

**JOURNAL OF PROCEEDINGS - BOARD OF TRUSTEES -
POLICE & FIRE RETIREMENT SYSTEM - CITY OF DETROIT**

**PROCEEDINGS HELD THURSDAY, JULY 7, 2005 - 9:00 A.M.
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226**

PRESENT

Marty Bandemer	Trustee
Gregory Best	Trustee
Roger Cheek	Ex/Officio Trustee
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
Frank English	Trustee & Vice Chairperson
Laura Isom	Trustee & Chairperson
Sharon McPhail	Ex/Officio Trustee & City Council Member
George Orzech	Trustee
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Timothy Ngare	Ex/Officio Alternate Trustee
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ABSENT

None

CHAIRPERSON

Laura Isom

VICE CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT 9:00 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE APPLICATIONS FOR RETIREMENT WHICH ARE OUTLINED BELOW BE **APPROVED**:

YEAS – TRUSTEES BANDEMER, BEST, CHEEK, ENGLISH, ORZECH, STEWART AND CHAIRPERSON ISOM – 7

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN, OPTION, POP-UP
SERVICE CREDIT
APPLICATION DATE, EFFECTIVE DATE

DANIEL JABLONSKI – BATTALION FIRE CHIEF - FIRE
SERVICE – NEW – A-C
36 05 23
04 13 05 – 06 29 05

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN, OPTION, POP-UP
SERVICE CREDIT
APPLICATION DATE, EFFECTIVE DATE

JAMES ELLIOTT – LIEUTENANT – POLICE
SERVICE – NEW – A-C
35 07 29
06 16 05 – 07 16 05

RETIREMENTS

NAME, TITLE, DEPARTMENT	THOMAS SUCHORA – BATTALION FIRE CHIEF – FIRE
RETIREMENT, PLAN, OPTION, POP-UP	SERVICE – NEW – 2-C
SERVICE CREDIT	36 00 25
APPLICATION DATE, EFFECTIVE DATE	05 16 05 – 06 27 05

NAME, TITLE, DEPARTMENT	ERNEST MACY – CAPTAIN – FIRE
RETIREMENT, PLAN, OPTION, POP-UP	SERVICE – NEW – A-C
SERVICE CREDIT	31 09 05
APPLICATION DATE, EFFECTIVE DATE	06 17 05 – 07 28 05

NAME, TITLE, DEPARTMENT	GARY HUND – LIEUTENANT – POLICE
RETIREMENT, PLAN, OPTION, POP-UP	SERVICE – NEW – A-B
SERVICE CREDIT	35 07 08
APPLICATION DATE, EFFECTIVE DATE	06 30 05 – 07 07 05

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. ENGLISH

RESOLVED, THAT THE DISBURSEMENTS AND RECEIPTS WHICH ARE REFERENCED BELOW BE **CONFIRMED**:

YEAS – TRUSTEES BANDEMER, BEST, CHEEK, ENGLISH, ORZECH,
STEWART AND CHAIRPERSON ISOM – 7

NAYS – NONE

CONFIRMATIONS

THE BOARD DISBURSED THE SUM OF **\$60,750.00** ON JUNE 29, 2005 TO FUND DRAW 12 FOR CORE CITY ESTATES/WEST VILLAGE (MMA)

THE BOARD RECEIVED THE SUM OF **\$240,000.00** ON JUNE 29, 2005 FROM LIBERTY LIFE'S CIV-U.S. POWER FUND

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$198,412.50** ON JULY 1, 2005
FROM CNL - 2005 SECOND QUARTER DISTRIBUTION

MINUTES OF THURSDAY, JUNE 23, 2005

BY MR. ORZECH - SUPPORTED BY MR. BEST

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,
JUNE 23, 2005 BE **APPROVED** AS RECORDED AND SUBMITTED BY
THE BOARD'S RECORDING SECRETARY:

YEAS - TRUSTEES BANDEMER, BEST, CHEEK, ENGLISH, ORZECH,
STEWART AND CHAIRPERSON ISOM - 7

NAYS - NONE

BILL PAYMENT REQUESTS

BY MR. ENGLISH - SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING
BILLINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

WHEREAS, THE BOARD IS SATISFIED THAT SERVICES WERE
PROVIDED TO THE BOARD AS REQUESTED BY THE BOARD,
THEREFORE BE IT

RESOLVED, THAT SUBJECT TO STAFF AUDIT, THE BOARD **APPROVE**
PAYMENT OF SAID BILLINGS:

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

BANYAN REALTY ADVISORS - JULY 1, 2005 - **\$60,209.60** - 2005
SECOND QUARTER FEES

BILL PAYMENT REQUESTS

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

EARTH LINK – JUNE 29, 2005 - **\$24.43** – POLICE AND FIRE PORTION OF \$48.86 – TRUSTEE INTERNET ACCESS

ENGLISH, FRANK – JULY 7, 2005 - \$157.00 – PARKING REIMBURSEMENT

ORRICK – JULY 5, 2005 - **\$17,380.45** – MAY, 2005 SERVICES

YEAS – TRUSTEES BANDEMER, BEST, CHEEK, ENGLISH, ORZECH, STEWART AND CHAIRPERSON ISOM – 7

NAYS – NONE

■ EX/OFFICIO TRUSTEE **SETH DOYLE** ENTERED THE MEETING.

■ EX/OFFICIO TRUSTEE **GARY CHRISTIAN** ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING DAYS OFF WITHOUT PAY FOR NON-UNION PENSION BUREAU MEMBERS.

MMA FINANCIAL

PAUL BERNARD AND ASSOCIATE **THOMAS ZDRODOWSKI** APPEARED BEFORE THE BOARD, DISCUSSED NEW LONG AND SHORT TERM INVESTMENT OPPORTUNITIES (REIT II AND CONSTRUCTION BRIDGE LOAN TRUSTS) FOR THE BOARD, CORPORATE ACQUISITIONS AND DETROIT "TARGETED" INVESTMENTS.

MMA FINANCIAL

THE BOARD THEN EXCUSED MESSRS. BERNARD AND ZDRODOWSKI.

■ EX/OFFICIO TRUSTEE **SHARON MCPHAIL** ENTERED THE MEETING.

TOUCHSTONE

GERALD TIMMIS AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED "TOUCHSTONE OPPORTUNITY FUND III" AND THEN EXCUSED THEMSELVES.

■ EX/OFFICIO TRUSTEE **SHARON MCPHAIL** EXCUSED HERSELF.

THE REQUEST OF **BONITA COBBS**

LEGAL COUNSEL RONALD ZAJAC DISCUSSED THE **BONITA COBBS** MATTER (HER REQUEST TO HAVE HER PART B DUTY DISABILITY RETIREMENT BENEFIT RESTORED) WITH THE BOARD OF TRUSTEES AND THE BOARD DIRECTED THAT A PROPOSED RESOLUTION BE PREPARED AND SUBMITTED TO THE BOARD AT ITS **JULY 21, 2005** MEETING.

■ EX/OFFICIO TRUSTEE **GARY CHRISTIAN** AND TRUSTEE **FRANK ENGLISH** TEMPORARILY EXCUSED THEMSELVES.

EMPLOYER CONTRIBUTION ARREARAGES – JUNE 30, 2004

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE EMPLOYER, CITY OF DETROIT, AS OF **JUNE 30, 2004**, HAD A BALANCE OWING, TO THE POLICE AND FIRE RETIREMENT SYSTEM, IN THE AMOUNT OF **\$69,475,202.11**, BASED UPON THE APPLICABLE ACTUARIAL VALUATION REPORT DATED **JUNE 30, 2002**, AND EMPLOYER HAS **CONSTITUTIONAL** AND OTHER LEGAL **OBLIGATIONS TO PAY** REQUIRED ANNUAL AMOUNTS TO THE TRUST FUND, AND

WHEREAS, THE BOARD OBTAINED A JUDGMENT AGAINST THE CITY IN THE AMOUNT OF **\$69,475,202.11** PLUS INTEREST AT THE RATE OF **7.8%**, AND

WHEREAS, THE CITY OF DETROIT **APPEALED** THE DECISION AND ORDER OF JUDGMENT TO THE MICHIGAN COURT OF APPEALS, AND

WHEREAS, THE MICHIGAN COURT OF APPEALS, PER OPINION DATED **JUNE 2, 2005**, AFFIRMED THE DECISION OF THE WAYNE CIRCUIT COURT, AND

WHEREAS, AN APPLICATION FOR **LEAVE TO APPEAL** HAS **NOT** BEEN FILED WITH THE MICHIGAN SUPREME COURT AND THE TIME PERIOD FOR FILING APPLICATIONS FOR LEAVE TO APPEAL HAS ELAPSED, AND

WHEREAS, THE BOARD HAS A FIDUCIARY **RESPONSIBILITY** AND LEGAL **LIABILITY** TO COLLECT **ALL** AMOUNTS **DUE** THE TRUST FUND, THEREFORE BE IT

RESOLVED, THAT A LETTER BE SENT TO THE **FINANCE DIRECTOR** REQUESTING PAYMENT OF THE AMOUNTS DUE THE POLICE AND FIRE RETIREMENT SYSTEM PLUS INTEREST AT THE RATE OF **7.8%** RELATIVE TO THE EMPLOYER CONTRIBUTIONS DUE **JUNE 30, 2004**, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE FINANCE DIRECTOR:

YEAS – TRUSTEES BANDEMER, BEST, CHEEK, DOYLE, ORZECH, STEWART AND
CHAIRPERSON ISOM – 7

NAYS – NONE

EX/OFFICIO TRUSTEE **GARY CHRISTIAN** AND TRUSTEE **FRANK ENGLISH** RE-JOINED THE MEETING.

JULY 14, 2005 MEETING CANCELLATION

BY MR. CHEEK – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM BOARD MEETING OF THURSDAY, **JULY 14, 2005** BE **CANCELLED** AND THE **APPROPRIATE PARTIES** BE **NOTIFIED** OF SAID **CANCELLATION**:

YEAS – TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH AND STEWART – 5

NAYS – TRUSTEES BEST, ORZECH AND VICE CHAIRPERSON ISOM – 3

ABSTAIN – TRUSTEE DOYLE – 1

BRAEBURN

BY MR. DOYLE – SUPPORTED BY MR. STEWART

RESOLVED, THAT BRAEBURN REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD FOR THE PURPOSE OF PRESENTING AN INVESTMENT PROPOSAL TO THE BOARD:

YEAS – TRUSTEES BANDEMER, BEST, CHEEK, CHRISTIAN, DOYLE, ENGLISH, STEWART AND CHAIRPERSON ISOM – 8

NAYS – TRUSTEE ORZECH – 1

TRUSTEE **ORZECH** REQUESTED THAT THESE PROCEEDINGS REFLECT THAT TRUSTEE **DOYLE** PRESENTED BRAEBURN PROPOSAL PACKETS TO EACH BOARD MEMBER WHILE MAKING THE ABOVE-REFERENCED MOTION.

PUBLIC FORUM

AT **1:55 P.M.**, CHAIRPERSON ISOM DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRPERSON ISOM ADJOURNED THE MEETING AT **2:00 P.M.** UNTIL THURSDAY, **JULY 21, 2005**, AT **9:00 A.M.**, IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY