

MEETING NUMBER **2639**

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



PROCEEDINGS HELD THURSDAY, **AUGUST 2, 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/Vice Chairperson
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/Chairperson
Seth Doyle	Ex/Officio Trustee
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	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

Paul Stewart	Elected Trustee
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ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT **9:03 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

▶ TRUSTEE DOYLE EXCUSED HIMSELF.

CAPRI CAPITAL PARTNERS

BY MR. ORZECH – SUPPORTED BY MR. PEGG

Whereas, The Board has been presented with a July 26, 2007 communication from CAPRI Capital Partners wherein CAPRI requests that the Board fund its portion of the capital call due for **CAPRI Select Income II, LLC** in the amount of **\$720,000.00**,
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, Freeman, Orzech, Pegg and Chairman Best – 5

Nays – None

ARTHUR ZASKE/INSIGHT 2811

BY MR. ORZECH – SUPPORTED BY MR. PEGG

ARTHUR ZASKE/INSIGHT 2811

Whereas, The Board has been presented with a July 31, 2007 communication from Arthur Zaske & Associates wherein Arthur Zaske requests that the Board fund its portion of the capital call due for **Insight 2811 Technology Entrepreneur Fund, LP** in the amount of **\$2,000,000.00**, 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, Freeman, Orzech, Pegg and Chairman Best – 5

Nays – None

► TRUSTEE DOYLE RE-JOINED THE MEETING.

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE RETIREMENT APPLICATION WHICH IS OUTLINED BELOW BE APPROVED:

Yeas – Trustees Bandemer, Doyle, Freeman, Orzech, Pegg and Chairman Best – 6

Nays – None

RETIREMENT

NAME, TITLE, DEPARTMENT PAUL KULESA – SERGEANT – POLICE
 RETIREMENT, PLAN SERVICE – NEW
 SERVICE CREDIT, EFFECTIVE DATE 35 00 20 – 10 01 07

Police and Fire Retirement Systems of the City of Detroit			
Summary of Receipts			
From July 25-31, 2007			
REVISED			
Date	Received From	Explanation	Amount
	Bank of New York		
7/26/2007	Lightstone value plus reit	Apr to June'07 dividend	106,312.83
	General Motor Portfolio	Due Diligence	10,000.00
	MMA Munimae Midland	Savannah River -payoff	16,465,787.69
7/27/2007	Weekly annuity contribution	Week 04/08	98,963.51
	MayfieldGentry Realty Advisors	Remittance June'06	1,202,347.54
	Robeco Global	Due Diligence	17,500.00
7/30/2007	Fidelity Real Estate	Distribution	248,947.11
7/31/2007	Rreef america	distribution	279,111.96
		total	18,428,970.64
	Comerica		
7/27/2004	Abel Noser	Remittance for June	109.00
	Express Mail		30.00
		total	139.00
		TOTAL RECEIPTS	18,429,109.64

Police and Fire Retirement Systems of the City of Detroit			
Summary of Disbursements			
From July 25-31, 2007			
Date	Wired To	Explanation	Amount
7/25/2007	Citigroup Capital Partners	Capital Call #2	2,000,000.00
	Touchstone Opportunity Investment 11	Capital Call #9	1,573,076.92
	Ron Zajac	Out Pocket Expense	1,675.50
	Doctor O'neal	Medical Services	1,050.00
7/26/2007	MRC Balanced Real Estate Fund	Capital Call #1	421,687.00
7/27/2007	Checkwrite	Administrative Expense	41,587.12
	Retired Payroll	July, 2007 Direct Deposit	16,015,910.34
	Onyx Capital Advisory	Draw #2	1,400,000.00
	Michigan Mutual	Draw #69A & 70	908,474.78
	MayfieldGentry Fees	July, 2007	244,711.60
	General Retirement	Reimburse Staff Wages 6/25/07-7/20/07	25,480.61
7/30/2007	Syndicated Communication	Draw #7	447,607.00
	Dublin Place	Capital Improvement #1	1,216,067.42
	Steward Capital Management	Management Fees- 2nd Qtr'07	48,027.68
	Ron Zajac	Retainer's Fee-July'07	12,913.64
	North Point Advisors	Retainer's Fee-Aug and Sept	12,500.00
		Search Fee for Emerging Market	15,000.00
7/31/2007	Refund	List # 3246	156,434.10
		TOTAL DISBURSEMENT	24,542,203.71

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE DESIGNATED ON PAGES 4 AND 5 BE CONFIRMED:

Yeas – Trustees Bandemer, Doyle, Freeman, Orzech, Pegg and Chairman Best – 6

Nays – None

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

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 **#3247**, IN THE AMOUNT OF **\$83,901.14**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Doyle, Freeman, Orzech, Pegg and Chairman Best – 6

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. DOYLE

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 THE SERVICES THAT WERE REQUESTED BY THE BOARD WERE PROVIDED TO 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 – JULY 20, 2007 - \$91.77 – POLICE AND FIRE PORTION OF \$183.54 – SUPPLIES

ADP – JULY 20, 2007 - \$91.36 – POLICE AND FIRE PORTION OF \$182.72 – SUPPLIES

ADVENT – JUNE 30, 2007 - \$85,070.20 – 2007 SECOND QUARTER FEES

BLACKROCK – JULY 24, 2007 - \$18,128.00 – 2007 SECOND QUARTER FEES

CLARK HILL – JULY 30, 2007 - \$43,058.65 – JUNE, 2007 SERVICES – EDS

CLARK HILL – JULY 30, 2007 - \$13,335.30 – JUNE, 2007 SERVICES – ENERGY INVESTORS FUND

CLARK HILL – JULY 30, 2007 - \$7,575.00 – JUNE, 2007 SERVICES – DROP PROGRAM

CLARK HILL – JULY 30, 2007 - \$7,215.30 – JUNE, 2007 SERVICES – GUIDANCE CAPITAL, LLC

BILL PAYMENT REQUESTS

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

CLARK HILL – JULY 30, 2007 - \$3,087.59 – JUNE, 2007 SERVICES – SMITH WHILEY SECURITIES

ELI JOURNALS – JUNE 21, 2007 - \$63.50 – POLICE AND FIRE PORTION OF \$127.00 – SUPPLIES

FISHER INVESTMENTS – JULY 13, 2007 - \$191,777.96 – 2007 SECOND QUARTER FEES

GENERAL RETIREMENT SYSTEM – AUGUST 1, 2007 - \$1,304,972.49 – POLICE AND FIRE PORTION OF \$2,609,944.98 – COST REIMBURSEMENT TO GENERAL FUND FOR THE FISCAL YEAR 2005-2006

GENERAL RETIREMENT SYSTEM – AUGUST 1, 2007 - \$1,489,290.78 – POLICE AND FIRE PORTION OF \$2,978,581.56 – COST REIMBURSEMENT TO GENERAL FUND FOR THE FISCAL YEAR 2006-2007

INCOME, RESEARCH & MANAGEMENT – JUNE 30, 2006 - \$40,535.31 – 2007 SECOND QUARTER FEES

ITS – AUGUST 1, 2007 - \$70,440.59 – POLICE AND FIRE PORTION OF \$148,356.89 – JULY, 2007 CONSULTING FEES – RETIREMENT SYSTEM COMPUTER PROGRAMMERS

KENNEDY CAPITAL – JULY 26, 2007 - \$603,606.00 – 2007 SECOND QUARTER FEES

LIBERTY MUTUAL – JULY 27, 2007 - \$138,000.00 – 2007 CONTRACT FEES FOR SEPARATE ACCOUNT C, SEPARATE ACCOUNT C-II,

BILL PAYMENT REQUESTS

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

SEPARATE ACCOUNT C-III, SEPARATE ACCOUNT C-IV AND
SEPARATE ACCOUNT C-V

MILISSA DATA CORPORATION – JULY 30, 2007 - \$1,327.00 –
POLICE AND FIRE PORTION OF \$2,654.00 – ONE YEAR WEB
SERVICE RENEWAL

MUNROS – JULY 11, 2007 - \$74,036.70 – 2007 SECOND QUARTER
FEES

NORTH POINTE – JULY 26, 2007 - \$136,717.69 – 2007 SECOND
QUARTER FEES

OFFICE DEPOT – JULY 18, 2007 - \$152.40 – POLICE AND FIRE
PORTION OF \$304.80 – SUPPLIES

OFFICE DEPOT – JULY 20, 2007 - \$25.24 – POLICE AND FIRE
PORTION OF \$50.48 – SUPPLIES

OPPENHEIMER – JULY 18, 2007 - \$213,407.85 – 2007 SECOND
QUARTER FEES

PENN CAPITAL – JULY 9, 2007 - \$74,104.93 – 2007 SECOND
QUARTER FEES

PUGH CAPITAL – JULY 13, 2007 - \$39,643.06 – 2007 SECOND
QUARTER FEES

QUILL CORPORATION – JULY 20, 2007 - \$52.21 – POLICE AND FIRE
PORTION OF \$104.42 – SUPPLIES

BILL PAYMENT REQUESTS

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

QUILL CORPORATION – JULY 16, 2007 - \$140.37 – POLICE AND FIRE PORTION OF \$280.73 – SUPPLIES

RELIABLE OFFICE SUPPLIES – JULY 12, 2007 - \$38.00 – POLICE AND FIRE PORTION OF \$75.99 – SUPPLIES

RELIABLE OFFICE SUPPLIES – JULY 11, 2007 - \$102.57 – POLICE AND FIRE PORTION OF \$205.13

TAPPERT COURT REPORTING – JULY 30, 2007 - \$60.00 – TRANSCRIPT PREPARATION – GWEN ASHE

TCW – JULY 27, 2007 - \$83,981.70 – 2007 SECOND QUARTER FEES

WELLS CAPITAL MANAGEMENT – JULY 25, 2007 - \$95,283.23 – 2007 SECOND QUARTER FEES

WELLS CAPITAL MANAGEMENT – JULY 26, 2007 - \$169,592.14 – 2007 SECOND QUARTER FEES

XO COMPANY – JULY 1, 2007 - \$308.92 – POLICE AND FIRE PORTION OF \$617.83 – INTERNET SERVICE

Yeas – Trustees Bandemer, Doyle, Freeman, Orzech, Pegg and Chairman Best – 6

Nays – None

► TRUSTEES MILTON AND MOORE, AS WELL AS SPECIAL COUNSEL JOE TURNER, ENTERED THE MEETING.

► TRUSTEE TINSLEY-TALABI ENTERED THE MEETING, AS DID LEGAL COUNSEL RONALD ZAJAC.

MILESTONE REALTY SERVICES

BY MR. DOYLE – SUPPORTED BY MR. MILTON

RESOLVED, THAT MILESTONE REALTY SERVICES REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS **THE HERITAGE AT RIVER BEND AND ENGLISH VILLAGE:**

Yeas – Trustees Bandemer, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Talabi and Chairman Best – 9

Nays – None

CHECK PRINTING VENDOR DUE DILIGENCE

ASSISTANT EXECUTIVE SECRETARY **CYNTHIA A. THOMAS** PROVIDED EACH BOARD MEMBER WITH A COPY OF A JULY 30, 2007 COMMUNICATION FROM COMPUTER CONSULTANT DENNIS LINET TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

HRMS (FORMERLY DHRMS) INTERFACE PROGRESS

ASSISTANT EXECUTIVE SECRETARY **CYNTHIA A. THOMAS** PROVIDED EACH BOARD MEMBER WITH A COPY OF A JULY 31, 2007 COMMUNICATION FROM COMPUTER CONSULTANT DENNIS LINET TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

► TRUSTEE SCOTT ENTERED THE MEETING AND TRUSTEE DOYLE EXCUSED HIMSELF.

REINHART PARTNERS

▶ TRUSTEE SCOTT ENTERED THE MEETING AND TRUSTEE DOYLE EXCUSED HIMSELF.

JAMES REINHART, RICK PLawecki AND TODD KRIEG APPEARED BEFORE THE BOARD, DISCUSSED MID-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.

▶ TRUSTEE BEASLEY ENTERED THE MEETING.

WELLINGTON MANAGEMENT

DANNY SHARP AND JOSH BERGER APPEARED BEFORE THE BOARD, DISCUSSED MID-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.

INDEPENDENCE INVESTMENTS

THOMAS BIANCO AND THOMAS SPEIZER APPEARED BEFORE THE BOARD, DISCUSSED MID-CAP GROWTH INVESTING AND THEN EXCUSED THEMSELVES.

▶ TRUSTEES TINSLEY-TALABI AND MILTON EXCUSED THEMSELVES.

Pre-Employment Military Service Credit

By Mr. Bandemer – Supported by Mr. Scott

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

Pre-Employment Military Service Credit

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 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:

Omari Artist – Police

Carl Clapp – Fire

Yeas – Trustees Bandemer, Beasley, Freeman, Moore, Orzech, Pegg, Scott and Chairman Best – 8

Nays – None

► TRUSTEE MILTON RE-JOINED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING INTERCONTINENTAL U.S. REAL ESTATE CORPORATION, PFRS ROMULUS CORP., MMA REALTY CAPITAL AND HGK ASSET MANAGEMENT.

PFRS ROMULUS CORP. – 2006 TAX RETURNS

THE BOARD WAS MADE AWARE OF THE EXECUTION OF A 2006 U.S. CORPORATION INCOME TAX RETURN (DATED JULY 26, 2007) BY AN OFFICER OF THE CORPORATION.

INTERCONTINENTAL REAL ESTATE CORPORATION
U.S. REAL ESTATE INVESTMENT FUND, LLC
\$15,000,000.00 INVESTOR INTEREST

BY MR. BEASLEY – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A SUBSCRIPTION AGREEMENT DATED JULY 26, 2007, A REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9) DATED AS OF JULY 26, 2007 AND A SIDE LETTER DATED JULY 26, 2007 RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN RECOMMENDED BY THE BOARD'S SPECIAL COUNSEL, F. LOGAN DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL COUNSEL AND THE EXECUTION OF SAID DOCUMENTS IS CONSISTENT WITH PRIOR ACTION OF THE BOARD, THEREFORE BE IT

RESOLVED, THAT SAID DOCUMENTS BE EXECUTED BY TWO AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE IT FURTHER

RESOLVED, THAT THE CAPITAL CALL AMOUNTS BE WIRE-TRANSFERRED TO INTERCONTINENTAL REAL ESTATE CORPORATION, THE MANAGER OF U.S. REAL ESTATE INVESTMENT FUND, LLC IN ACCORDANCE WITH TRANSMITTAL DOCUMENTS AND WIRE-TRANSFER INSTRUCTIONS, SUBJECT TO APPROVAL OF THE EXECUTIVE SECRETARY, SPECIAL COUNSEL AND GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO INTERCONTINENTAL REAL ESTATE CORPORATION, THE MANAGER OF U.S. REAL ESTATE INVESTMENT FUND, LLC AND RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, ORZECZ,
PEGG, SCOTT AND CHAIRMAN BEST – 9

NAYS – NONE

MMA REALTY CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

Whereas, The Board has been requested to execute an August 1, 2007 Consent Letter, Re: RCG Longview II, PP Purchase of \$10,000,000.00 in the Sheffield, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, 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 returned to MMA Realty Capital, and be it further

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

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, ORZECH, PEGG, SCOTT AND CHAIRMAN BEST – 9

NAYS – NONE

► TRUSTEE TINSLEY-TALABI RE-JOINED THE MEETING.

MCTEVIA AND ASSOCIATES

BY MR. ORZECH – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD IS IN RECEIPT OF A COMMUNICATION FROM MCTEVIA & ASSOCIATES WHICH REQUESTS THE BOARD TO TAKE ACTION REGARDING THE FILES CURRENTLY IN THE POSSESSION OF MCTEVIA AND ASSOCIATES, AND

WHEREAS, THE BOARD DEEMS IN APPROPRIATE TO TAKE POSSESSION OF SAID FILES, THEREFORE BE IT

RESOLVED, THAT THE EXECUTIVE SECRETARY ARRANGE FOR THE PICK-UP AND STORAGE OF SAID FILES WITH IRON MOUNTAIN (OR A SIMILAR COMPANY IF NECESSARY), AND BE IT FURTHER

MCTEVIA AND ASSOCIATES

RESOLVED, THAT THE EXPENSES REGARDING THE FOREGOING WILL BE APPROVED BY THE RETIREMENT SYSTEM:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, SCOTT, TALABI AND CHAIRMAN BEST – 10

NAYS – NONE

CLOSED SESSION

By Mr. Scott – Supported by Ms. Freeman

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, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, SCOTT, TALABI AND CHAIRMAN BEST – 10

NAYS – NONE

The Board entered into Closed Session at **11:58 A.M.**

OPEN SESSION

By Mr. Bandemer – Supported by Mr. Scott

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, SCOTT, TALABI AND CHAIRMAN BEST – 10

NAYS – NONE

The Board returned to Open Session at **12:15 P.M.**

STRATEGIC TECHNOLOGY

RONALD OLSZEWSKI APPEARED BEFORE THE BOARD, DISCUSSED STRATEGIC TECHNOLOGY SYSTEMS AND THEN EXCUSED HIMSELF.

▶ TRUSTEES MILTON AND TINSLEY-TALABI EXCUSED THEMSELVES.

TRANS-CAPITAL

LOU VOGT (OF BANYAN REALTY CAPITAL) AND JAMES HOWARD AND ROBIN DELMER OF TRANS-CAPITAL APPEARED BEFORE THE BOARD, DISCUSSED A STATE TAX CREDIT PROPOSAL AND THEN EXCUSED THEMSELVES.

HGK ASSET MANAGEMENT, INC.

BY MR. SCOTT – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE AN **“INVESTMENT MANAGEMENT AGREEMENT”** DATED AUGUST 2, 2007 RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL 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 AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE IT FURTHER

RESOLVED, THAT THE EXECUTED ORIGINAL DOCUMENT BE FORWARDED TO THE APPROPRIATE PARTY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF SAID ORIGINAL DOCUMENT BE RETAINED BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MOORE, ORZECH, PEGG, SCOTT AND CHAIRMAN BEST – 8

NAYS – NONE

HGK ASSET MANAGEMENT, INC.

BY MR. MR. MOORE – SUPPORTED BY MR. SCOTT

WHEREAS, the Board, by prior action, hired HGK Investments as a corporate bond manager, and

WHEREAS, General Counsel has advised the Board that all of the documentation between the Board and HGK has been completed, and

WHEREAS, by prior action, the Board has allocated \$15,000,000.00 to the account to be managed by HGK, and

WHEREAS, by prior action, the Board has determined that HGK account is to be funded by withdrawing \$15,000,000.00 from the corporate bond account managed by Loomis Sayles, therefore be it

RESOLVED, that staff be directed to solicit bids from the brokers of record with respect to the transition of assets from Loomis Sayles to HGK:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MOORE, ORZECZ, PEGG, SCOTT AND CHAIRMAN BEST – 8

NAYS – NONE

► TRUSTEE TALABI RE-JOINED THE MEETING.

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED AMONG OTHER MATTERS, EMERGING MANAGERS, THE BOARD'S MID-CAP GROWTH MANAGER FINALISTS AND THE OPENING OF NORTH POINT'S DETROIT OFFICE.

NORTH POINT ADVISORS/EMERGING MARKETS

BY MS. TALABI – SUPPORTED BY MS. FREEMAN

WHEREAS, THE BOARD RECEIVED AN EMERGING MARKETS REPORT FROM NORTH POINT ADVISORS IN AUGUST, 2006, AND

WHEREAS, THE BOARD HAD DISCUSSED THE REPORT ON SEPTEMBER 14, 2006 AND MODIFIED THE BOARD'S ASSET ALLOCATION POLICY ALLOWING

NORTH POINT ADVISORS/EMERGING MARKETS

FOR AN ALLOCATION IN EMERGING MARKETS EQUITY BUT DELAYING THE EMERGING MARKETS SEARCH UNTIL 2007, AND

WHEREAS, THE BOARD HAS DISCUSSED SAID AUGUST, 2006 REPORT ON THIS DATE AND AT PRIOR MEETINGS, THEREFORE BE IT

RESOLVED, THAT SAID AUGUST, 2006 REPORT IS HEREBY APPROVED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO NORTH POINT ADVISORS, ATTENTION: ADRIAN ANDERSON:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MOORE, ORZECZ, PEGG, SCOTT, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

SCOTT & SCOTT

BY MR. MOORE – SUPPORTED BY MR. SCOTT

RESOLVED, THAT **DON BROGGI** AND ANY REPRESENTATIVE(S) OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (PORTFOLIO OVERSIGHT AND MONITORING SERVICES):

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MOORE, ORZECZ, PEGG, SCOTT, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

PUBLIC FORUM

AT **2:00 P.M.**, 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 CHAIRMAN BEST ADJOURNED THE MEETING AT **2:15 P.M.** UNTIL THURSDAY, **AUGUST 9, 2007**, AT **9:00 A.M.**, IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

CYNTHIA A. THOMAS
ASSISTANT EXECUTIVE SECRETARY