

MEETING NUMBER 2641

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



PROCEEDINGS HELD THURSDAY, AUGUST 16, 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
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/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
Reginald O'Neal	Medical Director

EXCUSED

None

ABSENT

None

CHAIRPERSON

*Gregory Best*

ROLL CALL WAS TAKEN AT 9:01 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

TRUSTEES DOYLE AND STEWART TEMPORARILY EXCUSED THEMSELVES.

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

WHEREAS, The Board's Medical Director is now before the Board of Trustees of the Police and Fire Retirement System of the City of Detroit to discuss the medical and psychiatric reports of the individuals whose names are designated on the pages which follow relative to disability retirement applications and re-examinations, and

WHEREAS, The Michigan Open Meetings Act provides for Closed Sessions in certain circumstances, including the foregoing matter, and

WHEREAS, The Board has discussed this matter consistent with the Michigan Open Meetings Act, Therefore be it

RESOLVED, That the Board enter into Closed Session consistent with the Michigan Open Meetings Act:

A Roll Call vote was taken as follows:

CLOSED SESSION

YEAS – TRUSTEES BANDEMER, FREEMAN, ORZECH, PEGG AND  
CHAIRMAN BEST – 5

NAYS – NONE

The Board entered into Closed Session at **9:02 A.M.**

▶ TRUSTEE DOYLE RE-JOINED THE MEETING.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Resolved, That the Board return to Open Session:

A Roll Call vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, FREEMAN,  
ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

The Board returned to Open Session at **9:26 A.M.** and Medical Director Reginald O'Neal was excused for the remainder of the Meeting.

OPEN SESSION

DISABILITY RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	WILLIAM T. BOSLEY – FIRE FIGHTER - FIRE
DISABILITY, PLAN	DUTY - NEW
INJURIES	RIGHT AND LEFT ROTATOR CUFF INJURIES
DOCTOR'S RECOMMENDATION	DUTY RELATED INJURIES
BOARD ACTION	<b>APPROVE</b> DUTY DISABILITY RETIREMENT

*RE-EXAMINATIONS*

NAME DEPARTMENT DISABILITY TYPE RE-EXAM NUMBER	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH NEXT EXAM IN ONE (1) YEAR	NO FURTHER EXAMS REQUIRED	MUST RECEIVE NEXT EXAM IN DETROIT, MICHIGAN
<i>PATRICK LEWIS</i> <i>FIRE - DUTY- 2</i>	<i>X</i>	<i>X</i>	
<i>KEITH MILLING</i> <i>FIRE DUTY- 8</i>	<i>X</i>	<i>X</i>	
<i>ESTHER PARKER</i> <i>FIRE - DUTY- 5</i>	<i>X</i>	<i>X</i>	
<i>DARVEL PEAKE</i> <i>FIRE - DUTY- 4</i>	<i>X</i>	<i>X</i>	
	<i>ALSO DENY HIS REQUEST TO RETURN TO WORK AND INFORM HIM THAT HE MAY APPEAL SAID DENIAL.</i>		

**WILLIAM T. BOSLEY**

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING **WILLIAM T. BOSLEY**, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES **MR. BOSLEY'S** APPLICATION FOR DUTY DISABILITY RETIREMENT:

YEAS – TRUSTEES BANDEMER, FREEMAN, ORZECH, PEGG AND  
CHAIRMAN BEST – 5

NAYS – TRUSTEE DOYLE – 1

- ▶ TRUSTEE STEWART RE-JOINED THE MEETING.
- ▶ TRUSTEE BEASLEY ENTERED THE MEETING.
- ▶ LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

RE-EXAMINATIONS

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

RESOLVED, THAT IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD'S MEDICAL DIRECTOR, THE RETIRANTS WHOSE NAMES ARE DESIGNATED ON PAGE FOUR BE CONTINUED ON THE DISABILITY RETIREMENT PAYROLLS, WITH NO FURTHER RE-EXAMINATIONS BEING NECESSARY FOR PATRICK LEWIS, KEITH MILLING, ESTHER PARKER AND DARYEL PEAKE, AND BE IT FURTHER

RE-EXAMINATIONS

RESOLVED, THAT THE BOARD DENY **DARYEL PEAKE'S** REQUEST TO RETURN TO WORK AND HE BE APPRISED OF HIS RIGHT TO APPEAL SAID DENIAL PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING:

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, FREEMAN,  
ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

► TRUSTEES TINSLEY-TALABI AND MILTON ENTERED THE MEETING.

MMA REALTY CAPITAL  
THE LAFER BUILDING

BY MS. TALABI – SUPPORTED BY MR. BANDEMER

Whereas, The Board has been presented with an August 15, 2007 communication from MMA Realty Capital wherein MMA requests that the Board fund Draw 6 for The Lafer Building in the amount of **\$225,430.66**, 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, Beasley, Doyle, Freeman,  
Milton, Orzech, Pegg, Stewart, Talabi and Chair-  
man Best – 10

MMA REALTY CAPITAL  
THE LAFER BUILDING

Nays – None

STEWARD REAL ESTATE MANAGEMENT, LLC

BY MS. TALABI – SUPPORTED BY MR. BANDEMER

Whereas, The Board has been presented with an August 9, 2007 communication from Steward Real Estate Management, LLC wherein Steward Real Estate Management, LLC requests that the Board fund its portion of the capital call due for Steward Real Estate Partners Fund I, L.P. in the amount of **\$4,825,000.00**,  
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, Beasley, Doyle, Freeman, Milton, Orzech, Pegg, Stewart, Talabi and Chairman Best – 10

Nays – None

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RETIREMENTS

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

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Orzech, Pegg, Stewart, Talabi and Chairman Best – 10

Nays – None

**RETIREMENTS**

NAME, TITLE, DEPARTMENT	GASPER <b>ROSSI</b> – LIEUTENANT – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	28 09 15 – 08 25 07

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MS. TALABI

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

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Orzech, Pegg, Stewart, Talabi and Chairman Best – 10

Nays – None

<b>Police and Fire Retirement Systems of the City of Detroit</b>			
<b>Summary of Receipts</b>			
<b>From August 8-14, 2007</b>			
<b>Date</b>	<b>Received From</b>	<b>Explanation</b>	<b>Amount</b>
	<b>Bank of New York</b>		
8/8/2007	Touchstone Opportunity Ltd	Distribution	4,286,195.98
8/10/2007	Weekly Annuity	Week 06/08	98,874.21
	Columns of Kentucky	Interest-July'07	15,101.32
	Trellises of Kentucky	Interest-July'07	24,910.33
8/10/2007	MMA Realty Capital	Construction Loan Interest-July, 2007	276,502.78
	MMA Construction Finance	Construction Loan Interest-July, 2007	188,491.11
8/13/2007	Kales Building	Remittance for August, 2007	48,160.44
8/14/2007	Inland American Reit	Interest-July 07	81,169.40
		<b>Total receipts</b>	<b>5,019,405.57</b>

<b>Police and Fire Retirement Systems of the City of Detroit</b>			
<b>Summary of Disbursements</b>			
<b>From August 8-14, 2007</b>			
<b>Date</b>	<b>Wired To</b>	<b>Explanation</b>	<b>Amount</b>
8/10/2007	City of Detroit-General Account	Checkwrite-Administrative Expense	841.74
	XO Communications	Internet Connection	308.92
	Liberty Life Assurance	2007 Fees	138,000.00
	Munros Capital Management	2nd Qtr'07	

			<b>74,036.70</b>
	<b>Banyan Realty Advisors</b>	<b>2nd Qtr'07</b>	<b>47,531.94</b>
	<b>Earnest Partners</b>	<b>2nd Qtr'07</b>	<b>73,941.41</b>
<b>8/13/2007</b>	<b>Churchill Mortgage Investment</b>	<b>Summerwind Apt-Draw #2</b>	<b>954,170.65</b>
<b>8/14/2007</b>	<b>First Independence</b>	<b>Refund List #3248</b>	<b>212,727.01</b>
	<b>Lawrence Walker</b>	<b>Fees July 1-31</b>	<b>191.25</b>
		<b>TOTAL DISBURSEMENT</b>	<b>1,501,749.62</b>

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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 **#3249**, IN THE AMOUNT OF **\$229,699.83**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Orzech, Pegg, Stewart, Talabi and Chairman Best – 10

Nays – None

MINUTES OF THURSDAY, AUGUST 2, 2007

BY MR. BANDEMER – SUPPORTED BY MS. TALABI

MINUTES OF THURSDAY, AUGUST 2, 2007

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **AUGUST 2, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

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

Nays – None

Abstain – Trustee Stewart

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

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 – AUGUST 3, 2007 - \$208.10 – POLICE AND FIRE PORTION OF \$416.19 – SUPPLIES

CHICAGO EQUITY PARTNERS – JULY 27, 2007 - \$101,796.72 – 2007 SECOND QUARTER FEES

BILL PAYMENT REQUESTS

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

CREDIT SUISSE – AUGUST 15, 2007 - \$34,087.20 – 2007 SECOND QUARTER FEES

DIMENSIONAL FUND ADVISORS – JULY 31, 2007 - \$180,907.86 – 2007 SECOND QUARTER FEES

EVERGREEN INVESTMENTS – JULY 23, 2007 - \$163,453.99 – 2007 SECOND QUARTER FEES

GABRIEL, ROEDER, SMITH AND COMPANY – AUGUST 2, 2007 - \$4,500.00 – SUPPLEMENTAL ACTUARIAL VALUATIONS

OFFICE DEPOT – AUGUST 6, 2007 - \$151.11 – POLICE AND FIRE PORTION OF \$302.22 – SUPPLIES

PAYDEN AND RYGEL – AUGUST 9, 2007 - \$33,162.00 – JULY, 2007 FEES

SCM – AUGUST 15, 2007 - \$53,054.21 – 2007 SECOND QUARTER FEES

THE TOWNSEND GROUP – AUGUST 1, 2007 - \$11,250.00 – AUGUST, 2007 FEES

VERIZON WIRELESS – AUGUST 30, 2007 - \$2,121.20 – PHONE SERVICES

ZONES – AUGUST 7, 2007 - \$143.50 – POLICE AND FIRE PORTION OF \$287.00 – SOFTWARE LICENSE

BILL PAYMENT REQUESTS

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Milton, Orzech, Pegg, Stewart, Talabi and Chair-  
man Best – 10

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:

JOSEPH ZYLA, JR.

BENEFICIARY DATE OF DEATH: JUNE 11, 2007

APPLICATION FILED: JULY 23, 2007

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Milton, Orzech, Pegg, Stewart, Talabi and Chair-  
man Best – 10

Nays – None

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING THE RLJ COMPANIES, MAYFIELD GENTRY REALTY ADVISORS AND THE BOARD'S DROP PLAN.

▶ TRUSTEE MOORE ENTERED THE MEETING.

RLJ SELECT DIVERSIFIED TRUST  
\$10,000,000.00 INVESTOR INTEREST

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A SUBSCRIPTION AGREEMENT AND INVESTOR QUESTIONNAIRE (DATED AUGUST 16, 2007), A REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9) (DATE AUGUST 16, 2007) AND A SIDE LETTER DATED JULY 30, 2007 AND ACCEPTED BY THE RETIREMENT SYSTEM ON AUGUST 16, 2007 RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN RECOMMENDED BY THE BOARD'S SPECIAL LEGAL 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

RLJ SELECT DIVERSIFIED TRUST  
\$10,000,000.00 INVESTOR INTEREST

RESOLVED, THAT THE BOARD HEREBY APPROVES THE FUNDING OF THE INVESTMENT AND AUTHORIZES A \$10,000,000.00 WIRE TRANSFER TO RLJ SELECT DIVERSIFIED TRUST IN ACCORDANCE WITH A DISBURSEMENT REQUEST AND WIRE INSTRUCTIONS WHICH SHALL BE COMPLETED CONSISTENT WITH THE BOARD'S POLICY, SUBJECT TO THE REVIEW AND APPROVAL OF SPECIAL LEGAL COUNSEL AND THE BOARD'S GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION AND EXECUTED DOCUMENTS BE FORWARDED TO RLJ SELECT DIVERSIFIED TRUST, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION AND A COPY OF THE EXECUTED DOCUMENTS BE FORWARDED TO RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

Nays – None

MAYFIELD GENTRY REALTY ADVISORS, LLC  
NOTICE OF CHANGE OF CORPORATE STRUCTURE

BY MR. DOYLE – SUPPORTED BY MS. FREEMAN

Whereas, The Board has been requested to execute an Acknowledgement of a Notice of Change of Corporate Structure of Mayfield Gentry Realty Advisors, Inc., by merger,

MAYFIELD GENTRY REALTY ADVISORS, LLC  
NOTICE OF CHANGE OF CORPORATE STRUCTURE

into Mayfield Gentry Realty Advisors, LLC dated August 16, 2007 relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by the Board' General Counsel, 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 Mayfield Gentry Realty Advisors, LLC, and be it further

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

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Milton, Moore, Orzech, Pegg, Stewart, Talabi  
and Chairman Best – 11

Nays – None

RRD INVESTMENT CORPORATION/CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

RRD INVESTMENT CORPORATION/CLOSED SESSION

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Milton, Moore, Orzech, Pegg, Stewart, Talabi  
and Chairman Best – 11

Nays – None

The Board entered into Closed Session at **9:45 A.M.**

OPEN SESSION

By Ms. Talabi – Supported by Mr. Moore

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Milton, Moore, Orzech, Pegg, Stewart, Talabi  
and Chairman Best – 11

Nays – None

The Board returned to Open Session at **9:55 A.M.**

RDD INVESTMENT CORPORATION

SPECIAL COUNSEL JOE TURNER PROVIDED EACH BOARD  
MEMBER WITH A COPY OF AN AUGUST 16, 2007  
COMMUNICATION REGARDING THE ABOVE-CAPTIONED  
MATTER.

BANYAN REALTY MANAGEMENT

LOU VOGT APPEARED BEFORE THE BOARD, DISCUSSED INHERITANCE CAPITAL GROUP-GM AND THEN EXCUSED HIMSELF.

MILESTONE REALTY SERVICES

MARTY WEST, JACKIE PAUL, MICHAEL TYSON, VICTOR SEMELSBERGER AND RON STEMPIN APPEARED BEFORE THE BOARD AND DISCUSSED THE ENGLISH VILLAGE, HERITAGE AT RIVERBEND, 7850 E. JEFFERSON AND THE WATERMARK.

THE BOARD THEN EXCUSED MS. PAUL AND MESSRS. WEST, TYSON, SEMELSBERGER AND STEMPIN.

ALPHA PARTNERS

DAWNA J. EDWARDS-RODGERS AND ROBERT WARFIELD APPEARED BEFORE THE BOARD, DISCUSSED PERFORMANCE AND THEN EXCUSED THEMSELVES.

SALUS CAPITAL MANAGEMENT

ADRIAN ANDERSON (OF NORTH POINT ADVISORS) INTRODUCED CASEY JONES TO THE BOARD, AND MR. JONES DISCUSSED MARKET NEUTRAL, PORTABLE ALPHA AND 130/30 AT LENGTH.

THE BOARD THEN EXCUSED MR. JONES.

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING ALPHA PARTNERS, EMERGING MARKETS, MY HEALTHY ACCESS AND THE BOARD'S MID-CAP GROWTH MANAGER FINALISTS.

Independence Investments

By Mr. Pegg – Supported by Mr. Stewart

WHEREAS, The Board has conducted a Mid-Cap Growth manager search, and

WHEREAS, As a part of said search, the Board interviewed Independence Investments, Reinhart Partners and Wellington Management, Therefore Be it

RESOLVED, That Independence Investments be hired as a Mid-Cap Growth manager subject to the execution of an investment management agreement satisfactory to the Board and General Counsel:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Talabi - 10

Nays – Chairman Best – 1

Wellington Management

By Mr. Pegg – Supported by Mr. Stewart

WHEREAS, The Board has conducted a Mid-Cap Growth manager search, and

WHEREAS, As a part of said search, the Board interviewed Independence Investments, Reinhart Partners and Wellington Management, Therefore Be it

RESOLVED, That Wellington Management be hired as a Mid-Cap Growth manager subject to the execution of an investment management agreement satisfactory to the Board and General Counsel:

Wellington Management

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Milton, Moore, Orzech, Pegg, Stewart and Talabi - 10

Nays – Chairman Best – 1

FISHER INVESTMENTS/ALPHA PARTNERS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD'S MOTION REGARDING FISHER INVESTMENTS AND ALPHA PARTNERS, WHICH WAS TABLED AUGUST 9, 2007, BE REMOVED FROM THE TABLE:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

Nays – None

FOLLOWING IS THE BOARD'S AUGUST 9, 2007 MOTION REGARDING FISHER INVESTMENTS AND ALPHA PARTNERS:

INVESTMENT MANAGER WATCH LIST

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT AS A RESULT OF PERFORMANCE, FISHER INVESTMENTS BE REMOVED FROM THE BOARD'S INTERNAL WATCH LIST, AND BE IT FURTHER

RESOLVED, THAT ALPHA PARTNERS BE NOTIFIED IN WRITING THAT ALPHA PARTNERS HAS BEEN PLACED ON THE BOARD'S INTERNAL "WATCH LIST" AND THAT ALPHA PARTNERS WILL BE EXPECTED TO

INVESTMENT MANAGER WATCH LIST

RESPOND TO INQUIRIES FROM THE BOARD AND THE BOARD'S  
INVESTMENT CONSULTANTS REGARDING PERFORMANCE:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart, Talabi and Chairman  
Best – 11

Nays – None

MILESTONE/ENGLISH VILLAGE AND HERITAGE AT RIVERBEND  
PROPOSED \$6,000,000.00 MORTGAGE LOAN

BY MR. DOYLE – SUPPORTED BY MS. TALABI

WHEREAS, THE BOARD IS IN RECEIPT OF A PROPOSAL (DATED  
AUGUST 16, 2007) FOR A \$6,000,000.00 LOAN TRANSACTION SET  
FORTH IN A 29-PAGE BOOKLET, AND

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

RESOLVED, THAT THE BOARD APPROVE THE PROPOSAL SUBJECT  
TO APPROVAL OF TRANSACTION DOCUMENTS BY SPECIAL  
LEGAL COUNSEL AND GENERAL COUNSEL AND PAYMENT OF  
ALL COSTS AND FEES BY BORROWER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED  
TO MILESTONE AND RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart, Talabi and Chairman  
Best – 11

Nays – None

INHERITANCE CAPITAL GROUP-GM PROPOSED TRANSACTION  
\$24,000,000.00 INVESTMENT

BY MR. MOORE – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD HAS BEEN CONSIDERING A PROPOSAL FROM INHERITANCE CAPITAL GROUP-GM PORTFOLIO FUND (ICG-GM) REGARDING AN APPROXIMATE \$24,000,000.00 INVESTMENT AND ASSUMING A \$24,000,000.00 INVESTMENT BY THE GENERAL RETIREMENT SYSTEM OR OTHER ENTITY INVOLVING, INTER ALIA, AN (1) ACQUISITION PRICE OF APPROXIMATELY \$124,000,000.00 OF FIVE PROPERTIES PRESENTLY OWNED BY GENERAL MOTORS ("GM") AND (2) A PROPOSED IRR TO THE POLICE AND FIRE RETIREMENT SYSTEM OF 10.46%-10.50%, AND

WHEREAS, THE FEES PROPOSED BY ICG-GM ARE NOT ACCEPTABLE TO THE SYSTEM, AND

WHEREAS, THE BOARD NOTES THAT IT DOES NOT PRESENTLY HAVE THE CAPACITY UNDER SECTION 19(2) OF PUBLIC ACT 314 TO MAKE AN ADDITIONAL INVESTMENT OF \$24,000,000.00, AND

WHEREAS, THE BOARD IS IN RECEIPT OF AN ANALYSIS AND REPORT FROM BANYAN REALTY MANAGEMENT REGARDING THE PROPOSAL, AND

WHEREAS, NOTWITHSTANDING THE ABOVE, PROVIDED CAPACITY UNDER SECTION 19(2) OF PUBLIC ACT 314 IS OR BECOMES AVAILABLE AND A NUMBER OF ADDITIONAL REQUIREMENTS ARE MET, THE BOARD HAS A CONTINUED INTEREST IN A MODIFIED PROPOSAL INCLUDING THE ACCEPTANCE BY ICG-GM OF A MODIFIED FEE SCHEDULE ACCEPTABLE TO THE BOARD, AND

WHEREAS, THE BOARD NOTES THE POSSIBILITY OF ICG-GM NOT PROCEEDING WITH THE PROPOSAL DUE TO THE REDUCED FEE

INHERITANCE CAPITAL GROUP-GM PROPOSED TRANSACTION  
\$24,000,000.00 INVESTMENT

SCHEDULE APPROVED BY THE BOARD OR THE GENERAL RETIREMENT SYSTEM NOT PROCEEDING WITH A REVISED PROPOSAL, THEREFORE BE IT

RESOLVED, THAT THE EXECUTIVE SECRETARY, INVESTMENT ANALYST AND GENERAL COUNSEL REPORT TO THE BOARD POSSIBILITIES REGARDING AVAILABILITY OF CAPACITY UNDER PUBLIC ACT 314 OF 1965, AS AMENDED, AND BE IT FURTHER

RESOLVED, THAT THE BOARD CONTINUES TO HAVE INTEREST IN A MODIFIED PROPOSAL SUBJECT TO:

1. AVAILABILITY OF CAPACITY UNDER SECTION 19(2) OF PUBLIC ACT 314, AS AMENDED, OR OTHER CAPACITY AS MAY BE DETERMINED
2. THE BOARD ACHIEVING AN IRR OF 10.47% (PROPOSED TO THE RETIREMENT SYSTEM) WHICH REQUIRES THAT THE MAXIMUM FEES TO BE PAID TO ICG-GM BE 21.4 BASIS POINTS ON AN ANNUAL BASIS CONSISTENT WITH THE CHART PROPOSED BY BANYAN THIS DATE AND THE ELIMINATION OF ANY 55/45 PROPOSED SPLIT OF ANY EXCESS RETURN
3. ACCEPTABILITY OF ALL FINANCIAL FEATURES OF THE PROPOSED TRANSACTION, INCLUDING APPROVAL OF USE OF PROCEEDS, THE DIFFERENCE BETWEEN THE PURCHASE PRICE AND THE TOTAL OF EQUITY AMOUNTS AND LEVERAGED AMOUNT
4. APPROVAL OF ALL DOCUMENTS BY SPECIAL LEGAL COUNSEL (F. LOGAN DAVIDSON, P.C.) AND GENERAL COUNSEL:

INHERITANCE CAPITAL GROUP-GM PROPOSED TRANSACTION  
\$24,000,000.00 INVESTMENT

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Pegg, Stewart and Talabi – 9

Nays – Trustee Orzech and Chairman Best – 2

BENCI VERSUS BENCI  
LENAWEE COUNTY CIRCUIT COURT CASE #07-31255

BY MR. BANDEMER – SUPPORTED BY MR. DOYLE

WHEREAS, **JAMES A. BENCI** HAS PRESENTED THE BOARD WITH AN AUGUST 16, 2007 REQUEST TO HAVE HIS OPTION II RETIREMENT CHANGED TO A STRAIGHT LIFE RETIREMENT BASED UPON A COURT ORDER TERMINATING THE RIGHTS OF THE OPTION BENEFICIARY, AND

WHEREAS, THE BOARD IS IN RECEIPT OF AN AUGUST 6, 2007 COURT ORDER WHICH HAS BEEN REVIEWED BY THE BOARD'S LEGAL COUNSEL WHO HAS CONCLUDED THAT THE COURT ORDER TERMINATES THE RIGHTS OF THE OPTION BENEFICIARY, THEREFORE BE IT

RESOLVED, THAT CONSISTENT WITH LONG-STANDING POLICIES AND PRACTICES OF THE BOARD, PETITIONER'S REQUEST BE GRANTED AND, EFFECTIVE **SEPTEMBER 1, 2007**, PETITIONER'S RETIREMENT BENEFITS BE ADJUSTED FROM AN OPTION II RETIREMENT TO A STRAIGHT LIFE RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S ACTUARY BE INFORMED OF THE BOARD'S ACTION OF THIS DATE, AND BE IT FURTHER

BENCI VERSUS BENCI  
LENAWEE COUNTY CIRCUIT COURT CASE #07-31255

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PETITIONER, JAMES A. BENCI, LISA MARIE BENCI AND ATTORNEY GARY P. WHITE:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

Nays – None

FAM-GLOBAL/LOOP CAPITAL

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD SELECTED LOOP CAPITAL TO PROVIDE CERTAIN SERVICES REGARDING THE FAM-GLOBAL INVESTMENT, AND

WHEREAS, IT APPEARS THAT LOOP CAPITAL HAS SUGGESTED/REQUESTED A FEE OF 25 BASIS POINTS REGARDING THIS MATTER, AND

WHEREAS, THE BOARD IS WILLING TO PAY 15 BASIS POINTS, THEREFORE BE IT

RESOLVED, THAT THE BOARD'S COUNTER OFFER TO LOOP CAPITAL OF 15 BASIS POINTS BE MADE TO LOOP CAPITAL, AND BE IT FURTHER

RESOLVED, THAT IN THE EVENT THE 15 BASIS POINTS IS NOT ACCEPTABLE TO LOOP CAPITAL, THE BOARD OFFER THE 15 BASIS POINTS TO OTHER BROKERS ON THE BOARD'S APPROVED LIST, AND BE IT FURTHER

FAM-GLOBAL/LOOP CAPITAL

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO LOOP CAPITAL AND NORTH POINT ADVISORS:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

Nays – None

CONFERENCES

By Mr. Pegg – Supported by Mr. Stewart

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:

PRIVATE EQUITY SUMMIT FOR INSTITUTIONAL INVESTORS  
LAS VEGAS  
OCTOBER 1, 2007 – OCTOBER 3, 2007

14<sup>TH</sup> ANNUAL MAR-HEDGE GLOBAL HEDGE FUND SUMMIT  
BERMUDA  
OCTOBER 27, 2007 – OCTOBER 31, 2007

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

CONFERENCES

Nays – None

LOOP CAPITAL

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

RESOLVED, THAT FRED PRIME AND ANY ASSOCIATE(S) OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR DISCUSSION PURPOSES:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

Nays – None

PERSONAL SERVICES CONTRACT OF **TAMONE MARTIN**

BY MR. MOORE – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD DEEMS IT APPROPRIATE AT THIS TIME TO PROVIDE AN INTERNSHIP CONTRACT FOR **TAMONE MARTIN** AT AN HOURLY RATE OF \$10.00, THEREFORE BE IT

RESOLVED, THAT THE RETIREMENT SYSTEM ENTER INTO AN INDEPENDENT CONTRACTUAL RELATIONSHIP WITH **TAMONE MARTIN** AT AN HOURLY RATE OF \$10.00 WITH PROVISIONS GENERALLY CONSISTENT WITH OTHER RETIREMENT SYSTEM CONTRACTUAL EMPLOYEES, SUBJECT TO APPROVAL OF DOCUMENTATION BY GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO TAMONE MARTIN:

PERSONAL SERVICES CONTRACT OF **TAMONE MARTIN**

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart, Talabi and Chairman Best – 11

Nays – None

PUBLIC FORUM

AT **3:40 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 **3:46 P.M.** UNTIL THURSDAY, **AUGUST 23, 2007**, AT **9:00 A.M.**, IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY