

**MEETING NUMBER 2599**

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



**PROCEEDINGS HELD THURSDAY, OCTOBER 26, 2006  
9:00 A.M.  
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226**



**PRESENT**

<b>Marty Bandemer</b>	<b>Elected Trustee</b>
<b>Gregory Best</b>	<b>Elected Trustee/Vice Chairperson</b>
<b>Gary Christian</b>	<b>Ex/Officio Alternate Trustee</b>
<b>Seth Doyle</b>	<b>Ex/Officio Alternate Trustee</b>
<b>Frank English</b>	<b>Elected Trustee/Chairperson</b>
<b>James Moore</b>	<b>Elected Trustee</b>
<b>George Orzech</b>	<b>Elected Trustee</b>
<b>Paul Stewart</b>	<b>Elected Trustee</b>
<b>Alberta Tinsley-Talabi</b>	<b>Ex/Officio Trustee/City Council Representative</b>
<b>Walter Stampor</b>	<b>Executive Secretary</b>
<b>Cynthia Thomas</b>	<b>Assistant Executive Secretary</b>
<b>Janet S. Lenear</b>	<b>Recording Secretary</b>
<b>Ronald Zajac</b>	<b>Legal Counsel</b>
<b>Joe Turner</b>	<b>Special Legal Counsel</b>
<b>Richard Huddleston</b>	<b>Investment Analyst</b>

**EXCUSED**

<b>Jeffrey Beasley</b>	<b>Ex/Officio Trustee/Treasurer</b>
<b>DeDan Milton</b>	<b>Ex/Officio Alternate Trustee</b>

**ABSENT**

**None**

**CHAIRPERSON**

**Frank English**

**ROLL CALL WAS TAKEN AT 9:03 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 CONVERSIONS WHICH ARE REFERENCED  
BELOW BE APPROVED:**

**YEAS - TRUSTEES BANDEMER, BEST, ORZECH, STEWART AND  
CHAIRMAN ENGLISH - 5**

**NAYS - NONE**

**RETIREMENTS**

**NAME, TITLE, DEPARTMENT  
RETIREMENT, PLAN**

**SERVICE CREDIT/EFFECTIVE DATE**

**GARY MICHALSKI - OFFICER - POLICE  
CONVERTED DISABILITY FROM DUTY -  
NEW**

**25 00 00 - 12 30 06**

**NAME, TITLE, DEPARTMENT  
RETIREMENT, PLAN**

**SERVICE CREDIT/EFFECTIVE DATE**

**CHARLES RICE - OFFICER - POLICE  
CONVERTED DISABILITY FROM DUTY -  
NEW**

**25 00 00 - 12 30 06**

**CONFIRMATIONS**

**BY MR. STEWART - SUPPORTED BY MR. BANDEMER**

**RESOLVED, THAT THE RECEIPTS WHICH ARE DESIGNATED  
BELOW BE CONFIRMED:**

**YEAS - TRUSTEES BANDEMER, BEST, ORZECH, STEWART AND  
CHAIRMAN ENGLISH - 5**

**NAYS - NONE**

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$30.00** ON OCTOBER 24, 2006 (EXPRESS  
MAIL FEE)

THE BOARD RECEIVED THE SUM OF **\$552,324.62** ON OCTOBER 23, 2006  
FROM MAYFIELD GENTRY - SEPTEMBER, 2006 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF **\$15,101.32** ON OCTOBER 24, 2006 FROM  
THE COLUMNS OF KENTUCKY (MMA)

THE BOARD RECEIVED THE SUM OF **\$24,910.33** ON OCTOBER 24, 2006 FROM  
THE TRELLISES OF KENTUCKY (MMA)

**REFUNDS OF ACCUMULATED CONTRIBUTIONS**

**BY MR. BANDEMER - 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 #3215, IN THE  
AMOUNT OF \$123,094.76, INCLUDING INTEREST, BE REFUNDED  
PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:**

**REFUNDS OF ACCUMULATED CONTRIBUTIONS**

**YEAS - TRUSTEES BANDEMER, BEST, ORZECH, STEWART AND  
CHAIRMAN ENGLISH - 5**

**NAYS - NONE**

**▶ TRUSTEE DOYLE ENTERED THE MEETING.**

**MINUTES OF OCTOBER 5, 2006**

**BY MR. BANDEMER - SUPPORTED BY MR. BEST**

**RESOLVED, THAT THE MINUTES OF THE MEETING HELD  
THURSDAY, OCTOBER 5, 2006 BE APPROVED AS AMENDED,  
RECORDED AND SUBMITTED BY THE BOARD'S RECORDING  
SECRETARY:**

**YEAS - TRUSTEES BANDEMER, BEST, DOYLE, ORZECH,  
STEWART AND CHAIRMAN ENGLISH - 6**

**NAYS - NONE**

**BILL PAYMENT REQUESTS**

**BY MR. BANDEMER - 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**

**BILL PAYMENT REQUESTS**

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

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

**ADP, INC. - OCTOBER 13, 2006 - \$95.65 - POLICE AND FIRE  
PORTION OF \$191.29 - MISCELLANEOUS EXPENSES**

**BANYAN REALTY ADVISORS - OCTOBER 23, 2006 - \$48,054.27 -  
2006 THIRD QUARTER FEES**

**CLARK HILL - OCTOBER 18, 2006 - \$7,830.00 - SEPTEMBER,  
2006 SERVICES - MISCELLANEOUS**

**CLARK HILL - OCTOBER 18, 2006 - \$5,424.00 - AUGUST, 2006  
SERVICES - MMA**

**CLARK HILL - OCTOBER 18, 2006 - \$1,248.00 - SEPTEMBER,  
2006 SERVICES - SUPER K-MART**

**CLARK HILL - OCTOBER 18, 2006 - \$1,404.00 - SEPTEMBER,  
2006 SERVICES - CAPRI SELECT INCOME II**

**CLARK HILL - OCTOBER 18, 2006 - \$909.45 - SEPTEMBER, 2006  
SERVICES - DROP PROGRAM**

**DIMENSIONAL FUND ADVISORS - OCTOBER 16, 2006 -  
\$159,227.81 - 2006 THIRD QUARTER FEES**

**GABRIEL, ROEDER, SMITH & COMPANY - NOVEMBER 1, 2006 -  
\$200.00 - EDRO FEE**

**HOWARD & HOWARD - OCTOBER 16, 2006 - \$15,235.80 -  
SEPTEMBER, 2006 FEES**

**BILL PAYMENT REQUESTS**

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

**IKON OFFICE SOLUTIONS - OCTOBER 15, 2006 - \$283.03 -  
POLICE AND FIRE PORTION OF \$566.05 - MISCELLANEOUS  
SERVICES**

**INCOME, RESEARCH & MANAGEMENT - SEPTEMBER 30, 2006 -  
\$43,144.09 - 2006 THIRD QUARTER FEES**

**O'CONNOR (TAMARA) - OCTOBER 25, 2006 - \$150.00 -  
TRANSCRIPT PREPARATION - DAVID SALAZAR DRRB**

**PENSIONS & INVESTMENTS - SEPTEMBER 30, 2006 - \$323.00 -  
SUBSCRIPTION FEE FOR TRUSTEE ORZECH (GEORGE)**

**PUGH CAPITAL MANAGEMENT - OCTOBER 15, 2006 - \$39,912.80  
- 2006 THIRD QUARTER FEES**

**QUILL CORPORATION - OCTOBER 19, 2006 - \$33.10 - POLICE  
AND FIRE PORTION OF \$66.19 - OFFICE SUPPLIES**

**REPUBLIC UNDERWRITERS - OCTOBER 16, 2006 - \$85,950.00 -  
LIABILITY INSURANCE RENEWAL**

**RHUMBLINE - OCTOBER 19, 2006 - \$29,923.07 - 2006 THIRD  
QUARTER FEES**

**RHUMBLINE - OCTOBER 19, 2006 - \$14,630.22 - 2006 THIRD  
QUARTER FEES**

**TCW - OCTOBER 13, 2006 - \$85,194.33 - 2006 THIRD QUARTER  
FEES**

**TECH DEPOT - SEPTEMBER 29, 2006 - \$21.03 - POLICE AND FIRE  
PORTION OF \$42.05 - OFFICE SUPPLIES**

**BILL PAYMENT REQUESTS**

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

**TECH DEPOT - OCTOBER 2, 2006 - \$70.65 - POLICE AND FIRE  
PORTION OF \$141.30 - OFFICE SUPPLIES**

**COMPANY XJJ - OCTOBER 24, 2006 - \$23,289.86 - POLICE AND  
FIRE PORTION OF \$46,579.72 - RETIREMENT SYSTEMS'  
EMPLOYEE PAYROLL/CITY EMPLOYEES' PAY ADJUSTMENTS**

**YEAS - TRUSTEES BANDEMER, BEST, DOYLE, ORZECH,  
STEWART AND CHAIRMAN ENGLISH - 6**

**NAYS - NONE**

**▶ LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.**

**▶ TRUSTEES TALABI AND MOORE ENTERED THE MEETING.**

**▶ TRUSTEE CHRISTIAN ENTERED THE MEETING.**

**EMPLOYEE BENEFITS REQUEST FOR IT SERVICES FOR DHRMS**

**ASSISTANT EXECUTIVE SECRETARY THOMAS PRESENTED THE  
BOARD WITH A COPY OF AN OCTOBER 24, 2006  
COMMUNICATION FROM DENNIS LINET TO THE BOARD  
REGARDING THE ABOVE-CAPTIONED MATTER.**

**THE REQUEST OF GERALDINE SMITH**

**BY MR. BANDEMER - SUPPORTED BY MR. STEWART**

**WHEREAS, GERALDINE SMITH HAS PRESENTED THE BOARD  
WITH AN OCTOBER 18, 2006 REQUEST TO APPEAR BEFORE THE  
BOARD TO DISCUSS HER DESIRE TO FILE A DUTY DISABILITY  
RETIREMENT APPLICATION, AND**

**THE REQUEST OF GERALDINE SMITH**

**WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF MS. SMITH, THEREFORE BE IT**

**RESOLVED, THAT AN APPOINTMENT BEFORE THE BOARD BE SCHEDULED ON MS. SMITH'S BEHALF, AND BE IT FURTHER**

**RESOLVED, THAT MS. SMITH BE INFORMED THAT HER PRESENTATION WILL BE LIMITED TO THIRTY (30) MINUTES (INCLUDING QUESTIONS AND ANSWERS), AND BE IT FURTHER**

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MS. SMITH:**

**YEAS - TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH - 9**

**NAYS - NONE**

**LEGAL COUNSEL'S REPORTS**

**LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING THE BOARD'S 11-12 MEMBER BOARD LITIGATION, MILESTONE/WATERMARK, MMA'S LETTER OF CREDIT AND CRESCENT GATE.**

**CITY OF DETROIT VERSUS THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT - 11-12 MEMBER BOARD LITIGATION**

**LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 20, 2006 MICHIGAN SUPREME COURT ORDER REGARDING THE ABOVE-REFERENCED LITIGATION.**

**NORTH POINT ADVISORS**

**ADRIAN ANDERSON JOINED THE BOARD IN LISTENING TO THE FOLLOWING SMALL-CAP GROWTH PRESENTATIONS:**

**WELLS**

**BILL NORRIS AND KEVIN GAUGHAN APPEARED BEFORE THE BOARD, DISCUSSED SMALL-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.**

**INDEPENDENCE**

**THOMAS CAPOBIANCO AND CHARLES GLOVSKY APPEARED BEFORE THE BOARD, DISCUSSED SMALL-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.**

**CHICAGO**

**DAVID COUGHENOUR AND MICHAEL NAIRNE APPEARED BEFORE THE BOARD, DISCUSSED SMALL-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.**

**ALLEGIANT**

**CHARLOTTE WALSH, GORDON JOHNSON AND KELLY WELLER APPEARED BEFORE THE BOARD, DISCUSSED SMALL-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.**

**NORTH POINTE**

**SHERWIN PRIOR AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED SMALL-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.**

**PRESENTATIONS**

**BY MR. STEWART - SUPPORTED BY MR. DOYLE**

**RESOLVED, THAT REPRESENTATIVES FROM THE FOLLOWING FIRMS BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:**

**ARTHUR ZASKE & ASSOCIATES (PRIVATE EQUITY)**

**CONWAY MACKENZIE & DUNLEAVY (PRIVATE EQUITY)**

**NORTH STAR FINANCIAL PARTNERS, INC. (REIT)**

**THE RLJ COMPANIES (HEDGE FUND)**

**YEAS - TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE,  
MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN  
ENGLISH - 9**

**NAYS - NONE**

**ENVIRONMENTAL DISPOSAL SYSTEMS, INC.**

**GARY GIUMETTI, F. LOGAN DAVIDSON AND RONALD KING  
APPEARED BEFORE THE BOARD TO DISCUSS ENVIRONMENTAL  
DISPOSAL SYSTEMS, INC.**

**CLOSED SESSION**

**By Mr. Stewart - Supported by Mr. Best**

**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:**

**CLOSED SESSION**

**YEAS - TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE,  
MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN  
ENGLISH - 9**

**NAYS - NONE**

**The Board entered into Closed Session at 1:50 P.M.**

**OPEN SESSION**

**By Mr. Best - Supported by Mr. Bandemer**

**Resolved, That the Board return to Open Session:**

**A Roll Call Vote was taken as follows:**

**YEAS - TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE,  
MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN  
ENGLISH - 9**

**NAYS - NONE**

**The Board returned to Open Session at 2:20 P.M.**

**RDD INVESTMENT CORPORATION**

**BY MR. MOORE - SUPPORTED BY MR. BEST**

**Whereas, The Board has been requested to execute an October  
26, 2006 Subscription Agreement, 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**

**RDD INVESTMENT CORPORATION**

**Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board:**

**YEAS - TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE,  
MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN  
ENGLISH - 9**

**NAYS - NONE**

**RDD INVESTMENT CORPORATION**

**THE BOARD WAS MADE AWARE OF THE EXECUTION OR  
ADOPTION, AS THE CASE MAY BE, OF THE DOCUMENTS WHICH  
ARE REFERENCED BELOW:**

**UNANIMOUS WRITTEN CONSENT OF DIRECTORS DATED  
OCTOBER 26, 2006**

**BY-LAWS OF RDD INVESTMENT CORPORATION DATED  
OCTOBER 26 ,2006**

**STOCK CERTIFICATE NO. 001 DATED OCTOBER 26, 2006**

**PF COLONNADES WEST CORPORATION**

**THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE  
2006 VIRGINIA ANNUAL REPORT DATED OCTOBER 19, 2006 BY  
AN OFFICER OF THE CORPORATION.**

**ENVIRONMENTAL DISPOSAL SYSTEMS, INC.**

**DOUG WICKLUND APPEARED BEFORE THE BOARD, DISCUSSED  
ENVIRONMENTAL DISPOSAL SYSTEMS, INC. AT LENGTH AND  
THEN EXCUSED HIMSELF.**

**▶ TRUSTEE DOYLE EXCUSED HIMSELF DURING MR. WICKLUND'S DISCUSSION.**

**▶ TRUSTEE CHRISTIAN EXCUSED HIMSELF DURING MR. WICKLUND'S DISCUSSION.**

**INCREASE OF UP TO \$92,945.90 TO EXISTING CONSTRUCTION AND PERMANENT MORTGAGE LOAN: ROMULUS DEEP DISPOSAL WELL, ROMULUS, MICHIGAN (THE "PROJECT")**

**BY MR. BEST - SUPPORTED BY MR. ORZECH**

**WHEREAS, the Board has received a request dated October 23, 2006 from Environmental Disposal Systems, Inc. ("EDS") to increase the captioned loan by up to an additional \$92,945.90 for the specific purpose of providing funding to pay certain accounts payables,**

**WHEREAS, Mr. Douglas Wicklund, President of EDS, appeared before the Board today and made several representations to the Board, including, but not limited to, stating that the requested loan proceeds would be used to pay trade creditors and essential account payables (i.e. staff payroll, security etc) whose services were necessary for (i) the continued operation of the Project through November 1, 2006, or (ii) compliance with quarterly reporting to the MDEQ.**

**WHEREAS, in response to questions, Mr. Wicklund responded that he would cooperate with the transfer of the licenses, permits and all assets of the Borrower, subject to his condition of the EDS trade payables in the amount of \$550,000.00 being paid by loan proceeds advanced to the Borrower by the Board.**

**WHEREAS, the Board has discussed this matter,**

**WHEREAS, consistent with the Board's policy regarding loan disbursements for the Project, the Board's Special Counsel shall prepare for execution by the Borrowers (as defined below) certain loan**

**INCREASE OF UP TO \$92,945.90 TO EXISTING CONSTRUCTION  
AND PERMANENT MORTGAGE LOAN: ROMULUS DEEP DISPOSAL  
WELL, ROMULUS, MICHIGAN (THE "PROJECT")**

**documents, including, but not limited to, the following documents (i) Thirteenth Modification Agreement of First Loan Documents, (ii) Eighth Modification Agreement of Second Loan Documents, and (iii) Memorandum of Modification of Mortgage relative to the captioned transaction, and**

**WHEREAS, the execution of said documents is subject to approval by the Board's Special Legal Counsel, F. Logan Davidson, and general counsel, now therefore be it**

**RESOLVED, that the Board hereby approves an additional loan increase of up to \$92,945.90 in the existing loan on the captioned project, in a manner consistent with the Board's policy regarding loan disbursements for the Project, subject to the following conditions:**

- (1) At or prior to the closing of the additional loan, EDS shall provide the Board through the Board's consultant, Mr. Gary Giumetti of McTevia & Associates, with evidence satisfactory to Mr. Giumetti as to the reason for payment and that the additional loan amount will be paid to the parties set forth on the schedule entitled "Remus Joint Venture Important Past Due Trade Accounts Payable" in such amounts as set forth on said schedule, a copy of which schedule was delivered to the Board with the October 23, 2006 letter from EDS provided such payments are deemed for essential services;**
- (2) At or prior to the closing of the additional loan, in response to the request and statements of Mr. Wicklund, EDS shall provide Mr. Giumetti with a comprehensive list of the names of and amounts owed to each creditor (the "Creditor List") for all**

**INCREASE OF UP TO \$92,945.90 TO EXISTING CONSTRUCTION  
AND PERMANENT MORTGAGE LOAN: ROMULUS DEEP DISPOSAL  
WELL, ROMULUS, MICHIGAN (THE "PROJECT")**

**accounts payable, the total amount of such Creditor List being approximately \$550,000.00, according to Mr. Wicklund;**

- (3) All transaction documents, including the loan documents and the transfer of ownership documents shall be subject to review and approval by the Board and its special legal counsel and general legal counsel; and**
- (4) There shall be no material change in the (i) representations of Mr. Wicklund, (ii) financial condition of the Borrowers or Project (iii) operation of the Project, (iv) physical condition of the Project, and (v) status of the MDEQ Licenses and/or Permits, and be it further**

**RESOLVED, that said documents be executed by two authorized signatories on behalf of the Board, and be it further**

**RESOLVED, that the sum of up to \$92,945.90, subject to the foregoing conditions, be disbursed to the parties listed on an Authorization for Disbursement of Funds signed by the Borrowers, and approved the Board's Executive Secretary, the Board's General Legal Counsel, the Board's Special Legal Counsel and by McTevia & Associates:**

**YEAS - TRUSTEES BANDEMER, BEST, MOORE, ORZECH, STEWART,  
TALABI AND CHAIRMAN ENGLISH - 7**

**NAYS - NONE**

**PUBLIC FORUM**

**AT 4:10 P.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 4:25 P.M. UNTIL THURSDAY, NOVEMBER 2, 2006, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.**

**RESPECTFULLY SUBMITTED,**

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**ASSISTANT EXECUTIVE SECRETARY**

