angela R. James	Ex/Officio Retiree Trustee/Police/Mayoral Designee(Remote, does not count toward quorum)
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
Viollca Serifovski	Ex/Officio Trustee/Corporation Counsel Alternate
Steven Watson	Ex/Officio Trustee/Budget Director

TRUSTEES EXCUSED

Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Conrad Mallett	Ex/Officio/Mayor's Designee

ALSO PRESENT

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

STAFF EXCUSED

Kevin Kenneally	Interim Chief Investment Officer
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POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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This meeting is conducted pursuant to the requirements of the Michigan Open Meetings Act. Consistent with the OMA and Board Policy, Trustee’s may attend and participate in any meeting remotely (recognizing issues related to Covid-19 and other circumstances which may arise from time to time). However, only Trustees attending in person are permitted to take action on matters decided by the Board.

CHAIRPERSON

Ron Thomas

A verbal Roll Call commenced at 9:05 a.m. and Chairperson Thomas called the meeting to order.

Present at Roll Call: Berent, Naglick, Orzech, Pincheck, Serda, Serifovski, Trozak and Thomas – Chairperson

Re: Approval of May 19, 2022 Agenda

Trustee Berent moved to approve the agenda dated Thursday, May 19, 2022. Trustee Serda supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

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

NAME, TITLE, DEPARTMENT	Lonnie D. Lowery – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Service – New
	Option Change - From: Straight Life w/Total
	Annuity added To: Option 1 w/Partial
	Annuity added
SERVICE CREDIT-EFFECTIVE DATE	18 00 07 – 02 25 22

NAME, TITLE, DEPARTMENT	Lionel M. Stovall – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Hybrid – Drop
SERVICE CREDIT-EFFECTIVE DATE	02 04 00 – 11 12 16

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 Date: 5/16/2022 9:18 AM

Disbursement Report

Account	Payment Method	Currency			
LIQUID RES	WIRE	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
Bridgett Hardy			043022BH	IT Contractual Wages - April 2022	4,404.98
GRANDVIEW II, LP			050522	Capital Call	1,448,780.00
James R. Hollins			043022JH	IT Contractual Wages - April 2022	4,112.26
KELSO INVESTMENT ASSOCIATES X, L.P			050222	Capital Call	71,240.00
Raymond R. Tchou			043022RT	IT Contractual Wages - April 2022	7,507.37
Venkat Rallapalli / Highbrow Systems, Inc.			043022VR	IT Contractual Wages - April 2022	8,633.07
WARBURG PINCUS FINANCIAL SECTOR II, L.P			051322	Capital Call	745,500.00
Cash Account/Payment Method Total:				7 Documents	2,290,177.68
HUNT VEND	ACH	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC			1271520	Electrical Billing: 3/30/22- 4/28/22 #16055044	750.94
500 WEBWARD LLC			1271521	Electrical Billing: 3/30/22- 4/28/22 #16055070	880.00
8x8 INC.			3399051	Phone System Services	1,453.88
BAIRD ADVISORS			BA221Q2314	Management Fees 1st Qtr '22	45,243.10
CLARK HILL, PLC			1200604	General Counsel Services for April 2022	26,250.00
Cogent Communications, Inc.			050122	Internet Service	650.00
Crain Communications Inc			PI6188	Pensions & Investments Classified Advertising	5,250.00
FEDEX			7-744-83575	Mailing	35.79
FEDEX			7-752-48510	Mailing	36.16
GABRIEL, ROEDER, SMITH & CO			471001	Actuarial Services for April 2022	10,458.00
INCOME RESEARCH + MANAGEMENT INC.			42782	Management Fees 1st Qtr '22	41,084.63
IRON MOUNTAIN			GMVX524	Records Management - Records Storage	2,397.93
IRON MOUNTAIN			202535873	Storage CDs	1,647.60
KELLEY CAWTHORNE			17186	Lobbyist Services for May 2022	6,750.00
NASDAQ CORPORATION SOLUTIONS, LLC			0422NOCS235395	Boardvantage User Licenses 4/22/22-4/21/23	9,061.66
NORTHSTAR LIFE SERVICES			INV-0904	Servicing Fee	375.00
Office of the Chief Financial Officer			2315744	Wages&Benefits CoD Employees Q2 FY22	369,247.31
Office of the Chief Financial Officer			2315751	Wages&Benefits CoD Employees Q3 FY22	330,001.42
Premier Parking (fka Ultimate Parking)			244616	Parking Validation Charges - March 2022	135.00
RACINE & ASSOCIATES			13041	DPF v. Paramount 4/1/22-4/30/22	2,476.32
RICOH			5064529195	Printer Maintenance	75.09
SHENKMAN CAPITAL MANAGEMENT, INC			22-03-DETROIT_PFS	Management Fees 1st Qtr '22	58,772.46
UHY Advisors MI, Inc.			TS-2022-0095	Professional IT Services for April 2022	34,200.00
Xponance, Inc. (fka Piedmont Invest. Adv.)			INV12962	Management Fees - 1st Qtr '22	21,599.05
Cash Account/Payment Method Total:				24 Documents	968,831.34

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HUNT VEND	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
Dean Pincheck	050322DP	Travel Advance for MAPERS 2022 Spring Conference	700.00		
First CHOICE Coffee Services	843112	Equipment Rental	30.00		
First CHOICE Coffee Services	841917	Filter Exchange	120.81		
First CHOICE Coffee Services	841272	Coffee Supplies	135.85		
George Orzech	050522GO	Trustee Parking	40.00		
MAPERS	050222DP	Registration Fee for 2022 Spring Conference	350.00		
MAPERS	050922RT	Registration Fee for 2022 Spring Conference	350.00		
MICHAEL BERENT	050922MB	Travel Advance for MAPERS 2022 Spring Conference	1,418.92		
TRANSUNION RISK & ALT DATA SOLUTIONS INC (TLOxp)	3712221-202204-1	TLOxp Research Services	37.50		
Cash Account/Payment Method Total:				9 Documents	3,183.08

Investment Committee Disbursement Acknowledgements

HUNT VEND	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
JERRY MINGIONE	050322JM	Travel Reimbursement for 4/25/22 IC Meeting	940.60		
Cash Account/Payment Method Total:				1 Documents	940.60

Re: Approval of Refunds (Accumulated Contributions)

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

List number – 3944- \$245,890.93

List number – 3945- \$243,067.44

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

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

List #1 - \$21,240.00 – 05/12/2022

List #2 - \$ 7,811.00 – 05/19/2022

Re: Approval of Minutes

Trustee Trozak moved to approve the Minutes of April 21, 2022. Trustee Pincheck supported. The motion passed. Trustees Berent and Serda abstained.

ASSISTANT EXECUTIVE DIRECTOR’S REPORT

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

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- Trustee Election Results
- Redline Securities Litigation Policy
- MAPERS Conference September 17-20, 2022 (Mackinac)

RE: Trustee Election Results

Trustees Gnatek and Pegg were unopposed for their election and will serve their new term beginning July 1, 2022.

Re: MAPERS Conference September 17-20, 2022 (Mackinac)

Resolution Moved By: Trustee Orzech – Supported By: Trustee Pincheck

Resolved, that the Board approve the attendance of any interested Trustee, the Executive Director and Assistant Executive Director at the aforementioned conference, and **BE IT FURTHER**

Resolved, that the Board approve expenditures for any interested Trustee, the Executive Director, and the Assistant Executive Director to attend said conference, and **BE IT FURTHER**

Resolved, that a copy of said conference brochure or applicable conference literature be provided to Retirement System Staff member JoAnn Harrison. The motion passed unanimously.

- **Trustee Watson joined the meeting at 9:10 am**

Public Comment

- Kathleen Colin informed the board of the NASP 33rd Annual Financial Services Conference held June 27-29th at the Radisson Blu Hotel Chicago, IL.

PUBLIC RELATIONS REPORT

- News release of Trustee Election and newly Appointed Trustees

LOBBYIST'S REPORT

- Increasing the Retiree VEBA
- House Bill 5783
- **Trustee Pegg joined the meeting at 9:24 am**

GENERAL COUNSEL’S REPORT

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

- The Pension Restoration Program Update
- Funding Policy Potential Litigation
- Steven Piku, Jr. – Divorce File
- Various Funds – Component I & II
- Members Returning to Work from disability with 25 years of Service

Re: Funding Policy Potential Litigation

Trustee Pegg moved to retain Clark Hill PLC as Special Legal Counsel to perform legal services relating to any motions or litigation by the City of Detroit in the Bankruptcy Court regarding the recently adopted Funding Policy. Trustee Pincheck supported. The motion passed unanimously.

COMMITTEE REPORT

The Policy Committee met to continue discussing the Securities Litigation Policy. A redline of the policy was provided to the Board for consideration and adoption at its next meeting. The Policy Committee finished their 3-year review of all necessary policies and will break for the summer and resume meeting in September.

Trustee Naglick inquired about the Pension Governance Terms contained in the State Contribution Agreement. General Counsel provided an explanation of the Governance Terms in relation to the Plan of Adjustment and the State Contribution Agreement.

PRESENTATION – Wilshire

Jacob McClelland, and Craig Morton of Wilshire Advisors discussed the following with the Board of Trustees:

March 2022 Asset Class Assumptions

- Executive Summary
 - Inflation Impact
 - Economic Growth
 - Consumer Activity
 - Business Activity

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- Inflation and Employment
- U.S. Equity Market
- Non-U.S. Equity Market
- U.S. Fixed Income
- Real Assets
- Actual Allocation vs. Policy Allocation
- Composite Performance Summary
- Plan Sponsor Peer Group Analysis
- Plan Sponsor Peer Group Analysis – Multi Statistics
- Total Fund Attribution
- Asset Allocation & Performance
- Focus List - Summary of Notable Outperformers
- Focus List – Summary of Policy Underperformers

Presentation materials provided

- **Trustee Gnatek joined the meeting at 10:27 am**

NEW BUSINESS/OLD BUSINESS

Trustee Pegg asked if a Real Estate Manager could be in attendance at one of the upcoming meetings.

ADJOURNMENT

Trustee Gnatek moved to adjourn. Trustee Pegg supported.

Chairperson Thomas adjourned meeting #3307 at 10:38 AM. The Board’s next meeting is scheduled for Thursday, June 2, 2022 at 9:00 a.m. in the Retirement Systems’ Conference Room, 500 Woodward Avenue, Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director