

MEETING NUMBER 2610

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



**PROCEEDINGS HELD THURSDAY, JANUARY 11, 2007
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

EXCUSED

Richard Huddleston Investment Analyst

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.

MILLER JACOBS/THE ACADIA CLO, LTD.

By Mr. Orzech – Supported by Mr. Bandemer

Whereas, The Board has been presented with a January 10, 2007 communication from Miller & Jacobs wherein Miller & Jacobs requests that the Board fund its investment commitment for the Acadia CLO, Ltd. fund in the amount of \$20,000,000.00, 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, Doyle, Moore, Orzech, Stewart and

Chairman English – 7

Nays – None

MMA REALTY CAPITAL/LAFER BUILDING

By Mr. Orzech – Supported by Mr. Bandemer

Whereas, The Board has been presented with a January 8, 2007 communication from MMA Realty Capital wherein MMA requests that the Board fund "Draw 1" for the Lafer Building in the amount of \$399,719.58, Therefore Be It

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

MMA REALTY CAPITAL/LAFER BUILDING

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

Nays – None

RETIREMENTS

By Mr. Stewart – Supported by Mr. Bandemer

Resolved, That the retirement applications which are referenced below be approved:

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

Nays – None

RETIREMENTS

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

**EARL SCOTT – OFFICER - POLICE
DUTY DISABILITY RETIREMENT
CONVERSION - NEW**

SERVICE CREDIT/EFFECTIVE DATE

25 00 00 – 12 17 06

NAME, TITLE, DEPARTMENT

**RONALD HADDAD – DEPUTY CHIEF -
POLICE**

RETIREMENT, PLAN

SERVICE – NEW

SERVICE CREDIT/EFFECTIVE DATE

33 04 11 – 01 06 07

NAME, TITLE, DEPARTMENT	SIDNEY FARRIS – COMMUNICATIONS OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	35 00 03 – 02 02 07

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

Resolved, That the receipt which is out lined below be confirmed:

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

Nays – None

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF \$74,008.69 ON JANUARY 8, 2007 FROM INLAND'S RETAIL TRUST – DECEMBER, '06 DISTRIBUTION

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

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 #3222 IN THE AMOUNT OF \$1,333,943.51, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

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

Nays – None

► **EX/OFFICIO TRUSTEE MILTON ENTERED 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

ADP – DECEMBER 29, 2006 - \$336.14 – POLICE AND FIRE PORTION OF \$672.27 – OFFICE SUPPLIES

ADP – DECEMBER 22, 2006 - \$103.84 – POLICE AND FIRE PORTION OF \$207.67 – OFFICE SUPPLIES

ADP – DECEMBER 15, 2006 - \$103.69 – POLICE AND FIRE PORTION OF \$207.37 – OFFICE SUPPLIES

ASPEN PUBLISHING – DECEMBER 21, 2006 - \$122.34 – POLICE AND FIRE PORTION OF \$244.68 – OFFICE SUPPLIES

DELL MARKETING – DECEMBER 31 ,2006 - \$506.50 – POLICE AND
FIRE PORTION OF \$1,013.00 – CONTRACT/MISCELLANEOUS
SERVICES

BILL PAYMENT REQUESTS

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

DELL MARKETING – DECEMBER 21, 2006 - \$89.50 POLICE AND FIRE
PORTION OF \$179.00 – CONTRACT/MISCELLANEOUS SERVICES

ENGLISH, FRANK – JANUARY 11, 2007 - \$225.00 – PARKING
REIMBURSEMENT

GABRIEL, ROEDER, SMITH & COMPANY – JANUARY 4, 2007 -
\$4,500.00 – JANUARY, 2007 SERVICES

IRON MOUNTAIN – DECEMBER 29, 2006 - \$655.13 – POLICE AND
FIRE PORTION OF \$1,310.26 – OFFICE SUPPLIES

IRON MOUNTAIN – DECEMBER 29, 2006 - \$69.68 – POLICE AND
FIRE PORTION OF \$139.35 – OFFICE SUPPLIES

O’CONNOR, TAMARA – JANUARY 2, 2007 - \$321.00 – TRANSCRIPT
PREPARATION FOR CANDICE PETERS DISABILITY RETIREMENT
REVIEW BOARD

OFFICE DEPOT – DECEMBER 14, 2006 - \$232.43 – POLICE AND FIRE
PORTION OF \$464.85 – OFFICE SUPPLIES

PLASTIC BINDING & LAMINATING – DECEMBER 7, 2006 - \$212.02 –
POLICE AND FIRE PORTION OF \$424.04 – ELECTRIC PUNCH

**WALKER, LAWRENCE – JANUARY 1, 2007 - \$2,959.50 – POLICE
AND FIRE PORTION OF \$7,322.76 – DECEMBER, 2006 SERVICES**

BILL PAYMENT REQUESTS

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

**WALL STREET JOURNAL – JANUARY 8 ,2007 - \$197.50 – POLICE
AND FIRE PORTION OF \$395.00 – 2-YEAR SUBSCRIPTION FEE**

**Yeas – Trustees Bandemer, Best, Doyle, Milton, Moore,
Orzech,
Stewart and Chairman English – 8**

Nays – None

**CLARK ET AL & RETIRED POLICE & FIREFIGHTERS' ASSOCIATION ET AL VERSUS
THE CITY OF DETROIT BOARD OF TRUSTEES ET AL WAYNE CIRCUIT CASE
NO. 82-235598-CL**

By Mr. Orzech – Supported by Mr. Bandemer

**Resolved, That all petitions of said pre-July 1, 1983 and pre-July
1, 1986 (as applicable) Option II and Option III retirants, whose
beneficiaries pre-deceased the retirants, for adjustment of
retirement benefits to a Straight Life retirement be granted
effective the first day of the month following the date of
application and procedures be followed otherwise identical to
the processing and computation for adjustments made to
divorced Option II and Option III retirants pursuant to domestic
relations court orders:**

Ralph Sheiring

Beneficiary Date of Death: November 25, 2006

Application Filed: December 8 ,2006

**Yeas – Trustees Bandemer, Best, Doyle, Milton, Moore,
Orzech,
Stewart and Chairman English – 8**

Nays – None

WASHINGTON PLAZA

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

**WHEREAS, BANYAN REALTY ADVISORS HAS PRESENTED THE BOARD WITH A
JANUARY 8, 2007 COMMUNICATION WHEREIN BANYAN REQUESTS THAT THE
BOARD ACCEPT AND APPROVE THE RECOMMENDATION WHICH IS
REFERENCED BELOW RELATIVE TO THE ABOVE-CAPTIONED MATTER, AND**

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

**RESOLVED, THAT THE BOARD ACCEPT AND APPROVE SAID
RECOMMENDATION, AND BE IT FURTHER**

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN
REALTY ADVISORS AND THE REZNICK GROUP:**

RECOMMENDATION

**ENGAGE THE REZNICK GROUP
TO PERFORM 2006 AUDITING
SERVICES RELATING TO
WASHINGTON PLAZA**

**Yeas – Trustees Bandemer, Best, Doyle, Milton, Moore,
Orzech,
Stewart and Chairman English – 8**

Nays – None

IDLEWYLDE APARTMENTS

BY MR. DOYLE – SUPPORTED BY MR. MOORE

RESOLVED, THAT BANYAN REALTY ADVISORS OBTAIN A CURRENT APPRAISAL OF THE IDLEWYLDE APARTMENTS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN REALTY ADVISORS:

Yeas – Trustees Bandemer, Best, Doyle, Milton, Moore, Orzech,
Stewart and Chairman English – 8

Nays – None

**ADDENDUM TO AGREEMENT DATED DECEMBER 10, 1997
AMENDMENT #1 TO CONTRACT – BRIDGETT R. HARDY**

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE INDEPENDENT SERVICES CONTRACT OF BRIDGETT R. HARDY FOR COMPUTER CONSULTING SERVICES TO THE RETIREMENT SYSTEMS OF THE CITY OF DETROIT BE HEREBY APPROVED AS AMENDMENT #1 TO THE AGREEMENT DATED DECEMBER 10, 1997 EFFECTIVE JANUARY 16, 2007 AND EXPIRING AT MIDNIGHT JANUARY 31, 2008, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BRIDGETT R. HARDY:

**Yeas – Trustees Bandemer, Best, Doyle, Milton, Moore, Orzech,
Stewart and Chairman English – 8**

Nays – None

- ▶ **EX/OFFICIO TRUSTEE GARY CHRISTIAN ENTERED THE MEETING.**
- ▶ **EX/OFFICIO TRUSTEE JEFFREY BEASLEY ENTERED THE MEETING.**
- ▶ **TRUSTEE ALBERTA TALABI ENTERED THE MEETING.**

PAYDEN & RYGEL

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD MAINTAINS A MINIMUM CASH POSITION WITHIN THE PAYDEN & RYGEL ACCOUNT (THE PLAN'S CASH MANAGER) OF \$50,000,000.00, AND

WHEREAS, THE BOARD REALIZES THAT THERE ARE OVER-WEIGHTS IN THE BOARD'S DOMESTIC LARGE-CAP PORTFOLIO, THEREFORE BE IT

RESOLVED, THAT \$20,000,000.00 BE TRANSFERRED FROM THE MERRILL LYNCH S & P 500 ACCOUNT TO THE PAYDEN & RYGEL ACCOUNT, AND BE IT FURTHER

RESOLVED, THAT \$20,000,000.00 BE TRANSFERRED FROM THE RHUMLINE LARGE-VALUE ACCOUNT TO THE PAYDEN & RYGEL ACCOUNT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PAYDEN & RYGEL, MERRILL LYNCH AND RHUMLINE:

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

NAYS – NONE

MAYFIELD GENTRY REALTY ADVISORS

ALICIA DIAZ AND TWO ASSOCIATES APPEARED BEFORE THE BOARD AND DISCUSSED, AMONG OTHER MATTERS, 200 SOUTH TRYON AND 500 WOODWARD AVENUE.

CHAUNCEY MAYFIELD ENTERED THE MEETING DURING MS. DIAZ' DISCUSSION.

PRIOR TO EXCUSING THEMSELVES MR. MAYFIELD, MS. DIAZ AND THEIR ASSOCIATES DISCUSSED THE FLORIDA SHOPPING MALL AND THE OAK GROVE AND DUBLIN PLACE SHOPPING CENTERS.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING WATERMARK, THE FOIA REQUEST OF THE DETROIT NEWS, THE BEHRINGER HARVARD REIT, MARVELL TECHNOLOGY'S JANUARY 26, 2007 MEDIATION HEARING IN SAN FRANCISCO (WHICH SHOULD BE POLICE AND FIRE BOARD-REPRESENTED), ACT 314 AND MICHAEL HOCKENBERRY.

▶ TRUSTEE CHRISTIAN TEMPORARILY EXCUSED HIMSELF.

**MICHIGAN FREEDOM OF INFORMATION ACT REQUEST DATED
DECEMBER 20, 2006 – DETROIT NEWS**

LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A COPY OF A JANUARY 4, 2007 COMMUNICATION TO THE DETROIT NEWS REGARDING THE ABOVE-CAPTIONED MATTER.

▶ TRUSTEE CHRISTIAN RE-JOINED THE MEETING.

**NORTH STAR FINANCIAL PARTNERS
BEHRINGER HARVARD REIT I
\$10,000,000.00 PROPOSED INVESTMENT**

BY MR. MOORE – SUPPORTED BY MR. BEASLEY

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, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE THE CLOSING DOCUMENTS, AND

WHEREAS, THE BOARD’S GENERAL COUNSEL AND SPECIAL LEGAL COUNSEL HAVE REVIEWED THE CLOSING DOCUMENTS, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE SIGNING OF THE CLOSING DOCUMENTS (THE CLOSING DOCUMENTS) SUBJECT TO FINAL APPROVAL BY GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT THE CLOSING DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO:

**SUBSCRIPTION AGREEMENT
SUBSCRIPTION AGREEMENT SUPPLEMENT
TRUSTEE CERTIFICATION, AND BE IT FURTHER**

RESOLVED, THAT THE BOARD AUTHORIZES ITS SIGNATORIES TO EXECUTE AND ARRANGE FOR DELIVERY OF THE CLOSING DOCUMENTS AND ANY DOCUMENTATION REQUIRED BY THE BOARD’S GENERAL COUNSEL AND THE BOARD’S SPECIAL

**NORTH STAR FINANCIAL PARTNERS
BEHRINGER HARVARD REIT I**

\$10,000,000.00 PROPOSED INVESTMENT

LEGAL COUNSEL REGARDING THE COMPLETION OF THIS INVESTMENT, AND BE IT FURTHER

RESOLVED, THAT THE FUNDS BE WIRE-TRANSFERRED SUBJECT TO THE ESTABLISHED APPROVED PROCEDURES WHICH REQUIRE THE APPROVAL OF GENERAL COUNSEL AND THE EXECUTIVE SECRETARY, 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:

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

NAYS – NONE

MICHAEL J. HOCKENBERRY, II

BY MR. ORZECH – SUPPORTED BY MR. DOYLE

WHEREAS, MICHAEL J. HOCKENBERRY, II WAS INJURED ON MAY 1, 2005, WAS GRANTED WORKER'S COMPENSATION BENEFITS BY THE EMPLOYER EFFECTIVE JULY 1, 2005, APPLIED FOR DUTY DISABILITY RETIREMENT PER APPLICATION DATED SEPTEMBER 25, 2006 AND WAS APPROVED FOR DUTY DISABILITY PER RESOLUTION OF THE BOARD ON DECEMBER 21, 2006, AND

WHEREAS, RETIREMENT STAFF HAVE REQUESTED CLARIFICATION REGARDING THE EFFECTIVE DATE OF DUTY DISABILITY OF MR. HOCKENBERRY, AND

MICHAEL J. HOCKENBERRY, II

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH ITS GENERAL COUNSEL, AND

WHEREAS, THE OFFSET PROVISION IS APPLICABLE TO THIS MATTER,
THEREFORE BE IT

RESOLVED, THAT MR. HOCKENBERRY'S DUTY DISABILITY RETIREMENT
EFFECTIVE DATE IS THE DAY FOLLOWING HIS LAST DAY OF ACTIVE PAYROLL,
AND BE IT FURTHER

RESOLVED, THAT PAYMENT OF HIS DUTY DISABILITY RETIREMENT BENEFITS BE
REDUCED BY THE AMOUNT OF WORKER'S COMPENSATION PAID TO MR.
HOCKENBERRY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MICHAEL
J. HOCKENBERRY, II:

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

NAYS – NONE

DRRB OF JAMES MARTIN

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

RESOLVED THAT THE BOARD'S MOTION REGARDING JAMES
MARTIN, WHICH WAS TABLED AUGUST 31, 2006, BE REMOVED
FROM THE TABLE:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

DRRB OF JAMES MARTIN

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

NAYS – NONE

FOLLOWING IS THE BOARD'S AUGUST 31, 2006 MOTION REGARDING JAMES MARTIN:

DRRB OF JAMES MARTIN

BY MR. STEWART – SUPPORTED BY MR. BEST

WHEREAS, JAMES MARTIN, PER PHONE CONVERSATION WITH THE BOARD'S ASSISTANT EXECUTIVE SECRETARY, REQUESTS THAT THE DISABILITY RETIREMENT REVIEW BOARD THAT WAS EFFECTUATED ON HIS BEHALF ON MARCH 28, 2005 RELATIVE TO HIS APPLICATION FOR DUTY DISABILITY RETIREMENT BE RE-OPENED, AND

WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF MR. MARTIN, THEREFORE BE IT

RESOLVED, THAT MR. MARTIN'S REQUEST BE GRANTED AND DRRB ARBITRATOR GLAZER BE REQUESTED TO RE-OPEN HIS FILES AND PROCEED WITH THE DISABILITY RETIREMENT REVIEW BOARD THAT WAS EFFECTUATED ON MR. MARTIN'S BEHALF ON MARCH 28, 2005, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO JAMES MARTIN AND ARBITRATOR GLAZER:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE STEWART WITHDREW HIS MOTION AND TRUSTEE

DRRB OF JAMES MARTIN

BEST WITHDREW HIS SUPPORT OF TRUSTEE STEWART'S MOTION.

DRRB OF JAMES MARTIN

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

WHEREAS, JAMES MARTIN'S APRIL 22, 1999 APPLICATION FOR DUTY DISABILITY RETIREMENT WAS DENIED (ON THE BASIS THAT THE DISABILITY WAS NOT DUTY RELATED) BY THE BOARD OF TRUSTEES AFTER CONSIDERATION OF AN OCTOBER 7, 1999 REPORT FROM THE BOARD'S MEDICAL DIRECTOR, AND

WHEREAS, MR. MARTIN EXERCISED HIS CONTRACTUAL AND RETIREMENT SYSTEM PROVISIONS RIGHT TO APPEAL THE DENIAL TO A DISABILITY RETIREMENT REVIEW BOARD ("DRRB"), WHICH DECISION IS FINAL AND BINDING UPON ALL PARTIES, AND

WHEREAS, A DRRB WAS FORMED AND HEARINGS WERE SCHEDULED, AND

WHEREAS, MR. MARTIN ATTENDED THE FIRST HEARING, AND

WHEREAS, THE FIRST HEARING WAS ADJOURNED TO A LATER DATE WITH THE AGREEMENT BY MR. MARTIN THAT HE WOULD ATTEND THE RE-SCHEDULED HEARING, AND

WHEREAS, MR. MARTIN FAILED TO ATTEND THE RE-SCHEDULED HEARING AND FAILED TO CONTACT THE ARBITRATOR (MARK GLAZER) REGARDING SAID MATTERS, AND

WHEREAS, DRRB ARBITRATOR MARK GLAZER ISSUED A JULY 10, 2006 OPINION AND AWARD STATING THAT MR. MARTIN'S DUTY DISABILITY RETIREMENT APPLICATION SHOULD BE DENIED, AND

WHEREAS, MR. MARTIN REQUESTED THE BOARD TO RE-OPEN THE APPEAL WHICH REQUEST WAS GRANTED PER BOARD RESOLUTION OF AUGUST 31, 2006, SUBJECT TO CERTAIN CONDITIONS, AND

WHEREAS, MR. MARTIN FAILED TO MEET SAID CONDITIONS AND FAILED TO CONTACT THE RETIREMENT SYSTEM OR ARBITRATOR

DRRB OF JAMES MARTIN

GLAZER AS REQUIRED BY THE BOARD'S AUGUST 31, 2006 RESOLUTION, AND

WHEREAS, MR. MARTIN RECENTLY, PER PHONE CONVERSATION WITH MS. CYNTHIA THOMAS, REQUESTED THAT THE MATTER BE RE-OPENED AGAIN, AND

WHEREAS, THERE IS NO MERITORIOUS BASIS TO GRANT THE REQUEST TO RE-OPEN THE DRRB HEARING MATTER, AND

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

RESOLVED, THAT THE BOARD REAFFIRMS ITS JULY 13, 2006 DENIAL OF DUTY DISABILITY RETIREMENT TO MR. MARTIN, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MR. MARTIN AND ARBITRATOR GLAZER:

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

NAYS – NONE

THE REQUEST OF TIMOTHY GILBERT

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, Timothy Gilbert has completed an application to withdraw funds from his defined contribution plan (annuity), and

Whereas, Mr. Gilbert's status on the payroll system appears to show him to be an active employee that does not meet the requirements to withdraw funds, and

Whereas the Retirement System has been made aware by the DPOA that Mr. Gilbert has been dismissed and does meet the requirements,

Resolved, that the request of Timothy Gilbert be approved, and his annuity be refunded after a copy of the documentation from the Chief of Police's office that

THE REQUEST OF TIMOTHY GILBERT

adopts the findings and recommendation of the Police Trial Board that Mr. Gilbert be dismissed is received:

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

NAYS – NONE

▶ TRUSTEE BEASLEY TEMPORARILY EXCUSED HIMSELF.

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

BY MR. MILTON – SUPPORTED BY MR. DOYLE

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

Whereas, The Board is in receipt of a February 7, 2007 report from Milestone which includes a revised presentation which contemplates a \$3,000,000.00 investment in participating debt, and

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

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

Whereas, The Board will 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 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

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

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

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:

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

BY MR. MILTON – SUPPORTED BY MR. DOYLE

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

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

NAYS – NONE

▶ TRUSTEE BEASLEY RE-JOINED THE MEETING.

▶ TRUSTEE TALABI EXCUSED HERSELF.

MAYFIELD GENTRY REALTY ADVISORS
500 WOODWARD AVENUE
\$20,000,000.00 PROPOSED INVESTMENT

BY MR. MOORE – SUPPORTED BY MR. MILTON

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

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 will 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,

**MAYFIELD GENTRY REALTY ADVISORS
500 WOODWARD AVENUE
\$20,000,000.00 PROPOSED INVESTMENT**

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 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

**MAYFIELD GENTRY REALTY ADVISORS
500 WOODWARD AVENUE
\$20,000,000.00 PROPOSED INVESTMENT**

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, DOYLE,
MILTON, MOORE, ORZECH, STEWART AND
CHAIRMAN ENGLISH – 9**

NAYS – TRUSTEE BEST – 1

**MAYFIELD GENTRY REALTY ADVISORS
200 SOUTH TRYON
\$19,800,000.00 PROPOSED INVESTMENT**

BY MR. MOORE – SUPPORTED BY MR. MILTON

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

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 will 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

**MAYFIELD GENTRY REALTY ADVISORS
200 SOUTH TRYON
\$19,800,000.00 PROPOSED INVESTMENT**

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 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

**MAYFIELD GENTRY REALTY ADVISORS
200 SOUTH TRYON
\$19,800,000.00 PROPOSED INVESTMENT**

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

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, DOYLE,
MILTON, MOORE, ORZECH, STEWART AND
CHAIRMAN ENGLISH – 9**

NAYS – TRUSTEE BEST – 1

CONFERENCES

By Mr. Moore – Supported by Mr. Milton

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel at the below-referenced conferences, and be it further

Resolved, That the Board approve expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel to attend said conferences:

TRUSTEE EDUCATIONAL CONFERENCE
HAWAII
MAY 17, 2007 – MAY 20, 2007

ANNUAL CONFERENCES AND EXHIBITIONS
HAWAII
MAY 19, 2007 – MAY 24, 2007

CONFERENCES

SECURITIES LENDING CONFERENCE
ARIZONA
FEBRUARY 3, 2007 – FEBRUARY 8 ,2007

WELLS CAPITAL CONFERENCE
CALIFORNIA
MARCH 31, 2007 – APRIL 3, 2007

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

NAYS – NONE

INTERCONTINENTAL

BY MR. BEST – SUPPORTED BY MR. BEASLEY

RESOLVED, THAT INTERCONTINENTAL REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

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

NAYS – NONE

PUBLIC FORUM

AT 11:45 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 11:50 A.M. UNTIL THURSDAY, JANUARY 18, 2007, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

