

**POLICE AND FIRE RETIREMENT SYSTEM
OF THE
CITY OF DETROIT**

**MEETING NO. 3296
Thursday, November 18, 2021
9:00 A.M.**

AGENDA



**CHAIRPERSON: RONALD THOMAS
VICE CHAIRPERSON: DEAN PINCHECK**

"With advance notice of seven calendar days, the City of Detroit will provide interpreter services at public meetings, including language translation and reasonable ADA accommodations. Please contact the Civil Rights, Inclusion and Opportunity Department at [\(313\) 224-4950](tel:3132244950) through the TTY number 711, or e-mail crio@detroitmi.gov to schedule these services".

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Please silence cell phones and to ensure there are no distractions, refrain from personal phone calls/conversations during "open meeting." There is a lobby area to conduct personal business.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3296– THURSDAY – NOVEMBER 18, 2021

2

ROLL CALL:

Excused:

AGENDA APPROVAL

RETIREMENT APPLICATIONS

RECEIPTS (ACKNOWLEDGE ONLY)

DISBURSEMENTS

REFUNDS (ANNUITY WITHDRAWALS)

EMPLOYEE LOANS

MINUTES FOR DISTRIBUTION:

November 04, 2021

MINUTES FOR APPROVAL:

October 21, 2021

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

- Correction of Errors Policy
- Freedom of Information Act Policy
- GASB 67/68 Comp I & II
- Board Schedule & Location

EXECUTIVE DIRECTOR'S REPORT

- Phoenix Retirees Deduction

CHIEF INVESTMENT OFFICER'S REPORT

PUBLIC COMMENT (3-minute time limit)

PUBLIC RELATIONS ADVISOR'S REPORT

LOBBYIST'S REPORT

GENERAL COUNSEL'S REPORT

- Legal Report

COMMITTEE REPORT

FOR REVIEW

TABLED MOTIONS/DISCUSSIONS

Trustee Berent moved to acknowledge and affirm the resolution from the PFRS Investment Committee regarding the adoption of the 20-year Funding Policy dated October 18, 2021, without the opposition of the Investment Committee. Trustee Gnatek supported.

After discussion, Trustee Berent moved to table the motion of adopting the 20-year Funding Policy until the meeting on November 18, 2021. Trustee Pegg supported. The motion passed.

Yeas: Baker, Battle, Gnatek, James, Jones, McLellan, Naglick, Orzech, Pegg, Pincheck, Serda, Trozak, Watson – 13

Nays: Berent, Mallett, and Chairperson Thomas – 3

The Board requested SRR to present its findings in its report made to the Investment Committee at its November 4, 2021 meeting if possible. The Board also offered an opportunity to the Mayor and/or his representative to make a presentation regarding the SRR report and the funding policy at its November 18, 2021 meeting.

PRESENTATION SCHEDULE

November 18, 2021

10:00 A.M. – State Rep. Carter

10:30 A.M. –

11:00 A.M.

December 02, 2021

10:00 A.M. –

10:15 A.M. –

11:00 A.M.

December 16, 2021

10:00 A.M. –

10:15 A.M. –

11:00 A.M.

RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT Roland C. Brown – Police Detective - Police
RETIREMENT TYPE-PLAN Hybrid - Vested
SERVICE CREDIT-EFFECTIVE DATE 06 10 00 – 09 20 21

NAME, TITLE, DEPARTMENT Kerry R. Byars – Police Lieutenant -Police
RETIREMENT TYPE-PLAN Hybrid – Drop
SERVICE CREDIT-EFFECTIVE DATE 07 05 00 – 10 15 21

NAME, TITLE, DEPARTMENT Terrence D. Childress – Fire Engine
Operator - Fire
RETIREMENT TYPE-PLAN Service - New
SERVICE CREDIT-EFFECTIVE DATE 14 11 09 – 11 15 21

NAME, TITLE, DEPARTMENT Terrence D. Childress – Fire Engine
Operator - Fire
RETIREMENT TYPE-PLAN Hybrid - Service
SERVICE CREDIT-EFFECTIVE DATE 07 05 00 – 11 15 21

NAME, TITLE, DEPARTMENT Bernadette Dunbeck – Police Sergeant -
Police
RETIREMENT TYPE-PLAN Vested - New
SERVICE CREDIT-EFFECTIVE DATE 17 09 01 – 09 30 21

NAME, TITLE, DEPARTMENT Alfie L. Green – Fire School Instr – CPT - Fire
RETIREMENT TYPE-PLAN Drop - New
SERVICE CREDIT-EFFECTIVE DATE 23 03 20 – 10 27 21

NAME, TITLE, DEPARTMENT Alfie L. Green – Fire School Instr – SU - Fire
RETIREMENT TYPE-PLAN Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE 07 03 00 – 10 27 21

RETIREMENT APPLICATIONS - continued

NAME, TITLE, DEPARTMENT Johnathan Hall – Police Officer - Police
RETIREMENT TYPE-PLAN Drop - New
SERVICE CREDIT-EFFECTIVE DATE 14 00 05 – 10 22 21

NAME, TITLE, DEPARTMENT David L. Marshall – Police Sergeant - Police
RETIREMENT TYPE-PLAN Drop - New
SERVICE CREDIT-EFFECTIVE DATE 17 09 01 – 10 21 21

NAME, TITLE, DEPARTMENT David L. Marshall – Police Sergeant – EDU -
Police
RETIREMENT TYPE-PLAN Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE 07 04 00 – 10 21 21

NAME, TITLE, DEPARTMENT Rhonda J. Rogers – Police Officer - Police
RETIREMENT TYPE-PLAN Drop - New
SERVICE CREDIT-EFFECTIVE DATE 12 10 05 – 10 19 21

NAME, TITLE, DEPARTMENT James J. Stock – Fire Fighter Driver - Fire
RETIREMENT TYPE-PLAN Service - New
SERVICE CREDIT-EFFECTIVE DATE 05 09 29 – 11 11 21

NAME, TITLE, DEPARTMENT James J. Stock – Fire Engine Operator - Fire
RETIREMENT TYPE-PLAN Hybrid – Service
SERVICE CREDIT-EFFECTIVE DATE 07 05 00 – 11 11 21

NAME, TITLE, DEPARTMENT Gregory Tomassini – Police Sergeant - Police
RETIREMENT TYPE-PLAN Drop – New
SERVICE CREDIT-EFFECTIVE DATE 17 09 01 – 11 03 21

POLICE AND FIRE MEETING SCHEDULE 2021

<u>DATE</u>
November 18, 2021
December 2, 2021
December 16, 2021
January 6, 2022
January 20, 2022
February 3, 2022
February 17, 2022
March 3, 2022
March 17, 2022
April 7, 2022
April 21, 2022
May 5, 2022
May 19, 2022
June 2, 2022
June 16, 2022
July 7, 2022
July 21, 2022
August 4, 2022
August 18, 2022
September 1, 2022
September 15, 2022
October 6, 2022
October 20, 2022
November 3, 2022
November 17, 2022
December 1, 2022
December 15, 2022

ALL BOARD MEETINGS ARE ON THURSDAY AND BEGIN AT 9:00 A.M. UNLESS NOTED

2021 MEETING SCHEDULE

INVESTMENT COMMITTEE OF THE POLICE AND FIRE RETIREMENT SYSTEM

<u>DAY</u>	<u>DATE</u>	<u>LOCATION</u>
Monday	December 13, 2021	Conference Room

*ALL INVESTMENT COMMITTEE MEETINGS BEGIN AT 10:00 A.M. UNLESS NOTED DIFFERENTLY AND WILL BE IN THE BOARD CONFERENCE ROOM.

FOCUS LIST - UNDERPERFORMERS -as of June 30, 2021 Wilshire Report

Ativo International Equity -Non-US Equity Developed Markets. Underperformance in late 2019 and early 2020 caused longer-term relative performance negative and forced peer rankings lower. Ativo has seen a strong recovery throughout most of 2020 and 2021, outperforming the benchmark during the Second Quarter 2021, returning 7.12% and ranking near the top quartile relative to peers. Long-term relative performance still remains negative.

Analytic- Global Low Volatility Equity. Analytic's strategy has struggled to add value since early 2019; however, the manager has seen some recovery during the second-half of 2020 and first-half of 2021. Over the trailing one year, Analytic has outperformed the benchmark by over 4%, but longer-term relative performance remains negative.

Penn Capital- High Yield. PENN Capital's higher-quality, defensive-oriented high yield fixed income strategy has continued to struggle during the market recovery and rally during 2020 and 2021. As credit spreads continue to narrow and riskier segments of fixed income outperform, PENN Capital's more defensive approach has faced significant headwinds. Because of these headwinds, longer-term relative outperformance has deteriorated.

FOCUS LIST- OUTPERFORMERS – as of June 30, 2021 Wilshire Report

Wells Capital Small Cap- US Equity Small Cap Growth. Wells Capital had a strong Second Quarter 2021 and trailing one-year, outperforming the Russell 2000 Growth benchmark by 4.72% net of fees during the quarter. Over the trailing one-year, Wells returned 57.55%, outperforming the benchmark by 6.19% and ranking near the top 1/3 of peers.

Johnston International Equity -Non-US Equity Developed Markets. Johnston International Equity had another strong quarter, returning 8.12%, and outperforming the benchmark by 2.47%. Over the trailing one-year, Johnston's 43.50% return outpaced the benchmark by 9.90% and ranked in the top quartile relative to peers.

Loomis Sayles Core Plus- Core Fixed Income. Loomis Sayles' Core Plus strategy returned 2.08% during the quarter, outperforming the Bloomberg U.S. Aggregate Index, which was up 1.83%. Over the trailing one-year, where the index was down -0.34%, Loomis' strategy outperformed, returning 2.87% and ranking at the 14th percentile relative to peers. Loomis' opportunistic allocations to credit, including below investment grade and Non-U.S. added strong value during DPFERS' Fiscal Year.

Xponance (formerly Piedmont)- Core Fixed Income. Xponance, a diverse-owned investment manager, saw notable outperformance during the quarter and Fiscal Year. During the Second Quarter 2021, Piedmont returned 2.44%, outperforming the Bloomberg U.S. Aggregate Index, which was up 1.83%. Over the trailing one-year, Piedmont's 2.42% return, and 18th percentile ranking relative to peers, can be largely attributed to strong credit selection as credit spreads narrowed.

COMMITTEES

FINANCE – BERENT, JONES, MCLELLAN, NAGLICK, PEGG, ORZECH AND WATSON

JOINT PERSONNEL – **PFRS:** NAGLICK, PEGG, SERDA AND THOMAS **GRS:** NICKLEBERRY, PERKINS, SHEEHAN, AND HALL-WAGNER

POLICY – BERENT, JAMES, JONES, PEGG AND PINCHECK

PUBLIC RELATIONS –BERENT, NAGLICK, PEGG AND EXECUTIVE STAFF: EXECUTIVE DIRECTOR DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR KELLY TAPPER AND GENERAL COUNSEL RONALD KING