

MEETING NUMBER 2596

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



PROCEEDINGS HELD THURSDAY, OCTOBER 5, 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
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
Frank English	Elected Trustee/Chairperson
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

None

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.

CANYON-JOHNSON

BY MR. BEST – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with an October 4, 2006 communication from **Canyon-Johnson** wherein Canyon-Johnson requests that the Board fund the **capital installment** (#33) due for Canyon-Johnson's **Urban Fund** in the amount of **\$107,553.18**, Therefore Be It

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

Yeas – Trustees Bandemer, Best, Doyle, Orzech, Stewart and Chairman English – 6

Nays – None

RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

RETIREMENTS

Yeas – Trustees Bandemer, Best, Doyle, Orzech, Stewart and
Chairman English – 6

Nays – None

RETIREMENTS

NAME, TITLE, DEPARTMENT	LARRY COOPER – FIRE CHIEF – FIRE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	36 06 12 – 11 17 06

NAME, TITLE, DEPARTMENT	MOSES H. LARK, JR. – OFFICER –
RETIREMENT, PLAN	POLICE
SERVICE CREDIT/EFFECTIVE DATE	CONVERTED DISABILITY FROM DUTY – NEW
SERVICE CREDIT/EFFECTIVE DATE	25 00 00 – 10 02 06

NAME, TITLE, DEPARTMENT	ROBERT BYLICA – OFFICER – POLICE
RETIREMENT, PLAN	CONVERTED DISABILITY FROM DUTY – NEW
SERVICE CREDIT/EFFECTIVE DATE	25 00 00 – 10 20 06

NAME, TITLE, DEPARTMENT	JOHN W. JONES – OFFICER – POLICE
RETIREMENT, PLAN	CONVERTED DISABILITY FROM DUTY – NEW
SERVICE CREDIT/EFFECTIVE DATE	25 00 00 – 10 12 06

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE RECEIPTS WHICH ARE DESIGNATED ON THE
PAGE WHICH FOLLOWS BE CONFIRMED:

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Yeas – Trustees Bandemer, Best, Doyle, Orzech, Stewart and
Chairman English – 6

Nays – None

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$5,454.73** ON SEPTEMBER 28,
2006 FROM **BANYAN** – SEPTEMBER, 2006 REMITTANCE

THE BOARD RECEIVED THE SUM OF **\$117,878.00** ON SEPTEMBER
28, 2006 FROM **LIBERTY LIFE'S C-V-U.S. POWER FUND II**

THE BOARD RECEIVED THE SUM OF **\$16,250.00** ON SEPTEMBER 29,
2006 FROM **ONE KENNEDY SQUARE**

THE BOARD RECEIVED THE SUM OF **\$198,412.50** ON OCTOBER 3,
2006 FROM **CNL** – 2006 THIRD QUARTER DISTRIBUTION

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. DOYLE – SUPPORTED BY MR. BEST

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 **#3213**, IN THE
AMOUNT OF **\$256,584.02**, INCLUDING INTEREST, BE **REFUNDED**
PENDING **AUDIT** BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

Yeas – Trustees Bandemer, Best, Doyle, Orzech, Stewart and
Chairman English – 6

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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 – SEPTEMBER 22, 2006 - **\$85.49** – POLICE AND FIRE PORTION
OF **\$170.97** – MISCELLANEOUS – ACCOUNTS RECEIVABLE 00191-
205022

DANKA OFFICE IMAGING – SEPTEMBER 21, 2006 - **\$216.08** –
POLICE AND FIRE PORTION OF **\$432.15** – MISCELLANEOUS –
ACCOUNT #155664

DANKA OFFICE IMAGING – SEPTEMBER 25, 2006 - **\$164.38** –
POLICE AND FIRE PORTION OF **\$328.75** – MISCELLANEOUS –
ACCOUNT #155664

BILL PAYMENT REQUESTS

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

FORMS TRAC – SEPTEMBER 28, 2006 - **\$16.91** – POLICE AND FIRE
PORTION OF **\$33.82** – PRINTING FEE

GABRIEL, ROEDER, SMITH & COMPANY – SEPTEMBER 27, 2006 -
\$3,900.00 – SERVICES FOR MILITARY SERVICE PURCHASE
PROVISIONS

INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS –
SEPTEMBER 19, 2006 - **\$785.00** – MISCELLANEOUS – ACCOUNT
#8737615

OFFICE DEPOT – SEPTEMBER 22, 2006 - **\$24.45** – POLICE AND FIRE
PORTION OF **\$48.89** – OFFICE SUPPLIES

PLANTE & MORAN – SEPTEMBER 25, 2006 - **\$13,200.00** – POLICE
AND FIRE PORTION OF **\$26,400.00** – MISCELLANEOUS –
CONTRACT FOR YEAR-END JUNE 30, 2006

QUILL CORPORATION – SEPTEMBER 26, 2006 - **\$79.47** – POLICE
AND FIRE PORTION OF **\$158.94** – OFFICE SUPPLIES

ZAJAC, RONALD – OCTOBER 4, 2006 - **\$1,019.01** – SERVICES
RENDERED THE PERIOD JULY 1, 2006 THROUGH SEPTEMBER 30,
2006 – COMPENSATION ADJUSTMENT PER CPI INCREASE

Yeas – Trustees Bandemer, Best, Doyle, Orzech, Stewart and
Chairman English – 6

Nays – None

► TRUSTEES **MILTON** AND **MOORE** ENTERED THE MEETING.

- ▶ TRUSTEE **BEASLEY** ENTERED THE MEETING.
- ▶ TRUSTEE **TALABI** ENTERED THE MEETING.
- ▶ TRUSTEE **CHRISTIAN** ENTERED THE MEETING.

THE REQUEST OF GERALDINE SMITH

ASSISTANT EXECUTIVE SECRETARY CYNTHIA THOMAS INFORMED THE BOARD THAT **GERALDINE SMITH**, PER PHONE CONVERSATION, REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS FILING A DUTY DISABILITY RETIREMENT APPLICATION, AND MS. THOMAS INFORMED HER THAT SAID REQUEST MUST BE PROVIDED TO THE BOARD IN **WRITING**.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTER WITH THE BOARD, INCLUDING, ELAINE GALLIAN, EDS, INC., WOODBURY VERSUS WOODBURY (PROVIDING A STATUS UPDATE), SAFE-NET, MARVELL TECHNOLOGY GROUP, LTD. AND AA CAPITAL PARTNERS.

MARVELL TECHNOLOGY GROUP, LTD.

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 4, 2006 COMMUNICATION FROM SPECIAL COUNSEL KOHN, SWIFT AND GRAF TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

AA CAPITAL PARTNERS

BY MR. BEST – SUPPORTED BY MR. BEASLEY

WHEREAS, **AA CAPITAL PARTNERS** PREVIOUSLY SUBMITTED PROPOSALS TO THE BOARD OF TRUSTEES WHICH HAVE BEEN UNDER **CONSIDERATION** BY THE BOARD OF TRUSTEES, AND

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF A CORRESPONDENCE FROM AA CAPITAL PARTNERS AND INFORMATION REGARDING AA CAPITAL PARTNERS, AND

WHEREAS, THE BOARD HAS DISCUSSED AA CAPITAL PARTNERS AT LENGTH, THEREFORE BE IT

RESOLVED, THAT THE BOARD OF TRUSTEES HAS **NO** INTEREST IN ANY AA CAPITAL PARTNERS PROPOSALS WHICH WERE PREVIOUSLY SUBMITTED TO THE BOARD OF TRUSTEES BY AA CAPITAL PARTNERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO **AA CAPITAL PARTNERS**:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 11

NAYS – NONE

PRUDENTIAL REAL ESTATE INVESTORS (EURO PRISA)

BY MR. BEST - SUPPORTED BY MR. BANDEMER

THE BOARD NOTES THAT THE GENERAL RETIREMENT SYSTEM IS ALSO CONSIDERING THE PRUDENTIAL REAL ESTATE INVESTORS (EURO PRISA) PROPOSAL AND HAS REFERRED SAID PROPOSAL TO TOWNSEND FOR A REPORT WHICH WILL BE MADE AVAILABLE TO THE POLICE AND FIRE RETIREMENT SYSTEM.

THE POLICE AND FIRE RETIREMENT SYSTEM WILL, THEREFORE, TREAT THIS MATTER AS HAVING BEEN INDIRECTLY REFERRED TO TOWNSEND.

ONYX CAPITAL ADVISORS, LLC

BY MR. MOORE - SUPPORTED BY MS. TALABI

RESOLVED, THAT ROY DIXON, JR. (AND ANY ASSOCIATES OF HIS CHOOSING) BE REQUESTED TO APPEAR BEFORE THE BOARD TO PRESENT A PRIVATE EQUITY PROPOSAL TO THE BOARD, AND BE IT FURTHER

RESOLVED, THAT PRIOR TO ANY SUCH APPEARANCE BEING SCHEDULED ON ONYX CAPITAL ADVISORS' BEHALF, ONYX CAPITAL ADVISORS PROVIDE THE BOARD WITH WRITTEN ACKNOWLEDGEMENT, CERTIFICATION AND ANSWERS TO THE SIX POINTS LISTED IN THE BOARD'S APRIL 29, 1999 RESOLUTION:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECZ, STEWART, TALABI AND CHAIRMAN ENGLISH - 11

NAYS - NONE

MILLER-JACOBS (THE ARCADIA FUND)

BY MR. BEST – SUPPORTED BY MR. BANDEMER

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) has indicated an interest in making the foregoing investment subject to a number of conditions being met, including, but not limited to, the approval of final transaction documents after all negotiations are completed by the Board General Counsel and Special Legal Counsel (as defined below), and

WHEREAS, the Board notes that legal services required to prepare the proposed transaction documents for consideration by the Board will require (i) a fairly extensive and time-consuming effort, (ii) immediate attention, and (iii) consecutive hours of attention by Special Legal Counsel, and

WHEREAS, the Board’s policy, in such cases, is to select and retain Special Legal Counsel who will report to the Board’s General Counsel and the Board, as appropriate, subject to the condition that Project Sponsor shall pay all legal fees and expenses of Special Legal Counsel, and

WHEREAS, the Board notes the possibility that the preliminary legal services or due diligence report regarding the transaction may result in a finding that the proposed Project Sponsor is unable to meet the requirements of the Retirement System as Investor; provided, however, Project Sponsor shall not be relieved of its obligation to pay all fees and expenses of Special Legal Counsel, **THEREFORE BE IT**

RESOLVED, that the aforesaid investment proposal be assigned to Joe Turner of Clark Hill PLC, as Special Legal Counsel, and be it further

RESOLVED, that a further condition of the Board’s continued interest in making this investment is the proposed Project Sponsor providing the Assistant Executive Secretary with written confirmation that

MILLER-JACOBS (THE ARCADIA FUND)

proposed Project Sponsor acknowledges receipt of this resolution and agrees to the terms therein, and be it further

RESOLVED, that Special Legal Counsel and the Assistant Executive Secretary arrange for an escrow account into which the proposed Project Sponsor will provide funds for legal fees and expenses, however to the extent that such legal fees and expenses exceed the amounts in the escrow account the proposed Project Sponsor shall replenish said escrow account or to the extent agreed to by Special Legal Counsel and the Assistant Executive Secretary, the Project Sponsor shall pay the remaining balance of the final legal fees and expenses, and be it further

RESOLVED, that Special Legal Counsel submit itemized billings to the proposed Project Sponsor with copies to the Retirement System, and be it further

RESOLVED, that the amount to be escrowed will be mutually determined by Special Legal Counsel and proposed Project Sponsor and will be reported to the Board and the escrow may be funded in stages with the understanding that legal services will be performed only to the extent of, and after, the escrow deposit(s), and be it further

RESOLVED, that a copy of this resolution be provided to the proposed Project Sponsor and Special Legal Counsel:

**YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE,
MILTON, MOORE, ORZECH, STEWART, TALABI AND
CHAIRMAN ENGLISH – 11**

NAYS – NONE

MILESTONE REALTY ADVISORS

THE BOARD (AND GENERAL RETIREMENT SYSTEM CHAIRPERSON SUSAN GLASER) DISCUSSED LAND ACQUISITION FOR THE NEW OFFICES OF THE RETIREMENT SYSTEMS WITH MARTY WEST AND RONALD STEMPIN OF MILESTONE VIA SPEAKER CONFERENCE.

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") is in receipt of a letter dated October 3, 2006 from Gary Giumetti of McTevia & Associates, the Board's Advisor, and

WHEREAS, The Board has considered the matter raised in McTevia and Associates' October 3, 2006 letter, Therefore Be It

RESOLVED, That the Board approves the Board's Advisor's recommendation and hereby forms a transition team consisting of the Board's General Counsel, Special Legal Counsel, a Board nominee, a transition manager and the Board's monitor to establish and implement a transition plan, and be it further

RESOLVED, That to the extent services are needed, Joseph E. Turner, Jr. of Clark Hill PLC shall also serve on the transition team regarding regulatory and/or debtor/creditor issues, and be it further

RESOLVED, That the transition team shall provide the Board with a status report at the Board's next Board Meeting (which will convene on October 19, 2006), and be it further

RESOLVED, That a copy of this Resolution be IMMEDIATELY forwarded to the Board's Special Legal Counsel, F. Logan Davidson and Joseph E. Turner, the Board's General Counsel, Ronald Zajac, the

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

Board's Monitor, McTevia and Associates, and Douglas Wicklund of Environmental Disposal Systems, Inc.:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 11

NAYS – NONE

BAUSCH & LOMB, INC. CLASS ACTION LITIGATION

BY MR. BANDEMER – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE "BOARD") HAS RECEIVED A REQUEST FROM SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN, LLP NOTIFYING THE BOARD THAT A HEARING WILL BE HELD ON OCTOBER 13, 2006 REGARDING THE BOARD BEING APPOINTED LEAD PLAINTIFF, AND

WHEREAS, IT IS THE BOARD'S POLICY TO HAVE A TRUSTEE OR REPRESENTATIVE(S) OF THE BOARD ATTEND SUCH HEARINGS, AND

WHEREAS, THE BOARD'S GENERAL COUNSEL HAS INDICATED THAT HE HAS A SCHEDULE CONFLICT REGARDING ATTENDANCE AT THIS HEARING, AND

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

RESOLVED, THAT THE BOARD'S SPECIAL LEGAL COUNSEL JOSEPH E. TURNER, JR. OF CLARK HILL, PLC ALSO ATTEND THE OCTOBER 13, 2006 HEARING ON BEHALF OF THE BOARD WITH AVAILABLE PARTICIPATING TRUSTEES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BOARD'S CLASS ACTION COUNSEL AND SPECIAL LEGAL COUNSEL:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 11

NAYS – NONE

PUBLIC FORUM

AT 11:57 A.M., CHAIRMAN ENGLISH DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN ENGLISH ADJOURNED THE MEETING AT 12:01 P.M. UNTIL THURSDAY, OCTOBER 19, 2006, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY