

MEETING NO. 3318
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, NOVEMBER 3, 2022

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

TRUSTEES PRESENT

Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Michael F. Berent	Elected Trustee/Fire
Matthew Gnatek	Elected Trustee/Police/Vice-Chairperson
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/Chairperson
John Serda	Elected Trustee/Police
Ronald Thomas	Elected Trustee/Police
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Budget Director

TRUSTEES EXCUSED

Conrad Mallett	Ex/Officio/Mayor's Designee
Viollca Serifovski	Ex/Officio Trustee/Corporation Counsel Alternate
Coleman Young II.	Ex/Officio Trustee/Honorable City Council President

ALSO PRESENT

Kelly Tapper	Assistant Executive Director
Woodrow Tyler	Interim Chief Investment Officer
Ronald King	General Counsel
Marcella Brewer	Recording Secretary
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor

STAFF EXCUSED

David Cetlinski	Executive Director
-----------------	--------------------

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3318 – THURSDAY – NOVEMBER 3, 2022

This meeting is conducted pursuant to the requirements of the Michigan Open Meetings Act. Consistent with the OMA and Board Policy, Trustees 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

Dean Pincheck

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

Present at Roll Call: Battle, Berent, Gnatek, James, Naglick, Orzech, Pegg, Serda, Thomas, Trozak, Watson and Pincheck–Chairperson

Re: Approval of November 3, 2022 Agenda

Trustee Thomas moved to approve the agenda dated Thursday, November 3, 2022. Trustee Gnatek supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

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

NAME, TITLE, DEPARTMENT	Teresa S. Singleton – Fire R&D Asst-Capt. – Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	08 03 00 – 09 08 22

RECEIPTS:

The Board acknowledged the following receipts:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3318 – THURSDAY – NOVEMBER 3, 2022

Cash Receipts
Company: RSCD-PFRS
Cash Account: HYBLIQRES
Start Date: 10/15/2022
End Date: 10/28/2022

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
10/19/2022	CA	Cash Entry	002424	Pretax Pension Contributions 10-17-22 (rec'd 10/19)	R/C	56.79
10/21/2022	CA	Cash Entry	002426	Pretax Pension Contributions 10-21-22	R/C	146,987.48
10/24/2022	CA	Cash Entry	002427	Pretax Pension Contributions 10-21-22 (rec'd 10/24)	R/C	293,886.66
10/25/2022	CA	Cash Entry	002428	Pretax Pension Contributions 10-24-22 (rec'd 10/25)	R/C	118.14
10/25/2022	AR	Payment	000048	Employer Match July 1 - September 30, 2022 Police & Fire	R/C	5,454,242.50
						5,895,291.57

Cash Receipts
Company: RSCD-PFRS
Cash Account: LIQUID RES
Start Date: 10/15/2022
End Date: 10/28/2022

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
10/18/2022	CA	Cash Entry	002418	Loan Deductions 9-30-22 (\$3,663.09) (Rec'd 10/18)	R/C	3,663.09
10/18/2022	CA	Cash Entry	002419	Loan Deductions 10-7-22 (\$76,908.27) (Rec'd 10/18)	R/C	76,908.27
10/18/2022	CA	Cash Entry	002420	Loan Deductions 10-14-22 (\$2,094.74) (Rec'd 10/18)	R/C	2,094.74
10/26/2022	CA	Cash Entry		Loan Deductions	-/C	77,177.71
						159,843.81

Total Receipts **6,055,135.38**

Re: Approval of Disbursements

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

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
 MEETING NUMBER 3318 – THURSDAY – NOVEMBER 3, 2022

Disbursement Report

Page: 1 of 2
 Date: 10/31/2022 9:00 AM

Account	Payment Method	Currency		
LIQUID RES	WIRE	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
AMERICAN SECURITIES PARTNERS VIII, LP - HAMILTON LANE - CVC CAPITAL PARTNERS VII, LP	102622	Capital Call	205,827.00	
HAMILTON LANE - CVC CAPITAL PARTNERS VII, LP	101722	Capital Call	1,083,234.10	
LUBERT-ADLER WORKFORCE	110222	Capital Call	1,500,000.00	
ROARK CAPITAL PARTNERS V, L.P. - HAMILTON LANE	102622	Capital Call	51,249.56	
TT International	20220930-114-A	Management Fees 3rd Qtr '22	77,327.23	
WARBURG PINCUS FINANCIAL SECTOR II, L.P	102822	Capital Call	192,500.00	
Cash Account/Payment Method Total:		6 Documents	3,110,137.89	

HUNT VEND	ACH	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
500 WEBWARD LLC	189572	November 2022 Rent	26,878.12	
ADP, INC	617065253	Check Printing Services	494.19	
ADVENT CAPITAL MANAGEMENT, LLC	3Q22	Management Fees 3rd Qtr '22 (Net of 3Q22 Forgiveness)	103,243.03	
ATIVO CAPITAL	2778	Management Fees 3rd Qtr '22	38,684.91	
BLOOMBERG FINANCE LP	5607124722	Bloomberg Anywhere 10/21/22-1/20/23	6,060.00	
DELL MARKETING, LP	10622132240	Computer Equipment	1,360.10	
DELL MARKETING, LP	10622950251	Computer Equipment	677.67	
DEROY & DEVEREAUX	3Q22	Management Fees - 3rd Qtr '22	43,632.00	
FEDEX	7-919-63066	FedEx Mailing	35.50	
GABRIEL, ROEDER, SMITH & CO	474317	EDRO Calculations for Jessica Johns	1,500.00	
GABRIEL, ROEDER, SMITH & CO	474316	EDRO Calculations for Dattahn Wade, Sr.	1,500.00	
HARDMAN JOHNSTON GLOBAL ADVISORS	DETPFRE888590922	Management Fees 3rd Qtr '22	66,883.49	
HARVEST FUND ADVISORS LLC	Detroit P&F 2022 Q3	Management Fees 3rd Qtr '22	150,318.90	
KENNEDY CAPITAL MANAGEMENT	3Q22	Management Fees - 3rd Qtr '22	122,049.00	
PARADIGM ASSET MANAGEMENT CO., LLC	3Q22	Management Fees 3rd Qtr '22	62,547.16	
Premier Parking (fka Ultimate Parking)	299252	Parking - November 2022	2,352.73	
Premier Parking (fka Ultimate Parking)	299858	Parking Validation Charges - September 2022	160.00	
PROCENTIA, INC.	2465	Procentia Implementation	86,768.64	
PUGH CAPITAL MANAGEMENT, INC.	3Q22	Management Fees 3rd Qtr '22	49,672.49	
SHENKMAN CAPITAL MANAGEMENT, INC	22-09-DETROIT_PFS	Management Fees 3rd Qtr '22	55,024.08	

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3318 – THURSDAY – NOVEMBER 3, 2022

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
Cash Account/Payment Method Total:			20 Documents
			819,842.01

HUNT VEND CHECK US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
Advantage Consulting, Inc.	D123	Full Functional Capacity Evaluation	1,400.00
BAB ASSOCIATES, LLC	2022-53	Public Relations Services for September 2022	1,592.00
COMCAST	101722	High Speed Internet	212.08
Eternal Security Services	22-176004	Front Desk Security	800.00
Eternal Security Services	22-176005	Front Desk Security	800.00
First CHOICE Coffee Services	875769	Coffee Supplies	139.33
NCPERS	13493	Membership Renewal thru 12/31/2023	955.00
SCANTRON CORPORATION	15138331	Toner Cartridge Supply	825.49
Cash Account/Payment Method Total:			8 Documents
			6,723.90

Investment Committee Disbursement Acknowledgements

HUNT VEND ACH & CHECK US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
RIVENOAK LAW GROUP, P.C	13139	IC General Counsel June and July 2022	12,175.00
RIVENOAK LAW GROUP, P.C	13140	IC General Counsel August 2022	5,550.00
ORIM GRAVES	102822OG	Travel Reimbursement for 9/19/22 Special IC Meeting	1,839.85
ORIM GRAVES	102422OG	Travel Reimbursement for 10/24/22 IC Meeting	1,839.37
Cash Account/Payment Method Total:			4 Documents
			21,404.22

* Payment amount is estimated based on the effective date 10/31/2022.

Re: Approval of Refunds (Accumulated Contributions)

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

List number – 3968- \$151,926.46

List number – 3969- \$510,577.43

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 Trozak supported. The motion passed unanimously.

List #1 - \$27,051.00 – 10/27/2022

List #2 - \$22,534.00 – 11/03/2022

Re: Approval of Minutes

Trustee Pegg moved to approve the Minutes of October 6, 2022. Trustee Thomas supported. The motion passed. Trustee Serda abstain.

ASSISTANT EXECUTIVE DIRECTOR’S REPORT

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

- Disability Memo
- GASB 67/68 Hybrid and Legacy Reports
- 2023 Calendar
- DFFA Sick Time Update

Re: GASB 67/68 Hybrid and Legacy Reports

Trustee Naglick moved to accept the June 30, 2022 GASB 67/68 Components I & II Report issued by Gabriel Roeder, Smith, and Company. The report will be forwarded to the City. Trustee Orzech supported. The motion passed unanimously.

January 1, 2023 checks will be issued on January 3, 2023.

INTERIM CHIEF INVESTMENT OFFICER’S REPORT

- Cash Allocation
- Public Market Update
- Financial Market Update
- CIO Search Update

Public Comment

Kathleen Colin of NASP Detroit extended an invitation to the Board on behalf of her firm Oppenheimer, to the Private Luncheon & Market Update on Wednesday, November 9, 2022 at the Country Club of Detroit.

PUBLIC RELATIONS REPORT

- Draft News Release CIO Search

LOBBYIST’S REPORT

- Legislative Update

PRESENTATION – Wilshire

Jacob McClelland, Stephen DiGirolamo, and David Lindberg of Wilshire Investment discussed the following with the Board of Trustees:

Monthly Index Performance – September 30, 2022

Asset Allocation and Performance

- Investment Performance and Market Values

Asset-Liability Study

- Phase 1 – Asset Only
- Phase 2 – Asset Liability Study

Considerations

- Components I & II can continue to share the same asset allocation policy to maximize efficiency
- Consider Higher Risk Portfolios
- Increase Target Allocation to Cash from 1.0% to 2.5%
- Eliminate 2 Investments and Add one Asset Class

Portfolios Modeled

Presentation materials provided

GENERAL COUNSEL’S REPORT

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

- Restoration Update
- City of Detroit – Bankruptcy Case Update

Trustee Pegg moved to approve the ratification of the motion approved and recommended by the PFRS Investment Committee to proceed with the Restoration of COLA under the POA using the following criteria: 1) The initial Restoration will be 10% of the COLA benefit cut of PFRS members; and 2) the Restoration will include an amount over 10% (i.e. 11%) in the event there are sufficient funds in Restoration Reserve Account. Trustee Orzech supported. The motion passed unanimously.

COMMITTEE REPORT

None

NEW BUSINESS/OLD BUSINESS

- VOYA Drop Account
- NCPERS Conference None

The Board intends to enter into closed session and when closed sessions concludes adjourn the meeting with no further motions made or business discussed.

Re: Entering into Closed Session

Resolution Moved By Trustee Gnatek– Supported by Trustee Thomas

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 entered into Closed Session for the purpose of discussing Attorney/Client privileged matters regarding the following: Pending Litigation related to the City’s motion to enforce.

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, Gnatek, Naglick, Orzech, Pegg, Serda, Thomas, Trozak, Watson and Chairperson Pincheck – 9

Nays – None

Board entered into closed Session at 10:58 am

Board exited closed session at 11:17 am

ADJOURNMENT

Trustee Gnatek moved to adjourn. Trustee Berent supported.

Chairperson Pincheck adjourned meeting #3318 at 11:17 AM. The Board’s next meeting is scheduled for Thursday, November 17, 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