

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

**PROCEEDINGS HELD THURSDAY, FEBRUARY 9, 2006 - 9:00 A.M.
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226**

PRESENT

Marty Bandemer	Elected Trustee
Jeffery Beasley	Ex/Officio Trustee
Gregory Best	Elected Trustee
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
Frank English	Elected Trustee & Vice Chairperson
Laura Isom	Elected Trustee & Chairperson
George Orzech	Elected Trustee
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

None

ABSENT

None

CHAIRPERSON

Laura Isom

VICE CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT 9:10 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

EX/OFFICIO TRUSTEE JEFFREY BEASLEY AND TRUSTEE GEORGE ORZECH TEMPORARILY EXCUSED THEMSELVES, AS DID TRUSTEE PAUL STEWART.

TRUSTEE ORZECH RE-JOINED THE MEETING.

LIBERTY MUTUAL

BY MR. BEST – SUPPORTED BY MR. DOYLE

Whereas, The Board has been presented with a February 1, 2006 communication from Liberty Mutual wherein Liberty Mutual requests that the Board fund its portion of the Capital Installment due for United States' Power Fund II Institutional Fund, L.P. in the amount of \$4,102,554.00, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

ENERGY INVESTORS' FUND

**YEAS – TRUSTEES BANDEMER, BEST, DOYLE, ENGLISH, ORZECH,
TALABI AND CHAIRPERSON ISOM – 7**

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. ENGLISH – SUPPORTED BY MR. BANDEMER

**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

**ADP – JANUARY 20, 2006 - \$125.00 – POLICE AND FIRE PORTION
OF \$250.00 – OFFICE SUPPLIES**

**THE BANK OF NEW YORK – JANUARY 27, 2006 - \$54,290.67 –
2005 FOURTH QUARTER FEES**

**BLUE DOT SERVICES – JANUARY 25, 2006 - \$82.00 – POLICE AND
FIRE PORTION OF \$164.00 – WATER COOLER UNIT PUMP
REPLACEMENT**

**CALAMOS – JANUARY 26, 2006 - \$157,683.41 – 2005 FOURTH
QUARTER FEES**

BILL PAYMENT REQUESTS

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

DIMENSIONAL FUND ADVISORS - JANUARY 11, 2006 - \$133,992.94 - 2005 FOURTH QUARTER FEES

FISHER INVESTMENTS - JANUARY 13, 2006 - \$166,126.34 - 2005 FOURTH QUARTER FEES

FORMS TRAC ENTERPRISES - JANUARY 31, 2006 - \$511.61 - POLICE AND FIRE PORTION OF \$1,023.22 - PRINTING COSTS FOR 1099-R TAX FORMS

GABRIEL, ROEDER, SMITH & CO. - FEBRUARY 1, 2006 - \$4,300.00 - FEBRUARY, 2006 SERVICES

HSBC - JANUARY 26, 2006 - \$77,594.61 - 2005 FOURTH QUARTER FEES

HSBC - JANUARY 26, 2006 - \$26,867.79 - 2005 FOURTH QUARTER FEES

INCOME, RESEARCH & MANAGEMENT - DECEMBER 31, 2005 - \$41,971.66 - 2005 FOURTH QUARTER FEES

IRON MOUNTAIN - JANUARY 31, 2006 - \$74.97 - POLICE AND FIRE PORTION OF \$149.93 - OFFICE SUPPLIES

THE KENWOOD GROUP - JANUARY 23, 2006 - \$63,588.88 - 2005 FOURTH QUARTER FEES

THE KENWOOD GROUP - JANUARY 23, 2006 - \$12,670.31 - JANUARY, 2006 FEES

NEWSWEEK - JANUARY 26, 2006 - \$10.00 - POLICE AND FIRE PORTION OF \$20.00 - SUBSCRIPTION FEE

BILL PAYMENT REQUESTS

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

**REGINALD O'NEAL - FEBRUARY 2, 2006 - \$2,265.00 -
EXAMINATION FEES**

**GEORGE ORZECH - FEBRUARY 9, 2006 - \$53.00 - PARKING
REIMBURSEMENT**

**PDS, INC. - FEBRUARY 8, 2006 - \$16,445.44 - POLICE AND FIRE
PORTION OF \$32,890.88 - COMPUTER EQUIPMENT, SOFTWARE,
TRAINING, SUPPLIES, MAINTENANCE**

**PDS, INC. - FEBRUARY 8, 2006 - \$3,103.14 - POLICE AND FIRE
PORTION OF \$6,206.28 - COMPUTER EQUIPMENT, SOFTWARE,
TRAINING, SUPPLIES, MAINTENANCE**

**SCANTRON SERVICE GROUP - JANUARY 26, 2006 - \$271.08 -
POLICE AND FIRE PORTION OF \$542.16 - COMPUTER SUPPLIES**

**SCANTRON SERVICE GROUP - JANUARY 25, 2006 - \$2,296.85 -
POLICE AND FIRE PORTION OF \$4,593.70 - COMPUTER
SUPPLIES**

**TECH DEPOT - JANUARY 13, 2006 - \$19.12 - POLICE AND FIRE
PORTION OF \$38.24 - OFFICE SUPPLIES**

**TECH DEPOT - JANUARY 20, 2006 - \$26.22 - POLICE AND FIRE
PORTION OF \$52.44 - OFFICE SUPPLIES**

**TIMMIS & INMAN - DECEMBER 31, 2005 - \$3,640.00 - DECEMBER,
2005 FEES - GSC PARTNERS**

**THE TOWNSEND GROUP - FEBRUARY 1, 2006 - \$11,250.00 -
FEBRUARY, 2006 FEES**

BILL PAYMENT REQUESTS

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

**DENNIS LINET - JANUARY 30, 2006 - \$6,957.42 - JANUARY, 2006
COMPUTER FEES**

**MIKE POWNING - JANUARY 30, 2006 - \$6,984.18 - JANUARY,
2006 COMPUTER FEES**

**SANJAY PRASAD - JANUARY 28, 2006 - \$6,763.67 - JANUARY,
2006 COMPUTER FEES**

**RONALD REEVES - JANUARY 30, 2006 - \$6,000.00 - JANUARY,
2006 COMPUTER FEES**

**RAY TCHOU - JANUARY 30, 2006 - \$8,143.38 - JANUARY, 2006
COMPUTER FEES**

**ED ZARZYCKI - JANUARY 30, 2006 - \$4,582.50 - JANUARY, 2006
COMPUTER FEES**

**YEAS - TRUSTEES BANDEMER, BEST, DOYLE, ENGLISH, ORZECH,
TALABI AND CHAIRPERSON ISOM - 7**

NAYS - NONE

RETIREMENTS

BY MR. BEST - SUPPORTED BY MR. ENGLISH

**RESOLVED, THAT THE APPLICATIONS FOR RETIREMENT,
WHICH ARE OUTLINED ON THE PAGES WHICH FOLLOW, BE
APPROVED:**

RETIREMENTS

**YEAS – TRUSTEES BANDEMER, BEST, DOYLE, ENGLISH, ORZECH,
TALABI AND CHAIRPERSON ISOM – 7**

NAYS - NONE

RETIREMENTS

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**RAMONA BENNETT – SERGEANT - POLICE
SERVICE – NEW
24 03 11
01 09 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**WOODROW MYREE – SERGEANT – POLICE
SERVICE – NEW
33 01 07
12 10 05**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**GREGORY TAYLOR – INSPECTOR – PCOA –
POLICE
SERVICE – NEW
33 07 25
01 03 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**RON CARTER – OFFICER – POLICE
SERVICE – NEW
25 09 07
03 02 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**HARRY NANN –
INVESTIGATOR/LIEUTENANT - FIRE
SERVICE – NEW
31 07 05
03 01 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**KENNETH HARRELL – SERGEANT –
POLICE
SERVICE – NEW
34 00 14
01 27 06**

RETIREMENTS

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**KEITH DAWSON – OFFICER – POLICE
SERVICE – NEW
24 01 05
01 03 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN,
SERVICE CREDIT
EFFECTIVE DATE**

**FLOYD NELSON – INVESTIGATOR –
POLICE
SERVICE – NEW
30 02 01
01 24 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN,
SERVICE CREDIT
EFFECTIVE DATE**

**KENNETH MILLER – INVESTIGATOR –
POLICE
SERVICE – NEW
25 09 24
02 11 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN,
SERVICE CREDIT
EFFECTIVE DATE**

**ESTELLA RAYFORD – SERGEANT – POLICE
SERVICE – NEW
27 00 11
02 03 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN,
SERVICE CREDIT
EFFECTIVE DATE**

**KATHY WARREN – OFFICER – POLICE
SERVICE – NEW
30 05 11
01 07 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**JOHN SWATOWSKI – SERGEANT – POLICE
SERVICE – NEW
35 00 03
02 11 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**OWEN O’ROURKE – SERGEANT – POLICE
SERVICE – NEW
34 00 06
01 30 06**

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. ENGLISH

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

**YEAS – TRUSTEES BANDEMER, BEST, DOYLE, ENGLISH, ORZECH,
TALABI AND CHAIRPERSON ISOM – 7**

NAYS - NONE

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$79,513.00 ON** JANUARY 27, 2006
FROM **KIRKMAN** (POLICE AND FIRE – OP UNITS)

THE BOARD RECEIVED THE SUM OF **\$16,225.13** ON JANUARY 26, 2006
FROM **BANYAN REALTY** – DECEMBER, 2005 REMITTANCE

THE BOARD RECEIVED THE SUM OF **\$844,472.93** ON JANUARY 31, 2006
FROM **RREEF AMERICA II** – 2005 FOURTH QUARTER DISTRIBUTION

THE BOARD RECEIVED THE SUM OF **\$708,362.00** ON JANUARY 31, 2006
FROM **WIND POINT PARTNERS IV**

**| EX/OFFICIO TRUSTEE JEFFREY BEASLEY RE-JOINED THE
MEETING.**

| TRUSTEE PAUL STEWART RE-JOINED THE MEETING.

GABRIEL, ROEDER, SMITH & COMPANY

**KEN ALBERTS AND JUDY KERMANS APPEARED BEFORE THE
BOARD AND DISCUSSED, AMONG OTHER MATTERS, THE
BOARD'S JUNE 30, 2005 64TH ANNUAL ACTUARIAL VALUATION.**

GABRIEL, ROEDER, SMITH & COMPANY

EX/OFFICIO TRUSTEE GARY CHRISTIAN ENTERED THE MEETING DURING GABRIEL ROEDER'S DISCUSSION.

THE BOARD THEN EXCUSED MS. KERMANS AND MR. ALBERTS.

ADRIAN ANDERSON (OF NORTH POINT ADVISORS) JOINED THE BOARD IN LISTENING TO THE FOLLOWING HIGH YIELD PRESENTATIONS:

TCW

CLARENCE WILLIAMS AND ASSOCIATE JAMES HASSETT APPEARED BEFORE THE BOARD AND DISCUSSED HIGH YIELD INVESTING AT LENGTH.

THE BOARD THEN EXCUSED MR. WILLIAMS AND HIS ASSOCIATE.

LOOMIS, SAYLES & COMPANY

DON MOLL AND ASSOCIATES KEN JOHNSON AND MATT EAGAN APPEARED BEFORE THE BOARD AND DISCUSSED HIGH YIELD INVESTING AT LENGTH.

THE BOARD THEN EXCUSED MR. MOLL AND HIS ASSOCIATES.

BRADFORD/MARZEC

LELAND T. SCHOLEY AND ASSOCIATE DOUGLAS LOPEZ APPEARED BEFORE THE BOARD AND DISCUSSED HIGH YIELD INVESTING AT LENGTH.

THE BOARD THEN EXCUSED MR. SCHOLEY AND HIS ASSOCIATE.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. ORZECH – SUPPORTED BY MR. ENGLISH

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST #3190 (WHICH IS REFERENCED AT THE END OF THESE PROCEEDINGS), IN THE AMOUNT OF \$1,032,863.02, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM – 10

NAYS – NONE

MINUTES OF THURSDAY, JANUARY 19, 2006

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, JANUARY 19, 2006 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM – 10

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING RHUMLINE, INDIA HYDROPOWER, DOT HILL SYSTEMS, INC., SONUS NETWORKS, INC., KING PHARMACEUTICALS AND RONALD W. CHAPMAN.

G. ALLEN BASS

LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A COPY OF A DECEMBER 26, 2005 MICHIGAN LAWYERS WEEKLY ARTICLE REGARDING ATTORNEY G. ALLEN BASS (WHOM THE WEEKLY NAMED AS ONE OF MICHIGAN'S TOP 10 LAWYERS).

RONALD W. CHAPMAN

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JANUARY 24, 2006 COMMUNICATION FROM LEGAL COUNSEL TO CHAPMAN AND ASSOCIATES REGARDING MR. CHAPMAN.

RHUMLINE

BY MR. STEWART – SUPPORTED BY MR. ORZECH

Whereas, The Board has been requested to execute a December 15, 2005 Letter Agreement referencing investment guidelines (Exhibit E to Investment Management Agreement) relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by the Board's Investment Consultant, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, and the

RHUMBLINE

execution of said document is consistent with prior action of the Board, Therefore Be It

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board, and be it further

Resolved, That the executed original document be forwarded to the appropriate party, and be it further

Resolved, That the Retirement System retain copies of said executed original document:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM – 10

NAYS – NONE

INDIA HYDROPOWER

BY MR. STEWART – SUPPORTED BY MR. ORZECH

Whereas, The Board has been requested to execute a February 9, 2006 Indemnity Agreement and Affidavit relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by the Board's Special Counsel Don Wagner, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, and the execution of said document is consistent with prior action of the Board, Therefore Be It

INDIA HYDROPOWER

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board, and be it further

Resolved, That the executed original document be forwarded to the appropriate party, and be it further

Resolved, That the Retirement System retain copies of said executed original document:

**YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,
DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND
CHAIRPERSON ISOM – 10**

NAYS – NONE

INHERITANCE

BY MR. BEASLEY – SUPPORTED BY MR. DOYLE

RESOLVED, THAT ROBERT SHUMAKE AND ANY REPRESENTATIVES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD TO MAKE A REAL ESTATE INVESTMENT MANAGEMENT SERVICES PRESENTATION TO THE BOARD:

**YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,
DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND
CHAIRPERSON ISOM – 10**

NAYS – NONE

THE REQUEST OF STEVE EVANS

BY MR. ENGLISH - SUPPORTED BY MR. BEST

WHEREAS, STEVE EVANS HAS PRESENTED THE BOARD WITH A FEBRUARY 9, 2006 REQUEST TO CANCEL HIS DUTY DISABILITY RETIREMENT APPLICATION AND APPLY FOR EARLY VESTED PENSION BENEFITS, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER EXTENSIVELY, THEREFORE BE IT

RESOLVED, THAT A LETTER OF UNDERSTANDING AND AUTHORIZATION BE FORWARDED TO MR. EVANS, AND BE IT FURTHER

RESOLVED, THAT MR. EVANS BE REQUESTED TO SIGN THE LETTER OF UNDERSTANDING AND AUTHORIZATION, HAVE IT NOTARIZED AND RETURNED TO THE POLICE AND FIRE RETIREMENT SYSTEM:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM - 10

NAYS - NONE

**LICHONCZAK VERSUS LUBOMYRA
MACOMB COUNTY CASE #04-421-DO**

BY MR. ENGLISH – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD IS IN RECEIPT OF A JANUARY 5, 2006 DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A SEPTEMBER 20, 2004 JUDGMENT OF DIVORCE WHEREIN LUBOMYRA BABIJ IS AWARDED CERTAIN RIGHTS TO THE DEFINED CONTRIBUTION PLAN BENEFITS ONLY OF TARAS LUCHONCZAK WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, THE BOARD PREVIOUSLY ADOPTED A RESOLUTION ON SEPTEMBER 23, 2004, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS MARCH 15, 1950, AND, TO DATE, PARTICIPANT HAS ATTAINED 22 YEARS, 08 MONTHS AND 23 DAYS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN, PAYMENT OF WHICH IS SUBJECT TO PARTICIPANT'S ELIGIBILITY FOR WITHDRAWAL FROM DEFINED CONTRIBUTION PLAN, BUT ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN (NO REFERENCE TO DEFINED BENEFIT PLAN IN JANUARY 5, 2006 ORDER), AND

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT, OR TERMINATION OF SERVICE, OR UPON PARTICIPANT ATTAINING THE AGE OF 60 YEARS, SUBJECT TO APPLICATION FOR SAME BEING MADE BY THE PARTY SEEKING PAYMENT, AND

**LICHONCZAK VERSUS LUBOMYRA
MACOMB COUNTY CASE #04-421-DO**

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY DEFINED CONTRIBUTION PLAN PENSION BENEFITS ONLY CONSISTENT WITH SAID COURT ORDER, SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY DIANE MALMGREN, LUBOMYRA BABIJ AND TARAS LICHONCZAK:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM - 10

NAYS - NONE

**LICHONCZAK VERSUS LUBOMYRA
MACOMB COUNTY CASE #04-421-DO**

BY MR. ENGLISH – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD IS IN RECEIPT OF A DOMESTIC RELATIONS ORDER REGARDING THE CITY OF DETROIT 401(K) (STOCK INVESTMENT SAVINGS PLAN) ENTERED JANUARY 5, 2006, AND

WHEREAS, THE ORDER ERRONEOUSLY REFERENCES THE “RETIREMENT SYSTEMS OF THE CITY OF DETROIT” AS PLAN ADMINISTRATOR OF A 401(K) (STOCK INVESTMENT SAVINGS PLAN), AND

WHEREAS, THERE ARE INCONSISTENCIES IN SAID COURT ORDER WITH RESPECT TO (1) THE TITLE OF THE ORDER, (2) THE NAME OF THE PLAN (IN LIGHT OF THE DOMESTIC RELATIONS ORDER DATED JANUARY 5, 2006), (3) THE ERRONEOUS REFERENCE TO HARTFORD BEING INVOLVED WITH THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, THEREFORE BE IT

RESOLVED, THAT THE ORDER BE REFERRED BACK TO THE PARTIES FOR CLARIFICATION, AND BE IT FURTHER

RESOLVED, THAT THE BOARD NOT HONOR SAID COURT ORDER BECAUSE IT APPEARS THAT THE BOARD HAS NO JURISDICTION OVER THE HARTFORD PLAN (AND WHAT APPEARS TO BE A REFERENCE TO A SECTION 457 DEFERRED COMPENSATION PLAN), AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY DIANE MALMGREN, LUBOMYRA BABIJ AND TARAS LICHONCZAK:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM – 10

NAYS – NONE

SONUS NETWORKS, INC.

BY MR. CHRISTIAN – SUPPORTED BY MR. STEWART

WHEREAS, THE SYSTEM HAS INCURRED APPROXIMATELY \$1.7 MILLION IN LOSSES FROM INVESTMENTS IN SONUS NETWORKS' STOCK, AND

WHEREAS, KIRBY, MCINERNEY & SQUIRE, LLP HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST SONUS NETWORKS, INC. AND

WHEREAS, KIRBY, MCINERNEY & SQUIRE, LLP HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT KIRBY, MCINERNEY & SQUIRE, LLP BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO KIRBY, MCINERNEY & SQUIRE, LLP:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM – 10

NAYS – NONE

DOT HILL SYSTEMS, INC.

BY MR. DOYLE – SUPPORTED BY MR. BANDEMER

WHEREAS, THE SYSTEM HAS INCURRED APPROXIMATELY \$407,000.00 IN LOSSES FROM INVESTMENTS IN DOT HILLS' SECURITIES, AND

WHEREAS, KIRBY, MCINERNEY & SQUIRE, LLP HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST DOT HILL SYSTEMS, INC. AND

WHEREAS, KIRBY, MCINERNEY & SQUIRE, LLP HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN JOINING THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO JOIN THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD JOIN THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT IN SEEKING TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT KIRBY, MCINERNEY & SQUIRE, LLP BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, AND KIRBY, MCINERNEY & SQUIRE, LLP:

**YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON
ISOM – 10**

NAYS – NONE

CLOSED SESSION

By Mr. English – Supported by Mr. Bandemer

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

**YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE,
ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON
ISOM – 10**

NAYS – NONE

The Board entered into Closed Session at 1:32 P.M.

OPEN SESSION

By Mr. Bandemer – Supported by Mr. Stewart

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

**YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE,
ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON
ISOM – 10**

NAYS – NONE

The Board returned to Open Session at 1:44 P.M.

KING PHARMACEUTICALS CLASS ACTION LITIGATION

BY MR. DOYLE - SUPPORTED BY MR. BEASLEY

WHEREAS, LEGAL COUNSEL, IN CLOSED SESSION THIS DATE, PROVIDED THE BOARD WITH A REPORT REGARDING THE RESULTS OF THE MEDIATION HEARING IN WASHINGTON, D.C. ON FEBRUARY 7, 2006, AND

WHEREAS, SPECIAL COUNSEL RECOMMENDS THE SETTLEMENT AMOUNT DISCUSSED THIS DATE IN CLOSED SESSION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH ITS LEGAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACCEPTS THE PROPOSED SETTLEMENT DISCLOSED IN CLOSED SESSION THIS DATE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMAN, ATTENTION: ROBERT GANS:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON
ISOM - 10**

NAYS - NONE

REQUEST OF THE DPOA

BY MR. ORZECH – SUPPORTED BY MR. ENGLISH

WHEREAS, THE DPOA (DETROIT POLICE OFFICERS' ASSOCIATION), REQUESTS THAT THE SYSTEM PROVIDE THE DPOA WITH THE SYSTEM'S MONTH-END MARKET VALUE AND MONTH-TO-MONTH RATE OF RETURN FROM **JUNE 30, 2002** THROUGH **JULY 1, 2003** FOR EACH OF THE SYSTEM'S ACCOUNTS HELD BY THE BANK OF NEW YORK, PER A FEBRUARY 9, 2006 ONE-PAGE COMMUNICATION, AND

WHEREAS, THE DPOA (PER FEBRUARY 9, 2006 COMMUNICATION) HAS INFORMED THE BOARD THAT THE DPOA WILL PAY ALL REASONABLE AND NECESSARY COSTS ASSOCIATED WITH THE SYSTEM PROVIDING THE DPOA WITH SAID INFORMATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF THE DPOA BE APPROVED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO DPOA PRESIDENT MARTY BANDEMER AND THE BANK OF NEW YORK, THE SYSTEM'S CUSTODIAL BANK:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE,
ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON
ISOM – 10

NAYS – NONE

CAYWOOD-SCHOLL CAPITAL MANAGEMENT

ERIC SCHOLL AND ASSOCIATES TIM STIDHAM AND THOMAS SAAKE APPEARED BEFORE THE BOARD, DISCUSSED HIGH YIELD INVESTING AT LENGTH AND THEN EXCUSED THEMSELVES.

PRIOR TO EXCUSING HIMSELF, MR. ADRIAN DISCUSSED TCW, LOOMIS, SAYLES & COMPANY, BRADFORD/MARZEC AND CAYWOOD-SCHOLL WITH THE BOARD.

BANYAN REALTY ADVISORS/WASHINGTON PLAZA

BY MR. DOYLE – SUPPORTED BY MR. BANDEMER

Whereas, The Board has received notification from Banyan Realty Advisors regarding the Washington Plaza 2005 tax and audit engagement, Therefore Be It

Resolved That authorization be given to Helen Lopez-Gualtieri of Banyan Realty Advisors to solicit bids from audit firms that have previously provided services to Banyan Realty Advisors, and be it further

Resolved, That a copy of this resolution be forwarded to Helen Lopez-Gualtieri of Banyan Realty Advisors:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECZ, TALABI AND CHAIRPERSON ISOM - 9

NAYS – TRUSTEE STEWART – 1

BOARD AUTHORIZATION TO CHANGE THE AMORTIZATION PERIOD TO THIRTY (30) YEARS

BY MR. BEASLEY – SUPPORTED BY MR. DOYLE

RESOLVED, THAT THE BOARD'S MOTION REGARDING 30-YEAR AMORTIZATION, WHICH WAS TABLED DECEMBER 15, 2005, BE REMOVED FROM THE TABLED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM - 10

NAYS – NONE

FOLLOWING IS THE BOARD'S DECEMBER 15, 2005 MOTION REGARDING 30-YEAR AMORTIZATION:

BOARD AUTHORIZATION TO CHANGE THE AMORTIZATION PERIOD TO THIRTY (30) YEARS

BY MS. MCPHAIL – SUPPORTED BY MR. NGARRE

WHEREAS, THE PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT, MCL 38.1140 (M) AUTHORIZES THE ADOPTION OF AMORTIZATION PERIODS NOT EXCEEDING THIRTY (30) YEARS, AND

WHEREAS, THE PASSAGE OF THIS RESOLUTION IS NOT INTENDED TO AND SHOULD NOT BE CONSTRUED AS INDICATING ANY CHANGE IN THE LITIGATION POSTURE OF EITHER OF THE PARTIES TO CURRENT LITIGATION, THEREFORE BE IT

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM HEREBY ADOPTS AN AMENDED AMORTIZATION PERIOD OF THIRTY (30) YEARS FOR THE JUNE 30, 2004 ACTUARIAL VALUATION AND AUTHORIZES THE BOARD'S ACTUARY, GABRIEL, ROEDER, SMITH AND COMPANY, TO DEVELOP AMENDED FINAL CONTRIBUTION RATES FOR THE CITY OF DETROIT USING THIRTY (30) YEARS AS THE

BOARD AUTHORIZATION TO CHANGE THE AMORTIZATION PERIOD TO THIRTY (30) YEARS

AMORTIZATION PERIOD COMMENCING WITH THE FISCAL YEAR 2005-2006:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, THE MOTION WHICH FOLLOWS WAS MADE:

BY MR. ORZECH – SUPPORTED BY MR. ENGLISH

RESOLVED, THAT THE FOREGOING MOTION BE TABLED UNTIL THURSDAY, FEBRUARY 16, 2006:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ENGLISH, ORZECH, STEWART, TALABI AND CHAIRPERSON ISOM - 10

NAYS – NONE

ORACLE

By Mr. Doyle – Supported by Mr. Christian

Whereas, Representatives of Oracle Partners presented an investment proposal to the Police and Fire Board of Trustees at the August 25, 2006 meeting, and

Whereas, The Police and Fire Trustees have been made aware of a due diligence report prepared by New England Pension Consultants for the General Retirement System and the General System's subsequent investment in Oracle Partners, Therefore Be It

Resolved That Adrian Anderson be requested to review New England Pension Consultants' due diligence report and advise the Board accordingly:

ORACLE

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE,
ENGLISH, STEWART, TALABI AND CHAIRPERSON ISOM - 9**

NAYS - TRUSTEE ORZECH - 1

PUBLIC FORUM

**AT 3:32 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 4:13 P.M.
UNTIL THURSDAY, FEBRUARY 16, 2006 AT 9:00 A.M., IN ROOM
910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT,
MICHIGAN 48226.**

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY