

MEETING NUMBER **2616**

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



PROCEEDINGS HELD THURSDAY, **FEBRUARY 22, 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
Gregory Best	Elected Trustee/Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
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

Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Frank English	Elected Trustee/Chairperson
Paul Stewart	Elected Trustee

ABSENT

None

CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT 9:00 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

THE LAFER BUILDING

BY MR. MOORE – SUPPORTED BY MR. SCOTT

Whereas, The Board has been presented with a February 19, 2007 communication from MMA Realty Capital wherein MMA requests that the Board fund **Draw 2** for the Lafer Building in the amount of **\$318,340.24**, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board fund **Draw 2** for the Lafer Building in the amount of **\$318,340.24**:

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE CHAIRMAN BEST – 5

NAYS – NONE

RETIREMENTS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

Resolved, That the retirement applications which are referenced on page **3** be approved:

RETIREMENTS

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE
CHAIRMAN BEST – 5

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	MAGGIE MAE LANG – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	25 00 05 – 01 30 07

NAME, TITLE, DEPARTMENT	WILLIE J. TATE – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	25 03 17 – 02 12 07

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF \$57,935.55 ON FEBRUARY 13,
2007 FROM THE SHEFFIELD (MMA)

THE BOARD RECEIVED THE SUM OF \$40,902.78 ON FEBRUARY 14,
2007 FROM HIGH POINTE II (MMA)

THE BOARD RECEIVED THE SUM OF \$1,290,493.00 ON FEBRUARY
15, 2007 FROM LIBERTY LIFE - CV-U. S. POWER FUND

THE BOARD RECEIVED THE SUM OF \$26,382.52 ON FEBRUARY 20,
2007 FROM BEHRINGER'S HARVARD REIT

THE BOARD DISBURSED THE SUM OF \$375,221.10 ON FEBRUARY
20, 2007 TO FUND DRAW 11 FOR SAVANNAH RIVER (MMA)

CONFIRMATIONS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE **RECEIPTS** AND **DISBURSEMENTS** WHICH ARE OUTLINED ABOVE BE CONFIRMED:

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE
CHAIRMAN BEST – 5

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. ORZECH – 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 **#3227**, IN THE AMOUNT OF **\$640,364.04**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE
CHAIRMAN BEST – 5

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING BILLINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

BILL PAYMENT REQUESTS

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

BARRONS - FEBRUARY 20, 2007 - \$26.00 - POLICE AND FIRE'S PORTION OF \$52.00 - SUBSCRIPTION FEE

GABRIEL, ROEDER, SMITH & COMPANY - FEBRUARY 21, 2007 - \$800.00 - MISCELLANEOUS EXPENSE

HOWARD & HOWARD - FEBRUARY 13, 2007 - \$1,782.50 - JANUARY, 2007 FEES

INLAND PRESS - OCTOBER 26, 2006 - \$15,762.77 - POLICE AND FIRE PENSION BOOKLETS

LOGIX - FEBRUARY 14, 2007 - \$1,149.00 - POLICE AND FIRE'S PORTION OF \$2,298.00 - EQUIPMENT/ACQUISITIONS

NORTH POINT ADVISORS - FEBRUARY 5, 2007 - \$8,000.00 - GVC DUE DILIGENCE

O'NEAL, REGINALD - FEBRUARY 20, 2007 - \$855.00 - EXAMINATION FEES

PAYDEN & RYGEL - FEBRUARY 12, 2007 - \$25,237.00 - JANUARY, 2007 MANAGEMENT FEES (ACCOUNTS 1612 AND 1613)

BILL PAYMENT REQUESTS

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

PITNEY BOWES – MARCH 3, 2007 - \$14.25 – POLICE AND FIRE'S PORTION OF \$28.50 – EQUIPMENT MAINTENANCE

QUILL CORPORATION – FEBRUARY 12, 2007 - \$14.95 – POLICE AND FIRE'S PORTION OF \$29.90 – OFFICE SUPPLIES

QUILL CORPORATION – FEBRUARY 12, 2007 - \$188.64 – POLICE AND FIRE'S PORTION OF \$377.28 – OFFICE SUPPLIES

TIME – FEBRUARY 21, 2007 - \$29.95 – MISCELLANEOUS EXPENSE

XJJ COMPANY – FEBRUARY 20, 2007 - \$25,836.46 – POLICE AND FIRE'S PORTION OF \$51,672.92 – EMPLOYEE PAYROLL FOR THE PERIOD JANUARY 29, 2007 THROUGH FEBRUARY 23, 2007

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE CHAIRMAN BEST – 5

NAYS – NONE

LEGAL COUNSEL'S BILLING

BY MR. MOORE – SUPPORTED BY MR. ORZECH

RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED FEBRUARY 22, 2007, FOR THE MONTH OF FEBRUARY, 2007, IN THE AMOUNT OF **\$12,574.14**, BE APPROVED AND SAID **\$12,574.14** BE PAID PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

LEGAL COUNSEL'S BILLING

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE
CHAIRMAN BEST – 5

NAYS – NONE

█ SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

THE REQUEST OF WILLIE E. HODGES, III

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS IN RECEIPT OF A FEBRUARY 20, 2007
REQUEST FROM WILLIE E. HODGES, III TO APPEAL THE NOVEMBER
10, 2005 DENIAL OF HIS APPLICATION FOR DUTY DISABILITY
RETIREMENT, AND

WHEREAS, THE BOARD'S ASSISTANT EXECUTIVE SECRETARY HAS
INDICATED THAT THERE ARE NO RECORDS TO SUPPORT MR.
HODGES' CLAIM THAT HE MET WITH AND COMPLETED A NON-
DUTY DISABILITY RETIREMENT APPLICATION WITH A RETIREMENT
SYSTEM INTERVIEWER IN 2005 OR THROUGH MARCH 31, 2006,
AND

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

RESOLVED, THAT THE REQUEST OF MR. HODGES BE DENIED AND
A COPY OF THIS RESOLUTION BE FORWARDED TO HIM:

YEAS – TRUSTEES MILTON, MOORE, ORZECH, SCOTT AND VICE
CHAIRMAN BEST – 5

NAYS – NONE

█ LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

█ TRUSTEE GARY CHRISTIAN ENTERED THE MEETING.

Proposed (Credit Enhancement) Investment in Meek Mortgage
Fund I, LLC (“Fund I, LLC”)

BY MR. ORZECH – SUPPORTED BY MR. CHRISTIAN

WHEREAS, The Board of Trustees is in receipt of a letter from Meek Mortgage Fund I, LLC (Fund I, LLC) (per Robert Schumake) inquiring whether the Board of Trustees has any objections for the due diligence advisor/special legal counsel to suggest banks to the Fund I, LLC for possible involvement as a lender to Fund I, LLC regarding this credit enhancement proposal, and

WHEREAS, The Board of Trustees has discussed this matter and after a consideration of a number of issues the Board of Trustees prefers that Fund I, LLC identify and select the bank(s) of its choosing without any direct or indirect involvement with representatives of the Retirement System, Therefore be it

RESOLVED, That all parties involved be notified that the due diligence advisor should NOT suggest or identify the names of any banks for consideration by Meek Mortgage Fund I, LLC, and be it further

RESOLVED, That a copy of this resolution be forwarded to Meek Mortgage Fund I, LLC and the Board’s due diligence advisor, Couzens Lansky:

Yeas – Trustees Christian, Milton, Moore, Orzech, Scott and Vice
Chairman Best – 6

Nays – None

█ TRUSTEE MARTY BANDEMER ENTERED THE MEETING.

URDANG CAPITAL

■ TRUSTEE ALBERTA TINSLEY-TALABI ENTERED THE MEETING.

TOM BARRETT, MARCIA STEMPIEN AND DOUG OBER OF THE BANK OF NEW YORK AND SCOTT URDANG OF URDANG CAPITAL APPEARED BEFORE THE BOARD, DISCUSSED URDANG CAPITAL'S VALUE-ADDED FUNDS I AND II AND THEN EXCUSED THEMSELVES.

JUNE 30, 2006 AUDIT REPORT

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD'S AUDITOR, PLANTE AND MORAN, HAS PRESENTED THE BOARD WITH THE BOARD'S JUNE 30, 2006 AUDIT REPORT, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACCEPT AND APPROVE SAID REPORT:

Yeas – Trustees Bandemer, Christian, Milton, Moore, Orzech, Scott, Talabi and Vice Chairman Best – 8

Nays – None

JUNE 30, 2006 PRELIMINARY ACTUARIAL VALUATION

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

WHEREAS, GABRIEL, ROEDER, SMITH AND COMPANY, THE BOARD'S ACTUARY, HAS PRESENTED THE BOARD WITH THE BOARD'S JUNE 30, 2006 PRELIMINARY ACTUARIAL VALUATION, THEREFORE BE IT

JUNE 30, 2006 PRELIMINARY ACTUARIAL VALUATION

RESOLVED, THAT THE BOARD ACCEPT AND APPROVE SAID VALUATION:

TRUSTEE MILTON ASKED THAT THE BOARD REFRAIN FROM VOTING ON THE FOREGOING MOTION UNTIL LATER IN THE MEETING, AND TRUSTEE MILTON'S REQUEST WAS GRANTED.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PFRS ST. ANDREWS CORPORATION, CHICAGO EQUITY PARTNERS (REGARDING THE FINALIZATION OF THE BOARD'S CONTRACT WITH CHICAGO EQUITY PARTNERS), 500 WOODWARD AVENUE, THE BOARD'S DEUTSCHE BANK CROCI MARKET CONTRIBUTE NOTES INVESTMENT, ORACLE PARTNERS, RDD INVESTMENT CORPORATION AND THE JOEL SNYDER LITIGATION.

█ TRUSTEE MILTON TEMPORARILY EXCUSED HIMSELF.

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

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

Whereas, The Board has indicated its interest in making the foregoing investment subject to a number of conditions being met including the approval of final transaction documents after all negotiations are completed by the Board and Special Legal Counsel, and

Whereas, The Board notes that legal services required to prepare the proposed transaction documents for consideration

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

by the Board will be fairly extensive and time-consuming and will require immediate attention, requiring 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 relative to such investment proposal who will report to the Board's General Counsel and to the Board of Trustees, as appropriate, with fees and expenses of said Special Legal Counsel to be paid for from an escrow account funded by the Proposed Borrower, and

Whereas, The Board notes the possibility the preliminary legal services regarding the transaction may result in findings that the proposed Borrower will not be able to meet the requirement of the Retirement System as Lender/Investor, Therefore be it

Resolved, That the aforesaid investment proposal be assigned to **CLARK HILL** (Attention: Joe Turner) as Special Legal Counsel, and be it further

Resolved, That a further condition of the Board's continued interest in making this investment loan is proposed Borrower providing the Assistant Administrative Supervisor with written confirmation that proposed Borrower acknowledges receipt of this resolution and agrees to the terms therein, and be it further

Resolved, That Special Legal Counsel and the Assistant Administrative Supervisor arrange for an escrow account into which proposed Borrower will provide funds for costs, expenses and legal services, and be it further

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

Resolved, That Special Legal Counsel submit itemized billings to the proposed Borrower 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 Borrower and will be reported to the Board of Trustees 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 proposed Borrower and Special Legal Counsel:

Yeas – Trustees Bandemer, Christian, Moore, Orzech, Scott, Talabi and Vice Chairman Best – 7

Nays – None

█ TRUSTEE MILTON RE-JOINED THE MEETING.

CASH RETURN ON CAPITAL INVESTMENT
("CROCI") US+INDEX

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD, AFTER RECEIVING A FAVORABLE DECEMBER 6, 2006 REPORT FROM NORTH POINT ADVISORS, ADOPTED A RESOLUTION ON DECEMBER 7, 2006 TO MAKE A TEN MILLION (\$10,000,000.00) DOLLAR INVESTMENT SUBJECT TO CERTAIN CONDITIONS, AND

CASH RETURN ON CAPITAL INVESTMENT
("CROCI") US+INDEX

WHEREAS, A TRUSTEE HAS MADE A FAVORABLE RECOMMENDATION AS TO THE OFFICE INSPECTION AND VISIT TO THE DEUTSCHE BANK IN LONDON AND MEETING WITH PASCAL COSTANTINI THE ORIGINATOR/CREATOR OF THE INVESTMENT METHODOLOGY AND DISCIPLINE, AND

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

RESOLVED, THAT:

1. THE BOARD'S EXECUTIVE SECRETARY AND/OR INVESTMENT ANALYST ARRANGE FOR THE AVAILABILITY OF \$10,000,000.00 AND ARRANGE FOR ACCOUNTING PROCEDURES WITH THE BOARD'S CUSTODIAL BANK, THE BANK OF NEW YORK
2. DEUTSCHE BANK SECURITIES, INC. FORWARD A LETTER TO THE RETIREMENT SYSTEM ACKNOWLEDGING THE COMMITMENT TO PURCHASE A \$10,000,000.00 DEUTSCHE BANK CROCI US+INDEX TM MARKET CONTRIBUTION NOTE WITH INFORMATION REGARDING RATING BY MOODY'S AND TRADE DATE (FEBRUARY 7, 2007) INFORMATION
3. THE BANK OF NEW YORK IS DIRECTED TO TRANSFER \$10,000,000.00 FROM THE RETIREMENT SYSTEM'S ACCOUNT TO THE DEUTSCHE BANK SUBJECT TO RECEIPT OF THE \$10,000,000.00 CONTRIBUTION NOTE
4. THE BANK OF NEW YORK ACKNOWLEDGE RECEIPT OF DIRECTIONS INDICATED ABOVE
5. ALL DOCUMENTS BE EXECUTED SUBJECT TO APPROVAL OF GENERAL COUNSEL, AND BE IT FURTHER

CASH RETURN ON CAPITAL INVESTMENT
("CROCI") US+INDEX

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BANK OF NEW YORK, DEUTSCHE BANK, THE WAYNE COMPANY, THE BOARD'S GENERAL COUNSEL AND THE BOARD'S INVESTMENT ANALYST:

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

NAYS - NONE

CLOSED SESSION

By Mr. Bandemer - Supported by Mr. Milton

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, Christian, Milton, Moore, Orzech, Scott, Talabi and Vice Chairman Best - 8

Nays - None

The Board entered into Closed Session at **10:35 A.M.**

OPEN SESSION

By Mr. Bandemer - Supported by Mr. Moorre

Resolved, That the Board return to Open Session:

OPEN SESSION

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Christian, Milton, Moore, Orzech,
Scott, Talabi and Vice Chairman Best – 8

Nays – None

The Board returned to Open Session at **10:58 A.M.**

█ TRUSTEE MILTON TEMPORARILY EXCUSED HIMSELF.

RDD INVESTMENT CORPORATION

BY MR. MILTON – SUPPORTED BY MR. BANDEMER

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the Board) previously approved the issuance of a Letter of Credit in favor of the Michigan Department of Environmental Quality (MDEQ) in lieu of incurring the cost of a closure bond for the RDD facility and issued such Letter of Credit, and

WHEREAS, The Environmental Protection Agency has informed the Transition Team of a similar request for the Board to issue a \$99,600 letter of credit or closure bond in favor of the EPA, and

WHEREAS, Joe Turner, of Clark Hill PLC (Special Counsel), on behalf of the Transition Team, recommends the Board issue a \$99,600 letter of credit in lieu of a closure bond, and

WHEREAS, The Board has considered this matter, Therefore Be It

RESOLVED, That the Board hereby approves the issuance of its \$99,600 Irrevocable Standing Letter of Credit (the Letter of

RDD INVESTMENT CORPORATION

Credit) in favor of the EPA in lieu of posting a closure bond, and be it further

RESOLVED, That the Board authorizes its signatories, two (2) trustees, to execute, and deliver the Letter of Credit through the Transition Team and any documentation required by the Board's General Counsel and the Board's Special Legal Counsel to consummate the delivery of the Letter of Credit and be it further

RESOLVED, That a copy of this Resolution be forwarded to the Board's Special Counsel for distribution to the Transition Team:

Yeas – Trustees Bandemer, Christian, Moore, Orzech, Scott, Talabi and Vice Chairman Best – 7

Nays – None

PFRS ST. ANDREWS CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE EMPLOYER'S ANNUAL FEDERAL UNEMPLOYMENT (FUTA) TAX RETURN (DATED FEBRUARY 22, 2007) BY AN OFFICER OF THE CORPORATION.

CHICAGO EQUITY PARTNERS

BY MR. MOORE – SUPPORTED BY MR. BANDEMER

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (“the Board”) previously approved the engagement of Chicago Equity Partners, LLC (the Manager), as a small-cap manager, and

WHEREAS, subsequent to the Board’s approval and prior to the execution of an investment management agreement, the Affiliated Managers’ Group (AMG) acquired a majority interest in the Manager, and

WHEREAS, on January 18, 2007, representatives of the Manager re-appeared before the Board to discuss AMG, and

WHEREAS, Adrian Anderson of North Point Advisors (the Board’s Consultant) issued a favorable memorandum dated February 22, 2007 recommending execution of the investment management agreement, and

WHEREAS, the Board has been requested to execute the Investment Management Agreement which was prepared by Clark Hill, PLC (the Board’s Special Counsel), and

WHEREAS, the Board has considered this matter, **THEREFORE BE IT**

RESOLVED, that the Investment Management Agreement be executed by two authorized signatories on behalf of the Board, and be it further

RESOLVED, that the executed originals of the document be forwarded to the appropriate party and copies be retained for filing purposes by the Retirement System, and be it further

CHICAGO EQUITY PARTNERS

RESOLVED, that a copy of this resolution be forwarded to Chicago Equity Partners and the Board's Special Legal Counsel:

Yeas – Trustees Bandemer, Christian, Moore, Orzech, Scott, Talabi and Vice Chairman Best – 7

Nays – None

■ TRUSTEE CHRISTIAN EXCUSED HIMSELF.

■ TRUSTEE MILTON RE-JOINED THE MEETING.

JOEL SNYDER LITIGATION

BY MR. ORZECH

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER IN CLOSED SESSION, AND

JOEL SNYDER LITIGATION

WHEREAS, SPECIAL COUNSEL JOE TURNER (OF CLARK HILL) HAS RECOMMENDED A SETTLEMENT AMOUNT AND THE BOARD ACCEPTS SAID SETTLEMENT AMOUNT, THEREFORE BE IT

RESOLVED, THAT SPECIAL COUNSEL SETTLE THIS MATTER CONSISTENT WITH THE BOARD'S DISCUSSION IN CLOSED SESSION THIS DATE:

TRUSTEE ORZECH'S MOTION RECEIVED **NO** SUPPORT.

█ TRUSTEE CHRISTIAN RE-JOINED THE MEETING.

Funding of Chicago Equity Partners' Small-Cap Equity Account

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

WHEREAS, The Board has by prior action terminated the investment management agreement of BlackRock, and

WHEREAS, The Board, by prior action, has directed that the assets formerly managed by BlackRock be invested in shares of the Russell 2000 Growth Index Exchange Traded Fund (IWO), and

WHEREAS, The Board has hired Chicago Equity Partners as a small-cap equity manager, and

WHEREAS, General Counsel has advised the Board on this date that the Investment Management Agreement between the Board and Chicago Equity Partners has been completed, and

WHEREAS, The Board has reviewed the recommendation from staff as to the funding of the new account to be managed by Chicago Equity Partners, Therefore Be It

Funding of Chicago Equity Partners' Small-Cap Equity Account

RESOLVED, That staff be directed to solicit proposals from its brokers of record to provide transition management services with respect to the aforementioned assets and accounts:

Yeas – Trustees Bandemer, Christian, Milton, Moore, Orzech, Scott, Talabi and Vice Chairman Best – 8

Nays – None

Gemstar-TV Guide, Inc.

BY MS. TALABI – SUPPORTED BY MR. BANDEMER

WHEREAS, The Retirement System has received two (2) stock certificates representing a total of 444 shares of Gemstar-TV Guide, Inc. (GMST) as its portion of the proceeds from the settlement of a securities class action lawsuit, Therefore Be It

RESOLVED, That the shares of GMST represented by these certificates be deposited into the liquid reserve account, account number 591355, and be it further

RESOLVED, That the Assistant Executive Secretary and the Executive Secretary be authorized to sign the appropriate documents, including the Stock Power, to deposit the shares with the System's master securities custodian, The Bank of New York, in account number 591355, and be it further

RESOLVED, That staff be instructed and authorized to sell the shares using SBK Brooks once the shares have been re-registered and deposited into account number 591355:

Yeas – Trustees Bandemer, Christian, Milton, Moore, Orzech, Scott, Talabi and Vice Chairman Best – 8

Gemstar-TV Guide, Inc.

Nays – None

CONFERENCE

BY MR. SCOTT – SUPPORTED BY MR. BANDEMER

Resolved, That the Board approve the attendance of its Investment Analyst at the below-referenced conference:

18TH ANNUAL ENERGY INVESTORS FUND CONFERENCE
GEORGIA

APRIL 28, 2007 – MAY 3, 2007

Yeas – Trustees Bandemer, Christian, Milton, Moore, Orzech,
Scott, Talabi and Vice Chairman Best – 8

Nays – None

MHR FUND MANAGEMENT, LLC

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

RESOLVED, THAT MARK RACHESKY AND ANY ASSOCIATES OF HIS
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR
PRESENTATION PURPOSES (INEFFICIENT MARKET SECTOR
INVESTING):

Yeas – Trustees Bandemer, Christian, Milton, Moore, Orzech,
Scott, Talabi and Vice Chairman Best – 8

Nays – None

■ TRUSTEES SCOTT AND CHRISTIAN EXCUSED THEMSELVES.

JUNE 30, 2006 PRELIMINARY ACTUARIAL VALUATION

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

WHEREAS, GABRIEL, ROEDER, SMITH AND COMPANY, THE
BOARD'S ACTUARY, HAS PRESENTED THE BOARD WITH THE
BOARD'S JUNE 30, 2006 PRELIMINARY ACTUARIAL VALUATION,
THEREFORE BE IT

RESOLVED, THAT THE BOARD ACCEPT AND APPROVE SAID
VALUATION:

Yeas – Trustees Bandemer, Moore, Orzech and Vice Chairman

Best - 4

Nays – Trustees Milton and Talabi – 2

PUBLIC FORUM

AT **1:25 A.M.**, VICE CHAIRMAN BEST DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, VICE CHAIRMAN BEST ADJOURNED THE MEETING AT **11:30 A.M.** UNTIL THURSDAY, **MARCH 1, 2007**, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY