

MEETING NUMBER 2600

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



PROCEEDINGS HELD THURSDAY, NOVEMBER 2, 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 9:02 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

◀ TRUSTEE STEWART TEMPORARILY EXCUSED HIMSELF.

ENERGY INVESTORS FUND
USPF II INSTITUTIONAL FUND, L.P.

By Mr. Best – Supported by Mr. Bandemer

Whereas, The Board has been presented with a November 1, 2006 communication from Energy Investors Fund wherein Energy Investors Fund requests that the Board fund the Capital Call due for USPF II Institutional Fund, L.P., in the amount of **\$50,939.00**, Therefore Be It

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

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

Nays – None

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

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

RETIREMENTS

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

Nays – None

RETIREMENTS

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

**JOHN BEAMON – SERGEANT – POLICE
DUTY DISABILITY RETIREMENT
CONVERSION – NEW**

SERVICE CREDIT/EFFECTIVE DATE

25 00 00 – 11 05 06

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

**ROBERT ROZEN – OFFICER – POLICE
DUTY DISABILITY RETIREMENT
CONVERSION – NEW**

SERVICE CREDIT/EFFECTIVE DATE

25 00 00 – 12 30 06

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

**TERRILL SHAW – INVESTIGATOR – POLICE
SERVICE – NEW**

SERVICE CREDIT/EFFECTIVE DATE

28 00 05 – 12 22 06

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

**JAMES WEISS – SERGEANT – POLICE
SERVICE – NEW**

SERVICE CREDIT/EFFECTIVE DATE

33 05 03 – 11 14 06

▶▶▶ CONFIRMATIONS ◀◀◀

THE BOARD **RECEIVED** THE SUM OF **\$711,782.00** ON OCTOBER 27, 2006
FROM LIBERTY LIFE C-III

THE BOARD **RECEIVED** THE SUM OF **\$3,590.15** ON OCTOBER 30, 2006 FROM
EDMUND TILLMAN – MILITARY SERVICE CREDIT PURCHASE (30 MONTHS)

THE BOARD **RECEIVED** THE SUM OF **\$411,180.82** ON OCTOBER 31, 2006
FROM RREEF AMERICA II

▶▶▶ **CONFIRMATIONS** ◀◀◀

THE BOARD **DISBURSED** THE SUM OF **\$450,052.71** ON OCTOBER 31, 2006 TO FUND SAVANNAH RIVER - DRAW 7

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENT WHICH ARE OUTLINED ON PAGE 3 AND ABOVE BE CONFIRMED:

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

Nays – None

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 **#3216** IN THE AMOUNT OF **\$573,779.92**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Orzech 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

BILL PAYMENT REQUESTS

DOUG FREDERICK – OCTOBER 30, 2006 - \$7,056.00 – OCTOBER, 2006 COMPUTER SERVICES

BRIDGETT HARDY – OCTOBER 30, 2006 - \$3,698.40 – OCTOBER, 2006 COMPUTER SERVICES

HAL LAMKIN – OCTOBER 30, 2006 - \$5,065.76 – OCTOBER, 2006 COMPUTER SERVICES

FRANK LEARNED – OCTOBER 30, 2006 - \$4,142.39 – OCTOBER, 2006 SERVICES

ANITA LINET – OCTOBER 30, 2006 - \$3,594.45 – OCTOBER, 2006 COMPUTER SERVICES

DENNIS LINET – OCTOBER 30, 2006 - \$8,487.49 – OCTOBER, 2006 COMPUTER SERVICES

MIKE POWNING – OCTOBER 30, 2006 - \$6,268.07 – OCTOBER, 2006 COMPUTER SERVICES

SANJAY PRASAD – OCTOBER 29, 2006 - \$7,293.00 – OCTOBER, 2006 COMPUTER SERVICES

RONALD REEVES – OCTOBER 30, 2006 - \$5,280.00 – OCTOBER, 2006 COMPUTER SERVICES

RAY TCHOU – OCTOBER 30, 2006 - \$8,114.00 – OCTOBER, 2006 COMPUTER SERVICES

ED ZARZYCKI – OCTOBER 30, 2006 - \$3,900.00 – OCTOBER, 2006 COMPUTER SERVICES

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

Nays – None

◀ TRUSTEE STEWART RE-JOINED THE MEETING.

REQUEST OF RANDALL E. MCGHEE

BY MR. BANDEMER – SUPPORTED BY MR. BEST

WHEREAS, **RANDALL E. MCGHEE** HAS PRESENTED THE BOARD WITH AN OCTOBER 26, 2006 REQUEST TO CANCEL HIS SEPTEMBER 28, 2006 SERVICE RETIREMENT APPLICATION, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. MCGHEE BE **GRANTED**:

Yeas – Trustees Bandemer, Best, Christian, Doyle, Orzech
Stewart and Chairman English – 7

Nays – None

Pre-Employment Military Service Credit

By Mr. Stewart – Supported by Mr. Bandemer

Whereas, The individuals whose names are designated below have applied to this Board for Pre-Employment Military Service Credit and have complied with all of the necessary requirements of Section 54-30-3-B of the Charter Provisions, as amended by Board resolution of February 3, 1983, Therefore Be It

Resolved, That payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individuals and the number of months eligible active duty be

Pre-Employment Military Service Credit

credited them as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

Paul W. Smith – Officer – Pension Number: 184655

Yeas – Trustees Bandemer, Best, Christian, Doyle, Orzech
Stewart and Chairman English – 7

Nays – None

BILL PAYMENT REQUESTS

BY Mr. Stewart – 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

GREGORY BEST – NOVEMBER 2, 2006 - \$89.00 – PARKING RE-IMBURSEMENT

Yeas – Trustees Bandemer, Best, Christian, Doyle, Orzech
Stewart and Chairman English – 7

Nays – None

PLANTE MORAN ENGAGEMENT LETTER

BY MR. DOYLE – SUPPORTED BY MR. BEST

Whereas, The Board has been requested to execute an Engagement Letter relative to Plante Moran's audit of the System's financial statements for the year ended June 30, 2006, and

Whereas, The execution of said document has been requested by Plante Moran, 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

Resolved, That said document be executed on behalf of the System, and be it further

Resolved, That the executed original document be forwarded to Plante Moran, and be it further

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

Yeas – Trustees Bandemer, Best, Christian, Doyle, Orzech
Stewart and Chairman English – 7

Nays – None

■ TRUSTEE MOORE ENTERED THE MEETING.

■ SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

■ TRUSTEE MILTON ENTERED THE MEETING.

■ TRUSTEE BEASLEY ENTERED THE MEETING.

DETROIT POLICE BENEFIT & PROTECTIVE ASSOCIATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A NOVEMBER 2, 2006 COMMUNICATION FROM THE DETROIT POLICE BENEFIT AND PROTECTIVE ASSOCIATION WHEREIN THE ASSOCIATION REQUESTS THAT THE BOARD PROVIDE THE ASSOCIATION WITH CERTAIN INFORMATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF THE ASSOCIATION WITH LEGAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE ASSOCIATION PROVIDE THE BOARD WITH THE NAMES OF THEIR MEMBERS AND THE REQUESTED INFORMATION WILL BE PROVIDED FOR THOSE INDIVIDUALS, AND BE IT FURTHER

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

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, MILTON, ORZECH,
STEWART AND CHAIRMAN ENGLISH – 7

NAYS – TRUSTEES CHRISTIAN, DOYLE AND MOORE – 3

■ TRUSTEE TALABI ENTERED THE MEETING.

RED RIVER
CASH REQUIREMENTS OF THE SYSTEM

RICK HUDDLESTON, THE BOARD'S INVESTMENT ANALYST, DISCUSSED MMA'S RED RIVER CONSTRUCTION LOAN AND THE SYSTEM'S CASH REQUIREMENTS AT LENGTH.

Red River Construction Loan

By Mr. Best – Supported by Mr. Bandemer

WHEREAS, the Board, by prior action, acquired a construction loan from MMA generally known as Red River, and

WHEREAS, staff previously advised the Board that the System has fallen below its policy amount for the minimum liquidity to be maintained, and

WHEREAS, the Board is in receipt of an offer to purchase up to half of the Red River loan from the General Retirement System of the City of Detroit (DGRS), and

WHEREAS, the Board has discussed this matter with staff on this date, and

WHEREAS, the Board has taken under advisement the recommendation of its general counsel, therefore be it

RESOLVED, the Board accept the offer of DGRS to purchase half of the Red River loan:

YEAS – TRUSTEES BEST, ORZECH AND CHAIRMAN ENGLISH – 3

NAYS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, MOORE, STEWART AND TALABI – 8

Red River Construction Loan

BY MR. STEWART SUPPORTED BY MR. BANDEMER

WHEREAS, the Board desires to retain the Red River loan in its construction loan portfolio, and

WHEREAS, the Board has held extensive discussions on this date with staff with respect to how the return on the Red River loan compares to the current yield on the System's fixed income accounts, therefore be it

RESOLVED, that \$23,750,000.00 be immediately withdrawn from the convertible bond account managed by Advent, account number 591330:

Red River Construction Loan

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

NAYS – NONE

Cash Requirements of the System

By Mr. Moore – Supported by Mr. Best

WHEREAS, staff has advised the Board that the balance in the liquid reserve account has fallen below the minimum amount to be maintained pursuant to Board policy, and

WHEREAS, the Board has discussed with staff on this date the cash requirements of the System through December 31, 2006, therefore be it

RESOLVED, that staff be directed to submit its report to North Point Advisors, the Board's retained consultant, for a recommendation as to how to raise the funds to replenish the liquid reserve account and fund the benefits and expenses of the system through December 31, 2006.

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

NAYS – NONE

Idlewylde 2007 Budget

By Mr. Stewart – Supported by Mr. Bandemer

WHEREAS, Associated Estates Realty Corporation (AEC) is the joint venture partner in the real estate development generally known as Idlewylde, and

WHEREAS, AEC has prepared and submitted a proposed budget for the Idlewylde development for the year ended December 31, 2007, and

WHEREAS, the Board has engaged Banyan Advisors as its advisor with respect to the Idlewylde development, therefore be it

Idlewylde 2007 Budget

RESOLVED, that the proposed budget for the Idlewylde development for the year ended December 31, 2007 prepared by AEC be referred to Banyan for review and recommendation:

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

NAYS – NONE

■ TRUSTEES MILTON AND BEASLEY TEMPORARILY EXCUSED THEMSELVES.

ONYX CAPITAL

ROY DIXON AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED ONYX CAPITAL ADVISORY FUND I, L.P. AND THEN EXCUSED THEMSELVES.

■ TRUSTEE MILTON RE-JOINED THE MEETING.

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

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

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

MARTENS, ICE, KLASS, LEGGHIO & ISRAEL, P.C. – NOVEMBER 1, 2006 - \$4,244.35 – LEGAL SERVICES – FEBRUARY THROUGH SEPTEMBER, 2005 – 11-12 MEMBER BOARD LITIGATION

BILL PAYMENT REQUESTS

MARTENS, ICE, KLASS, LEGGHIO & ISRAEL, P.C. – NOVEMBER 1, 2006 -
\$30,915.44 – LEGAL SERVICES – FEBRUARY THROUGH SEPTEMBER, 2005 –
AMORTIZATION LITIGATION

MARTENS, ICE, KLASS, LEGGHIO & ISRAEL, P.C. – NOVEMBER 1, 2006 -
\$8,300.13 – LEGAL SERVICES – FEBRUARY THROUGH SEPTEMBER, 2005 – 2001
CITY CONTRIBUTIONS DUE THE SYSTEM LITIGATION

MARTENS, ICE, KLASS, LEGGHIO & ISRAEL, P.C. – NOVEMBER 1, 2006 -
\$23,033.91 – LEGAL SERVICES – FEBRUARY THROUGH SEPTEMBER, 2005 –
2004 CITY CONTRIBUTIONS DUE THE SYSTEM LITIGATION

■ TRUSTEE BEASLEY RE-JOINED THE MEETING.

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

NAYS – NONE

MMA FINANCIAL HOLDINGS, INC. (FMH)

BY MR. DOYLE – SUPPORTED BY MR. ORZECH

Whereas, The Board has been requested to execute an Acknowledgement Letter dated **October 31, 2006** which references the **\$50,000,000.00** Letter of Credit, re: Wachovia Permanent Repurchase Facility and **\$50,000,000.00** Letter of Credit, and

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

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

MMA FINANCIAL HOLDINGS, INC. (FMH)

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

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

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

NAYS – NONE

IIEF FIFTH ANNUAL CONFERENCE
NEW YORK, NEW YORK
NOVEMBER 30, 2006 – DECEMBER 3, 2006

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD PREVIOUSLY APPROVED THE ATTENDANCE OF ALL TRUSTEES, THE EXECUTIVE SECRETARY AND THE ASSISTANT EXECUTIVE SECRETARY AT THE ABOVE-REFERENCED CONFERENCE, AND

WHEREAS, THE BOARD REQUESTS THE ATTENDANCE OF ITS GENERAL COUNSEL AT SAID CONFERENCE, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVE EXPENSE REIMBURSEMENT FOR COSTS OF GENERAL COUNSEL TO ATTEND SAID CONFERENCE:

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

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING MMA'S RED RIVER CONSTRUCTION LOAN, GERALDINE SMITH AND I-CAP/PRONOUS.

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

RON KING AND F. LOGAN DAVIDSON APPEARED BEFORE THE BOARD TO DISCUSS ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

CLOSED SESSION

By Mr. Christian – Supported by Mr. Stewart

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, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 11

NAYS – NONE

The Board entered into Closed Session at 11:37 A.M.

GARY GIUMETTI ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

By Mr. Doyle – Supported by Mr. Bandemer

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at 12:31 P.M.

■ TRUSTEE CHRISTIAN EXCUSED HIMSELF.

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
AUTHORITY TO TRANSFER FACILITY ASSETS AND OBTAIN PROPOSALS

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) is the lender of an approximately \$40,000,000 loan to Environmental Disposal Services, Inc (“EDS”), Romulus Deep Disposal Limited Partnership (“Romulus”) and Remus Joint Venture (“Remus”) (collectively EDS, Romulus and Remus shall be referred to hereinafter as, the “Borrowers”) and such loan proceeds funded, among other things, the land acquisition, construction and operation of a deep disposal waste treatment facility (the “Facility”), and

WHEREAS, the Lender has security interests of the Borrowers, and

WHEREAS, on October 26, 2006, Mr. Douglas Wicklund, the president and CEO of EDS, on behalf of the Borrowers appeared before the Board and subsequently (i) acknowledged numerous uncured defaults under the loan documents, including, but not limited to, various Michigan Department of Environmental Quality (“MDEQ”) violations at the Facility, and (ii) offered the Board a voluntary and orderly transition of the Facility to the Board or the Board’s Designee, including the transfer of the real property, MDEQ licenses and permits (the “MDEQ Licenses”), and all of Borrowers personal property germane to the operation of the Facility, and

WHEREAS, the Board has a fiduciary duty to act to preserve assets of the Retirement System, and

WHEREAS, in preparation for the transition of the Facility to the Board’s designee, Special Legal Counsel has formed RDD Investment Corp, a Michigan corporation (“RDD”), and such other entities as required to protect the Retirement System’s interests will be formed by Special Legal Counsel, and

WHEREAS, the Board has been advised by its Transition Committee today of the status of these matters, and

WHEREAS, the Board has been advised by its counsel in closed session and considered this matter as indicated in the open session, **THEREFORE BE IT**

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
AUTHORITY TO TRANSFER FACILITY ASSETS AND OBTAIN PROPOSALS

RESOLVED, that the Board hereby approves and/or authorizes the following:

1. The transfer all of all of Borrowers' right title and interest in the Facility, the MDEQ Licenses, as well as Borrowers' personal property germane to the operation of the Facility (the "Facility Transfer") from Borrowers to RDD, or any designee of RDD, as recommended by the Transition Committee and approved by General Counsel.
2. RDD, through Gary Giumetti of McTevia & Associates (the Board's Monitor), to immediately contact each individual known to the Board's Monitor as a party interested in either operating or purchasing the Facility and inform each individual to submit to the Board a written proposal for consideration by the Board prior to November 9, 2006, the next board meeting date.
3. The Board and RDD are each authorized to execute any transfer documents required to effectuate the Facility Transfer, subject to the approval of the Board's Special Legal Counsel and the Board's General Counsel, and be it further

RESOLVED, that any applicable documents be executed by two authorized signatories on behalf of the Board, and

RESOLVED, that the Transition Committee arrange for other appropriate signatories of other entities referenced above, and be it further

RESOLVED, that a copy of this resolution shall be provided to the Board's Special Legal Counsel, the Board's Monitor and Clark Hill PLC:

BY MR. MOORE – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE ABOVE-STATED MOTION BE AMENDED TO INCLUDE THE PROVISIO THAT MR. WICKLUND EXECUTE ALL REQUIRED TRANSACTION DOCUMENTS, INCLUDING THE LOAN AND TRANSFER OF OWNERSHIP DOCUMENTS PRIOR TO CONDITIONS 1, 2 AND 3 (ABOVE) BEING EFFECTUATED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
AUTHORITY TO TRANSFER FACILITY ASSETS AND OBTAIN PROPOSALS

YEAS – TRUSTEES BEST, MOORE, ORZECH, TALABI AND CHAIRMAN
ENGLISH – 5

NAYS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MILTON AND STEWART – 5

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
AUTHORITY TO TRANSFER FACILITY ASSETS AND OBTAIN PROPOSALS

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) is the lender of an approximately \$40,000,000 loan to Environmental Disposal Services, Inc (“EDS”), Romulus Deep Disposal Limited Partnership (“Romulus”) and Remus Joint Venture (“Remus”) (collectively EDS, Romulus and Remus shall be referred to hereinafter as, the “Borrowers”) and such loan proceeds funded, among other things, the land acquisition, construction and operation of a deep disposal waste treatment facility (the “Facility”), and

WHEREAS, the Lender has security interests of the Borrowers, and

WHEREAS, on October 26, 2006, Mr. Douglas Wicklund, the president and CEO of EDS, on behalf of the Borrowers appeared before the Board and subsequently (i) acknowledged numerous uncured defaults under the loan documents, including, but not limited to, various Michigan Department of Environmental Quality (“MDEQ”) violations at the Facility, and (ii) offered the Board a voluntary and orderly transition of the Facility to the Board or the Board’s Designee, including the transfer of the real property, MDEQ licenses and permits (the “MDEQ Licenses”), and all of Borrowers personal property germane to the operation of the Facility, and

WHEREAS, the Board has a fiduciary duty to act to preserve assets of the Retirement System, and

WHEREAS, in preparation for the transition of the Facility to the Board’s designee, Special Legal Counsel has formed RDD Investment Corp, a Michigan corporation (“RDD”), and such other entities as required to protect the Retirement System’s interests will be formed by Special Legal Counsel, and

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
AUTHORITY TO TRANSFER FACILITY ASSETS AND OBTAIN PROPOSALS

WHEREAS, the Board has been advised by its Transition Committee today of the status of these matters, and

WHEREAS, the Board has been advised by its counsel in closed session and considered this matter as indicated in the open session, **THEREFORE BE IT**

RESOLVED, that the Board hereby approves and/or authorizes the following:

1. The transfer all of all of Borrowers' right title and interest in the Facility, the MDEQ Licenses, as well as Borrowers' personal property germane to the operation of the Facility (the "Facility Transfer") from Borrowers to RDD, or any designee of RDD, as recommended by the Transition Committee and approved by General Counsel.
2. RDD, through Gary Giumetti of McTevia & Associates (the Board's Monitor), to immediately contact each individual known to the Board's Monitor as a party interested in either operating or purchasing the Facility and inform each individual to submit to the Board a written proposal for consideration by the Board prior to November 9, 2006, the next board meeting date.
3. The Board and RDD are each authorized to execute any transfer documents required to effectuate the Facility Transfer, subject to the approval of the Board's Special Legal Counsel and the Board's General Counsel, and be it further

RESOLVED, that any applicable documents be executed by two authorized signatories on behalf of the Board, and

RESOLVED, that the Transition Committee arrange for other appropriate signatories of other entities referenced above, and be it further

RESOLVED, that a copy of this resolution shall be provided to the Board's Special Legal Counsel, the Board's Monitor and Clark Hill PLC:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
PAYMENT OF TRADE CREDITOR PAYABLES

BY MR. DOYLE – SUPPORTED BY MR. BEASLEY

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) is the lender of an approximately \$40,000,000 loan to Environmental Disposal Services, Inc (“EDS”), Romulus Deep Disposal Limited Partnership (“Romulus”) and Remus Joint Venture (“Remus”) (collectively EDS, Romulus and Remus shall be referred to hereinafter as, the “Borrowers”) and such loan proceeds funded, among other things, the land acquisition, construction and operation of a deep disposal waste treatment facility (the “Facility”), and

WHEREAS, on October 26, 2006, Mr. Douglas Wicklund, the president and CEO of EDS, on behalf of the Borrowers appeared before the Board and subsequently (i) acknowledged numerous uncured defaults under the loan documents, including, but not limited to, various Michigan Department of Environmental Quality (“MDEQ”) violations at the Facility, and (ii) offered the Board a voluntary and orderly transition of the Facility to the Board or the Board’s Designee, including the transfer of the real property, MDEQ licenses and permits (the “MDEQ Licenses”) and all of Borrowers personal property germane to the operation of the Facility in exchange for the Board, or the Board’s designee, reimbursing Mr. Wicklund, individually, for any sums Mr. Wicklund becomes obligated to and does in fact become obligated to personally pay to any third party trade creditors as identified to pursuant to a schedule of trade creditors submitted to the Retirement System; provided, however, the maximum amount of total reimbursements shall not exceed Three Hundred Thousand Dollars (\$300,000) (the “Trade Creditors Payment”), and

WHEREAS, in preparation for the transition of the Facility to the Board’s designee, Special Legal Counsel has formed RDD Investment Corp, a Michigan corporation (“RDD”), and

WHEREAS, the Board has been advised by its Transition Committee today of the status of this matter, and

WHEREAS, the Board has been advised by its counsel in closed session and considered this matter as indicated in open session, **THEREFORE BE IT**

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
PAYMENT OF TRADE CREDITOR PAYABLES

RESOLVED, that the Board hereby approves:

The preparation of the transfer documents required by the Transition Committee, subject to approval by the Board's Special Legal Counsel and the Board's General Counsel, and concurrence by the Transition Committee that the Borrowers and Mr. Wicklund have met all conditions in the transfer documents, the Board agrees to pay the Trade Creditors Payment, and be it further

RESOLVED, that said documents be executed by two authorized signatories on behalf of the Retirement System, subject to the approval of the Board's Special Legal Counsel and the Board's General Counsel, and be it further

RESOLVED, that a copy of this resolution shall be provided to the Board's Special Legal Counsel, the Board's Monitor and Clark Hill PLC:

YEAS – TRUSTEES BEASLEY, BEST, DOYLE, MILTON, MOORE, ORZECH,
TALABI AND CHAIRMAN ENGLISH – 10

NAYS – TRUSTEES BANDEMER AND STEWART – 2

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
DISBURSEMENT OF FUNDS FOR PAYMENT OF ESSENTIAL SERVICES

BY MR. BEASLEY – SUPPORTED BY MR. STEWART

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") is the lender of an approximately \$40,000,000 loan to Environmental Disposal Services, Inc ("EDS"), Romulus Deep Disposal Limited Partnership ("Romulus") and Remus Joint Venture ("Remus") (collectively EDS, Romulus and Remus shall be referred to hereinafter as, the "Borrowers") and such loan proceeds funded, among other things, the land acquisition, construction and operation of a deep disposal waste treatment facility (the "Facility"), and

WHEREAS, on October 26, 2006, Mr. Douglas Wicklund, the president and CEO of EDS, on behalf of the Borrowers appeared before the Board and subsequently (i) acknowledged numerous uncured defaults under the loan documents, including, but not limited to, various Michigan

ENVIRONMENTAL DISPOSAL SERVICES (EDS)
DISBURSEMENT OF FUNDS FOR PAYMENT OF ESSENTIAL SERVICES

Department of Environmental Quality (“MDEQ”) violations at the Facility, and (ii) offered the Board a voluntary and orderly transition of the Facility to the Board or the Board’s Designee, including the transfer of the real property, MDEQ licenses and permits (the “MDEQ Licenses”) and all of Borrowers personal property germane to the operation of the Facility, and

WHEREAS, in preparation for the transition of the Facility to the Board’s designee, Special Legal Counsel has formed RDD Investment Corp., a Michigan corporation (“RDD”), and

WHEREAS, the Board has been advised by its Transition Committee today of the status of this matter, and

WHEREAS, the Board has been advised by its counsel in closed session and considered this matter in open session, **THEREFORE BE IT**

RESOLVED, that the Board hereby approves a One Hundred Fifty Thousand Dollar (\$150,000) disbursement in the form of a loan or capitalization to RDD to fund the payment of essential expenses required to obtain the MDEQ approval of the transfer of the MDEQ Licenses, as delineated by the Transition Committee, and be it further

RESOLVED, that two authorized signatories of the Board are authorized to execute any documents required to effectuate the aforementioned disbursement, subject to the approval of the Board’s Special Legal Counsel and the Board’s General Counsel, and be it further

RESOLVED, that a copy of this resolution shall be provided to the Board’s Special Legal Counsel, the Board’s Monitor and Clark Hill PLC:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

HSBC INVESTMENTS (USA), INC.

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Whereas, The Board has been requested to execute an Acknowledgement Letter dated November 2, 2006 regarding authorization of Data Feed relative to the aforesaid transaction, 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

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, DOYLE, MILTON, MOORE,
ORZECZ, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

HGK ASSET MANAGEMENT, INC.

BY MR. BEASLEY – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT ARTHUR COIA, II AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (TO DETAIL VALUE EQUITY, CORE FIXED INCOME AND INTERNATIONAL EQUITY INVESTING) PURPOSES:

HGK ASSET MANAGEMENT, INC.

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

\$10,000,000.00 PRONOUS OFF-SHORE FUND, LTD. INVESTMENT

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE “BOARD”) PREVIOUSLY APPROVED THE ABOVE-REFERENCED INVESTMENT, SUBJECT TO A FAVORABLE DUE DILIGENCE REPORT FROM ADRIAN ANDERSON OF NORTH POINT ADVISORS (THE “BOARD’S ADVISOR”) AND A LEGAL REVIEW FROM JOE TURNER OF CLARK HILL, PLC (THE “BOARD’S SPECIAL LEGAL COUNSEL”), AND

WHEREAS, THE BOARD’S ADVISOR HAS SUBMITTED A DUE DILIGENCE REPORT DATED OCTOBER 25, 2006 WHICH IS ACCEPTABLE TO THE BOARD, AND

WHEREAS, THE BOARD’S SPECIAL LEGAL COUNSEL HAS INDICATED HIS APPROVAL OF THE DOCUMENTATION, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE SIGNING OF THE FOLLOWING CLOSING DOCUMENTS (THE CLOSING DOCUMENTS) WHICH INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

SUBSCRIPTION DOCUMENT; AND
SIDE LETTER

AND BE IT FURTHER

RESOLVED, THAT THE BOARD AUTHORIZES ITS SIGNATORIES TO EXECUTE AND DELIVER THE CLOSING DOCUMENTS AND ANY DOCUMENTATION REQUIRED BY THE BOARD’S GENERAL COUNSEL AND THE BOARD’S SPECIAL LEGAL COUNSEL TO CONSUMMATE THE CLOSING ON THE INVESTMENT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PROJECT SPONSOR, THE BOARD’S ADVISOR AND THE BOARD’S SPECIAL LEGAL COUNSEL:

\$10,000,000.00 PRONOUS OFF-SHORE FUND, LTD. INVESTMENT

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

ONYX CAPITAL

BY MR. BEASLEY – SUPPORTED BY MS. TALABI

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

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

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

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

MARWOOD ALTERNATIVE ASSET MANAGEMENT

BY MR. MOORE – SUPPORTED BY MR. STEWART

RESOLVED, THAT ANDREW HUGHES AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (TO DETAIL HEDGE FUND INVESTING) PURPOSES:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

LUNCH PROVISIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD HAS IDENTIFIED A NEED FOR LUNCH TO BE PROVIDED ON ALL MEETING DATES REGARDLESS OF THE SCHEDULED AGENDA, THEREFORE BE IT

RESOLVED, THAT STAFF WILL ENSURE THAT LUNCH IS SCHEDULED TO BE PROVIDED ON ALL MEETING DATES:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE, STEWART AND TALABI – 8

NAYS – TRUSTEES ORZECZ AND CHAIRMAN ENGLISH – 2

ITS Staff Request for Overtime

By Mr. Moore – Supported by Mr. Best

WHEREAS, on this date, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit approved the request of the Benefits Division to provide IT expertise to aid in setting up the computer design for the Benefits Module of DHRMS, and

WHEREAS, the IT staff has informed the Board the time involved on the project could total between 20 -30 hours per week for the group, and

WHEREAS, the IT staff requests that all time spent on the Benefits Module of the DHRMS project be performed during overtime hours, and

WHEREAS, the Board has discussed this matter, therefore be it

ITS Staff Request for Overtime

RESOLVED, that the Board Approve the request of the IT staff for overtime hours.

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

Red River Construction Loan

By Mr. Bandemer – Supported by Mr. Stewart

Resolved, That the Board table its motion of this date (page 11) to immediately withdraw \$23,750,000.00 from Advent's convertible bond account, per the recommendation of its advisor, North Point Advisors:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

PUBLIC FORUM

AT 3:40 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 3:50 P.M. UNTIL THURSDAY, NOVEMBER 9, 2006, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

