

MEETING NUMBER 2588

**JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES OF THE
POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT**



PROCEEDINGS HELD THURSDAY, AUGUST 10, 2006

9:00 A.M.

CONFERENCE ROOM OF THE RETIREMENT SYSTEMS

910 COLEMAN A. YOUNG MUNICIPAL CENTER

DETROIT, MICHIGAN 48226



PRESENT

Marty Bandemer	Elected Trustee
Jeffrey Beasley	Ex/Officio Trustee
Gregory Best	Elected Trustee & Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Trustee
James Moore	Elected Trustee
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

Frank English	Elected Trustee & Chairperson
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ABSENT

None

CHAIRPERSON

Frank English

**ROLL CALL WAS TAKEN AT 9:06 A.M. BY THE BOARD'S
RECORDING SECRETARY AND THE MEETING WAS CALLED TO
ORDER.**

TRUSTEE BANDEMER TEMPORARILY EXCUSED HIMSELF.

RETIREMENTS - BY MR. STEWART - SUPPORTED BY MR. MILTON

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

**YEAS - TRUSTEES CHRISTIAN, DOYLE, MILTON, ORZECH,
STEWART AND VICE CHAIRMAN BEST - 6**

NAYS - NONE

RETIREMENTS

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

**ANTHONY ARMSTRONG - FIRE ENGINE
OPERATOR - FIRE
EARLY RETIREMENT - NEW
20 03 20
07 25 06**

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

**NORMA KENDRICK - SERGEANT - POLICE
SERVICE - NEW
22 10 08
07 30 06**

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

**MARCUS WILLIAMS - FIRE ENGINE
OPERATOR - FIRE
EARLY RETIREMENT - NEW
21 09 16
06 28 06**

RETIREMENTS

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

**WALTER ZMIJA - OFFICER - POLICE
SERVICE - NEW
35 08 15
08 01 06**

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

**LILLY SHAW-JONES - OFFICER - POLICE
SERVICE - NEW
23 00 13
07 31 06**

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$73,703.20** ON AUGUST 4, 2006 FROM **FIDELITY'S** REAL ESTATE GROWTH FUND

THE BOARD RECEIVED THE SUM OF **\$910,540.00** ON AUGUST 3, 2006 FROM **ARIEL DUNES** (MMA)

THE BOARD RECEIVED THE SUM OF **\$1,276,853.73** ON AUGUST 4, 2006 FROM **ARIEL DUNES** (MMA)

THE BOARD RECEIVED THE SUM OF **\$838,898.50** ON AUGUST 7, 2006 FROM **ARIEL DUNES** (MIDLAND)

THE BOARD RECEIVED THE SUM OF **\$74,008.69** ON AUGUST 7, 2006 FROM **INLAND'S** RETAIL TRUST

CONFIRMATIONS

BY MR. STEWART - SUPPORTED BY MR. CHRISTIAN

RESOLVED, THAT THE RECEIPTS WHICH ARE REFERENCED ABOVE BE CONFIRMED:

YEAS - TRUSTEES CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST - 6

NAYS - NONE

MINUTES OF JULY 27, 2006

BY MR. DOYLE - SUPPORTED BY MR. MILTON

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, JULY 27, 2006 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS - TRUSTEES CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST - 6

NAYS - NONE

LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

BILL PAYMENT REQUESTS

BY MR. STEWART - SUPPORTED BY MR. CHRISTIAN

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

ANNUITY SYSTEMS - JULY 12, 2006 - \$62.50 - POLICE AND FIRE PORTION OF \$125.00 - HARDWARE AND MAINTENANCE

THE BANK OF NEW YORK - AUGUST 9, 2006 - \$62,078.29 - 2006 SECOND QUARTER FEES

BILL PAYMENT REQUESTS

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

**THE BANK OF NEW YORK - AUGUST 9, 2006 - \$8,550.00 - 2006
SECOND QUARTER FEES - THIRD-PARTY FOREIGN EXCHANGE
TRANSACTION**

**CIMAWARE - JULY 8, 2006 - \$399.50 - POLICE AND FIRE
PORTION OF \$799.00 - SOFTWARE**

**FORMS TRAC - AUGUST 5, 2006 - \$381.40 - POLICE AND FIRE
PORTION OF \$762.80 - OFFICE SUPPLIES**

**FORMS TRAC - AUGUST 5, 2006 - \$235.13 - POLICE AND FIRE
PORTION OF \$470.25 - OFFICE SUPPLIES**

**GABRIEL, ROEDER, SMITH AND COMPANY - AUGUST 1, 2006 -
\$4,500.00 - AUGUST, 2006 FEES**

**INCOME, RESEARCH AND MANAGEMENT - JUNE 30, 2006 -
\$42,130.83 - 2006 SECOND QUARTER FEES**

**IRON MOUNTAIN - JULY 31, 2006 - \$713.35 - POLICE AND FIRE
PORTION OF \$1,426.69 - STORAGE/RETRIEVAL**

**IRON MOUNTAIN - JULY 31, 2006 - \$65.11 - POLICE AND FIRE
PORTION OF \$130.22 - STORAGE/RETRIEVAL**

**NORTH POINT ADVISORS - AUGUST 7, 2006 - \$15,000.00 -
SMALL-CAP GROWTH MANAGER SEARCH**

**PDS, INC. - JULY 31, 2006 - \$5,190.22 - POLICE AND FIRE
PORTION OF \$10,380.44 - SOFTWARE LICENSE RENEWAL AND
TRUSTEE LAPTOP**

BILL PAYMENT REQUESTS

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

**QUILL CORPORATION - AUGUST 2, 2006 - \$7.99 - POLICE AND
FIRE PORTION OF \$15.98 - OFFICE SUPPLIES**

**QUILL CORPORATION - AUGUST 2, 2006 - \$124.94 - POLICE AND
FIRE PORTION OF \$249.87 - OFFICE SUPPLIES**

**RHUMBLINE ADVISORS - JULY 14, 2006 - \$29,709.34 - 2006
SECOND QUARTER FEES**

**RHUMBLINE ADVISORS - JULY 14, 2006 - \$15,386.42 - 2006
SECOND QUARTER FEES**

**SUN BELT SOFTWARE - JULY 11, 2006 - \$677.50 - POLICE AND
FIRE PORTION OF \$1,355.00 - SOFTWARE**

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

**YEAS - TRUSTEES CHRISTIAN, DOYLE, MILTON, ORZECH,
STEWART AND VICE CHAIRMAN BEST - 6**

NAYS - NONE

THE REQUEST OF LOUIS SMITH

BY MR. ORZECH - SUPPORTED BY MR. STEWART

**WHEREAS, LOUIS SMITH HAS PRESENTED THE BOARD WITH A
WRITTEN REQUEST (DATED AUGUST 9 ,2006) TO RECEIVE A
REFUND OF THE MILITARY SERVICE TIME HE PURCHASED,
THEREFORE BE IT**

THE REQUEST OF LOUIS SMITH

RESOLVED, THAT THE REQUEST OF MR. SMITH BE HEREBY APPROVED:

YEAS - TRUSTEES CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST - 6

NAYS - NONE

TRUSTEE MOORE ENTERED THE MEETING.

TRUSTEE BANDEMER RE-JOINED THE MEETING.

THE REQUEST OF JANET HORAN

BY MR. ORZECH - SUPPORTED BY MR. DOYLE

WHEREAS, POLICE SERGEANT JANET HORAN HAS PRESENTED THE BOARD WITH A WRITTEN REQUEST (DATED JULY 31, 2006) TO CANCEL HER SERVICE RETIREMENT APPLICATION WHICH WAS FILED MAY 4, 2006, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE REQUEST OF SERGEANT HORAN:

YEAS - TRUSTEES BANDEMER, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST

- 8

NAYS - NONE

THE REQUEST OF ROBERT NILL

BY MR. ORZECH - SUPPORTED BY MR. DOYLE

WHEREAS, ROBERT NILL, PER AN AUGUST 3, 2006 WRITTEN REQUEST, IS REQUESTING A COMPLETE WITHDRAWAL OF HIS DEFINED CONTRIBUTION PLAN (ANNUITY SAVINGS FUND) BALANCE, AND

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

RESOLVED, THAT THE REQUEST OF MR. NILL BE APPROVED:

YEAS - TRUSTEES BANDEMER, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST

- 8

NAYS - NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING ORACLE PARTNERS, FOSTER VERSUS FOSTER (DOMESTIC RELATIONS ORDER), LAPORTE VERSUS LAPORTE (JUDGMENT OF DIVORCE), HUDSON MUMA AND THE ACQUIRING OF CONSERVATORSHIP PAPERS.

**FOSTER VERSUS FOSTER
ST. CLAIR COUNTY CASE NUMBER 04-2945-DM**

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS IN RECEIPT OF A JULY 24, 2006 DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS AN OCTOBER 13, 2005 JUDGMENT OF DIVORCE WHEREIN LAURA FOSTER IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN BENEFITS OF ROBERT FOSTER, AND

WHEREAS, THE BOARD HAS BEEN INFORMED THAT PARTICIPANT WAS GRANTED A DUTY DISABILITY RETIREMENT EFFECTIVE DECEMBER 3, 1996, WHICH DUTY DISABILITY RETIREMENT WILL CONVERT TO A SERVICE RETIREMENT ON OR ABOUT JUNE 18, 2009, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS OCTOBER 18, 1947, AND, TO DATE, PARTICIPANT HAS ATTAINED 12 YEARS, 05 MONTHS AND 16 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, AND ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, 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, OR UPON PARTICIPANT OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED CONTRIBUTION PLAN AND SUBJECT TO APPLICATION FOR SAME BEING MADE BY THE PARTY SEEKING PAYMENT, AND

**FOSTER VERSUS FOSTER
ST. CLAIR COUNTY CASE NUMBER 04-2945-DM**

WHEREAS, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT OR OTHERWISE RECEIVING RETIREMENT BENEFITS, AND

WHEREAS, THE BOARD'S POLICY IS TO REQUIRE THAT THE COST FOR THE ACTUARY'S CALCULATIONS ARE TO BE BORNE BY THE PARTIES TO THE DOMESTIC RELATIONS PROCEEDINGS, AND THE COURT ORDER PROVIDES FOR THE PARTIES TO SHARE THE COST OF THE ACTUARY'S FEES, AND

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, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER, 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 FRANK FORSYTH, ATTORNEY JOHN GREER, LAURA FOSTER AND ROBERT FOSTER:

YEAS - TRUSTEES BANDEMER, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST

- 8

NAYS - NONE

**LAPORTE VERSUS LAPORTE
WAYNE COUNTY CASE NUMBER 05-521629-DO**

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS IN RECEIPT OF A JUNE 6, 2006 JUDGMENT OF DIVORCE WHEREIN CAROL LAPORTE IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN BENEFITS ONLY OF CLAIRE LAPORTE, AND

WHEREAS, THE BOARD HAS BEEN INFORMED THAT PARTICIPANT RETIRED EFFECTIVE MAY 29, 1997, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS NOVEMBER 5, 1947, AND, TO DATE, PARTICIPANT HAS ATTAINED 25 YEARS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN, BECAUSE ALL AMOUNTS WERE PREVIOUSLY WITHDRAWN FROM THE DEFINED CONTRIBUTION PLAN, BUT ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

WHEREAS, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS IMMEDIATELY, AND

WHEREAS, THE BOARD'S POLICY IS TO REQUIRE THAT THE COST FOR THE ACTUARY'S CALCULATIONS ARE TO BE BORNE BY THE PARTIES TO THE DOMESTIC RELATIONS PROCEEDINGS, AND THE DOMESTIC RELATIONS ORDER SHOULD PROVIDE FOR THE PAYMENT OF THE ACTUARY'S FEES, AND

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

**LAPORTE VERSUS LAPORTE
WAYNE COUNTY CASE NUMBER 05-521629-DO**

OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, HOWEVER, A DOMESTIC RELATIONS ORDER IS TO BE ENTERED AS DIRECTED BY THE JUDGMENT OF DIVORCE, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID JUDGMENT OF DIVORCE BUT THAT NO PENSION BENEFITS BE PAID PENDING RECEIPT OF A DOMESTIC RELATIONS ORDER AND FURTHER RESOLUTION OF THE BOARD, 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 LEONARD MILLER, ATTORNEY ANNETTE BENSON, CAROL LAPORTE AND CLAIRE LAPORTE:

**YEAS - TRUSTEES BANDEMER, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECZ, STEWART AND VICE CHAIRMAN BEST
- 8**

NAYS - NONE

MILESTONE REALTY CORPORATION

MARTY WEST, RONALD STEMPIN, DAVE BING AND ED TINSLEY APPEARED BEFORE THE BOARD AND DISCUSSED THE CHENE-WEST INVESTMENT PROPOSAL.

EX/OFFICIO TRUSTEES TALABI AND BEASLEY ENTERED THE MEETING DURING MILESTONE'S PRESENTATION.

THE BOARD THEN EXCUSED MR. WEST AND HIS ASSOCIATES.

SMITH BARNEY

BRUCE BALLARD AND AN ASSOCIATE APPEARED BEFORE THE BOARD TO DISCUSS MANAGER PERFORMANCE, AND ADRIAN ANDERSON OF NORTH POINT ADVISORS JOINED THE BOARD IN LISTENING TO MR. BALLARD'S DISCUSSION.

THE BOARD THEN EXCUSED MR. BALLARD AND HIS ASSOCIATE.

CLOSED SESSION

BY MR. MOORE - SUPPORTED BY MR. MILTON

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING STAFF ISSUES:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS - TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART, TALABI AND VICE-CHAIRMAN BEST - 10

NAYS - NONE

THE BOARD ENTERED INTO CLOSED SESSION AT 11:30 A.M.

TRUSTEE STEWART EXCUSED HIMSELF.

OPEN SESSION

BY MR. BANDEMER - SUPPORTED BY MR. DOYLE

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

OPEN SESSION

**YEAS - TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE,
MILTON, MOORE, ORZECH, TALABI AND VICE CHAIRMAN
BEST - 9**

NAYS - NONE

THE BOARD RETURNED TO OPEN SESSION AT 11:30 A.M.

**DURING CLOSED SESSION, THE EXECUTIVE SECRETARY
ADVISED THE BOARD OF AN INCIDENT, AN ASSAULT FOR
WHICH A PENSION BOARD EMPLOYEE WAS ARRESTED.**

**THE EXECUTIVE SECRETARY REPORTED TO THE BOARD THAT
GIVEN THE PRIOR WORKPLACE INCIDENTS INVOLVING SAID
EMPLOYEE, HE WILL SUSPEND SAID EMPLOYEE PENDING
POSSIBLE DISCHARGE OF SAID EMPLOYEE, AND HE WILL
PURSUE ACTION TO RESTRICT SAID EMPLOYEE FROM THE
BUILDING DURING THE SUSPENSION PERIOD.**

**THE EXECUTIVE SECRETARY ALSO REPORTED THAT HE WOULD
REPORT SAME TO THE HUMAN RESOURCES DIRECTOR AND
ENCOURAGE THAT ALL PROCEDURES BE FOLLOWED
REGARDING SUSPENSION, DISCHARGE AND THE RIGHTS
AFFORDED TO SAID EMPLOYEE.**

**THE BOARD OF TRUSTEES INDICATED ITS APPROVAL OF THE
ACTIONS TO BE TAKEN BY THE EXECUTIVE SECRETARY
REGARDING THIS MATTER.**

ICAP

**CATHY COLIN AND TWO ASSOCIATES APPEARED BEFORE THE
BOARD, DISCUSSED AN ICAP/PRONUS INVESTMENT PROPOSAL
AND THEN EXCUSED THEMSELVES.**

LANGE LIMITED

DORIAN LANGE AND SIX ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED A DREAMSCAPE PROPOSAL (STADIUM, ARENA, HOTEL/CASINO, CONDOMINIUMS) AND THEN EXCUSED THEMSELVES.

EX/OFFICIO TRUSTEE DOYLE EXCUSED HIMSELF.

ORACLE PARTNERS

MR. DAVID MORRIS APPEARED BEFORE THE BOARD TO DISCUSS ORACLE PARTNERS.

CLOSED SESSION

BY MR. MOORE - SUPPORTED BY MR. CHRISTIAN

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, CHRISTIAN, MILTON, MOORE, ORZECH, TALABI AND VICE CHAIRMAN BEST - 8

NAYS - NONE

The Board entered into Closed Session at 2:05 P.M.

OPEN SESSION

By MR. BANDEMER - SUPPORTED BY MR. BEASLEY

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

OPEN SESSION

**YEAS - TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, MILTON,
MOORE, ORZECH, TALABI AND VICE CHAIRMAN BEST - 8**

NAYS - NONE

The Board returned to Open Session at 2:13 P.M. and the Board excused Mr. Morris.

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED ORACLE PARTNERS AND THE BOARD'S INTERNATIONAL SMALL-CAP MANAGER SEARCH.

SMALL-CAP MANAGER SEARCH

THE VICE CHAIRMAN DIRECTED THAT REPRESENTATIVES FROM MONROSE, AIG AND EVERGREEN BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES.

**SENECA CAPITAL MANAGEMENT
\$2,000,000.00 PROPOSED INVESTMENT
NOB HILL CLO INVESTOR NOTES**

BY MR. BEASLEY - SUPPORTED BY MR. CHRISTIAN

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials presented to the Board and discussed this date and at previous meetings, and to which certain modifications and additional requirements may have been added by the Board or advisors to the Board, per discussion between or with the Board members, and

**SENECA CAPITAL MANAGEMENT
\$2,000,000.00 PROPOSED INVESTMENT
NOB HILL CLO INVESTOR NOTES**

Whereas, The Board has indicated its willingness to further consider making this proposed investment subject to certain additional terms and modifications of said proposal, which have already been identified by the Board of Trustees and certain additional terms and modifications which will be required after Special Legal Counsel begins to prepare loan investment documents, and

Whereas, The Board's contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate unrelated Business Taxable Income (UBTI) to the Retirement System as Lender, and

Whereas, The Board may be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Borrower and project sponsor, and subject to approval of final documents by the Board of Trustees, and be it further

Resolved, That it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's Legal Counsel and is executed by the Board, Borrower, any Guarantors and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including legal fees and

**SENECA CAPITAL MANAGEMENT
\$2,000,000.00 PROPOSED INVESTMENT
NOB HILL CLO INVESTOR NOTES**

expenses being paid from an escrow account funded by Borrower or entities other than the Board, and be it further

Resolved, That the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board and any applicable due diligence monitor and/or business advisor and Special Legal Counsel, and be it further

Resolved, That any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction loan documents are subject to approval as to form and content by the Board and the Board's Special Legal Counsel, and approval as to form and content by the Board's General Counsel, and be it further

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for proposed Borrower to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Borrower/applicable party paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due to the Borrower/applicable party deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or for any other reason deciding not to proceed with the transaction, and be it further

Resolved, That a copy of this resolution be forwarded to proposed Borrower/Project Sponsor and Special Legal Counsel to be selected by the Board, and be it further

**SENECA CAPITAL MANAGEMENT
\$2,000,000.00 PROPOSED INVESTMENT
NOB HILL CLO INVESTOR NOTES**

Resolved, That the foregoing is also subject to receipt, by the Board, of written acknowledgment from proposed Borrower/applicable party that proposed Borrower/applicable party has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein:

**YEAS - TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, MILTON,
MOORE, TALABI AND VICE CHAIRMAN BEST - 7**

NAYS - TRUSTEE ORZECH - 1

ICAP/PRONUS

BY MS. TALABI - SUPPORTED BY MR. MOORE

Whereas, The Board has been presented with an investment proposal from ICAP, and

Whereas, The Board desires due diligence on said proposal, Therefore Be It

Resolved, That North Point Advisors be engaged to perform due diligence on the proposal and submit a written report of their findings to the Board:

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

BY MS. TALABI - SUPPORTED BY MR. MOORE

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

ICAP/PRONUS

**YEAS - TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, MILTON,
MOORE, ORZECH, TALABI AND VICE CHAIRMAN BEST - 8**

NAYS - NONE

PUBLIC FORUM

**AT 2:45 P.M., VICE CHAIRMAN BEST DECLARED THE MEETING IN
OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC
ATTENDING THE MEETING.**

ADJOURNMENT

**THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,
VICE CHAIRMAN BEST ADJOURNED THE MEETING AT 2:50 P.M.
UNTIL THURSDAY, AUGUST 17, 2006 AT 9:00 A.M., IN ROOM 910
OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT,
MICHIGAN 48226.**

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

