

MEETING NUMBER 2642

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



PROCEEDINGS HELD THURSDAY, **AUGUST 23, 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
Gregory Best	Elected Trustee/Chairperson
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
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Jeffrey Beasley	Ex/Officio Trustee/Treasurer
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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.

MAYFIELD GENTRY REALTY ADVISORS, LLC
GRAND PARK CENTRE

BY MR. STEWART – SUPPORTED BY MR. MOORE

Whereas, The Board has been presented with an August 20, 2007 communication from Mayfield Gentry Realty Advisors, LLC wherein Mayfield Gentry requests that the Board fund the capital call for Grand Park Centre in the amount of **\$18,401.74**, 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, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

MAYFIELD GENTRY REALTY ADVISORS, LLC
PFRS DUBLIN CORPORATION

BY MR. STEWART – SUPPORTED BY MR. MOORE

Whereas, The Board has been presented with an August 20, 2007 communication from Mayfield Gentry Realty Advisors, LLC

MAYFIELD GENTRY REALTY ADVISORS, LLC
PFRS DUBLIN CORPORATION

wherein Mayfield Gentry requests that the Board fund the capital call for PFRS Dublin Corporation in the amount of **\$264,965.62**, 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, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

CONFIRMATIONS

BY MR. MOORE – SUPPORTED BY MR. BANDEMER

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

YEAS – TRUSTEES BANDEMER, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

RECEIPTS

Police and Fire Retirement Systems of the City of Detroit			
Summary of Receipts			
From August 15-21, 2007			
Date	Received From	Explanation	Amount
	Bank of New York		
8/16/2007	Beringer Harvard Reit	Interest July 1-31	63,229.63
	NOB Hill	August 15, distribution	68,382.18
8/17/2007	Weekly Annuity Contribution	Week 07/08	291,030.55
	Highpoint of Romeoville	Distribution August, 2007	40,902.78
	Perseus Partners V11	First Distribution	678,440.00
	The Sheffield	Distribution 7/9/07-8/8/07	57,935.55
8/21/2007	State Street	AOL Time Warner Securities Litigation	105,797.49
	Comerica		
8/16/2007	Wood, Espinoza & Leonard	Express Mail	45.00
		total	1,305,763.18
		TOTAL RECEIPTS	1,305,763.18

DISBURSEMENTS

Police and Fire Retirement Systems of the City of Detroit			
Summary of Disbursements			
From August 15-21, 2007			
Date	Wired To	Explanation	Amount
8/15/2007	Kelly Cathorne	Payment #3-EDS/RDD	5,000.00
8/17/2007	General Fund	Checkwrite-Administrative Expense	291,030.55
	Lafer Building	Draw #6	225,430.66
8/20/2007	Steward Real Estate Mangement	Draw #2	4,825,000.00
	Chicago Equity Partners	Management Fee - 2nd Qtrt'07	101,796.72
	SCM Advisors-Seneca	Management Fee - 2nd Qtrt'07	53,054.21
	Evergreen Investment Asset Management	Management Fee - 2nd Qtrt'07	163,453.99
	Dimensional Fund Advisors	Management Fee - 2nd Qtrt'07	180,907.86
8/21/2007	General Fund	Checkwrite-Administrative Expense	26,084.36
	First Independence	Refund List #3249	229,699.83
		TOTAL DISBURSEMENT	6,101,458.18

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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 #3250, IN THE AMOUNT OF **\$207,283.79**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

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, INC. – AUGUST 10, 2007 - \$6,135.66 – POLICE AND FIRE PORTION OF \$12,271.31 – CONTRACT/MISCELLANEOUS SERVICES

BILL PAYMENT REQUESTS

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

THE BANK OF NEW YORK – AUGUST 1, 2007 - \$58,166.53 – JUNE, 2007 FEES

THE BANK OF NEW YORK – AUGUST 17, 2007 - \$10,100.00 – JUNE 30, 2007 FEES

THE BANK OF NEW YORK – AUGUST 17, 2007 - \$62,504.49 – 2007 SECOND QUARTER FEES

CLARK HILL – AUGUST 13, 2007 - \$61,233.49 – LEGAL FEES MISCELLANEOUS, MARWOOD, JOEL SNYDER, CITI-GROUP AND EDS, INC.

ENGLISH, FRANK – AUGUST 23, 2007 - \$237.50 – PARKING REIMBURSEMENT

GABRIEL, ROEDER, SMITH AND COMPANY – AUGUST 22, 2007 - \$600.00 – MISCELLANEOUS EXPENSES – EDRO

HSBC – JULY 19, 2007 - \$87,722.23 – 2007 SECOND QUARTER FEES

HSBC – JULY 23, 2007 - \$19,765.78 – 2007 SECOND QUARTER FEES

MAYFIELD GENTRY REALTY ADVISORS, LLC, - AUGUST 21 ,2007 - \$259,505.14 – AUGUST, 2007 ASSET MANAGEMENT AND MORTGAGE SERVICES FEES

NORTH POINT ADVISORS – AUGUST 22, 2007 - \$15,000.00 – MY HEALTHY ACCESS DUE DILIGENCE

BILL PAYMENT REQUESTS

YEAS – TRUSTEES BANDEMER, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

TRUSTEE SCOTT ENTERED THE MEETING.

Finance/Retirement Petty Cash Account

By Mr. Bandemer – Supported by Mr. Stewart

Whereas, The present balance of the Finance/Retirement Petty
Cash account is **\$144.83**, and

Whereas, Staff has requested that the account be replenished
to its maximum amount of **\$2,000.00**, Therefore Be It

Resolved, That the Finance/Retirement Petty Cash account be
replenished to the maximum amount of **\$2,000.00**, and be it
further

Resolved, That the amount required to replenish the
Finance/Retirement Petty Cash account to **\$2,000.00**, be paid
accordingly:

Police and Fire Retirement System: **\$1,422.86**

General Retirement System: **\$ 432.31**

YEAS – TRUSTEES BANDEMER, MOORE, ORZECH, PEGG, SCOTT,
STEWART AND CHAIRMAN BEST – 7

NAYS – NONE

▶ TRUSTEE FREEMAN ENTERED THE MEETING.

THE REQUEST OF DERRICK WARD

BY MR. MOORE – SUPPORTED BY MR. STEWART

WHEREAS, PER LETTER FROM WILLIAM GAMAGE DATED AUGUST 15, 2007, DERRICK WARD HAS REQUESTED PAYMENT OF A THIRTEENTH CHECK AS AN ACTIVE EMPLOYEE WHICH WAS PAID TO ACTIVE EMPLOYEES ON THE PAYROLL JULY 1, 1999, AND

WHEREAS, MR. WARD RESIGNED ON OR ABOUT MAY 18, 1999 AND DID NOT RECEIVE THE THIRTEENTH CHECK BENEFIT PAID TO ACTIVE EMPLOYEES ON JULY 1, 1999, AND

WHEREAS, MR. WARD IS NOT ELIGIBLE FOR THE ACTIVE EMPLOYEE BENEFIT REQUESTED, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. WARD BE DENIED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MR. WARD AND WILLIAM GAMAGE:

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

NAYS – NONE

▶ TRUSTEES TALABI AND MILTON ENTERED THE MEETING.

▶ LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING RDD INVESTMENT CORPORATION.

ORLEANS CAPITAL

JOHN GORDON AND **FARRELL CRANE** APPEARED BEFORE THE BOARD, DISCUSSED AN ENERGY PROPOSAL AND THEN EXCUSED THEMSELVES.

IMG

DENNIS MCCASKILL, RANDALL ELEY AND **MICHAEL MCGHEE** APPEARED BEFORE THE BOARD, DISCUSSED THE EDGAR LOMAX LARGE-CAP VALUE FUND AND THEN EXCUSED THEMSELVES.

ORACLE PARTNERS

DAVID MORRIS, KEN PAUL AND HENRY **BRANDON** APPEARED BEFORE THE BOARD AND DISCUSSED PERFORMANCE, TAG A & D, LLC, VHS GROUP, SECURECOM. AND FIRST SPIRIT BANK.

THE BOARD THEN EXCUSED MESSRS. MORRIS, PAUL AND BRANDON.

SEIZERT CAPITAL

GERRY SEIZERT, CHRIS MCCORMICK AND **DAVID COLLON** APPEARED BEFORE THE BOARD, DISCUSSED MID-CAP INVESTING AND THEN EXCUSED THEMSELVES.

LEGAL COUNSEL'S REPORTS (CONTINUED)

LEGAL COUNSEL DISCUSSED CAVAN II, QUALCOMM, INC., MERGERS AND ACQUISITIONS AND RODNEY ENGLISH.

LOAN TO AVONDALE GATEWAY CENTER ENTITLEMENT, LLC
CAVAN II

BY MR. STEWART – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD HAS BEEN OR WILL BE REQUESTED TO EXECUTE A PARTICIPATION AGREEMENT, ANNEX AND RELATED DOCUMENTS DATED AUGUST 23, 2007 RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN RECOMMENDED BY MMA REALTY CAPITAL, 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 LOAN AMOUNTS BE WIRE-TRANSFERRED 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 MMA REALTY CAPITAL AND RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

QUALCOMM, INC. SECURITIES LITIGATION

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN AUGUST 22, 2007 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND

QUALCOMM, INC. SECURITIES LITIGATION

GROSSMANN, LLP TO LEGAL COUNSEL REGARDING THE ABOVE-CAPTIONED LITIGATION.

MERGERS AND ACQUISITIONS ("M & A") LITIGATION

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A PROPOSED RESOLUTION REGARDING THE ABOVE-CAPTIONED MATTER.

RODNEY ENGLISH (DECEASED)

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD ADOPTED A POLICY PER RESOLUTION DATED AUGUST 31 ,2006 WHICH REVISED A PRIOR POLICY WHICH REQUIRED CONSERVATORSHIPS RELATIVE TO MINOR CHILDREN WHO ARE RECIPIENTS OF A CHILDREN'S BENEFIT DUE TO THE DEATH OF FIREFIGHTER RODNEY ENGLISH ON AUGUST 14, 2005, AND

WHEREAS, KENDALL ENGLISH (DATE OF BIRTH: JANUARY 25, 1995) AND KRYSTLE ENGLISH (DATE OF BIRTH: JANUARY 28, 1989) CHILDREN OF RODNEY ENGLISH WERE ELIGIBLE TO RECEIVE A CHILDREN'S BENEFIT PAYABLE UNTIL REACHING THE AGE OF 18 YEARS, AND

WHEREAS, CONSERVATORSHIPS FOR THE MINOR CHILDREN WERE ESTABLISHED SOLELY FOR THE PURPOSE OF RECEIVING THE CHILDREN'S BENEFIT, AND

WHEREAS, THE BOARD HAS DECIDED THAT CONSERVATORSHIPS ARE NOT NECESSARY AND THE BOARD HAS ELECTED TO PAY THE CHILDREN'S BENEFIT TO THE MOTHER (KIM ENGLISH) BECAUSE

RODNEY ENGLISH (DECEASED)

THE BENEFIT PER CHILD WAS AND IS LESS THAN \$5,000.00 PER YEAR, AND

WHEREAS, EFFECTIVE AUGUST 31, 2006, NO CONSERVATORSHIPS WERE REQUIRED PURSUANT TO THE AUGUST 31, 2006 BOARD RESOLUTION, AND

WHEREAS, THE BOARD'S POSITION IS TO ASSIST THE FAMILIES OF DECEASED MEMBERS INVOLVING MINOR CHILDREN WHO ARE BEING PAID BENEFITS, THEREFORE BE IT

RESOLVED, THAT BENEFITS PAYABLE TO MINOR CHILDREN NOT TO EXCEED \$5,000.00 EACH BE PAID TO THEIR MOTHER EFFECTIVE SEPTEMBER 1, 2007, SUBJECT TO POSSIBLE CHANGE BY FURTHER ACTION OF THE BOARD AS MAY BE DETERMINED TO CONTINUE COMPLIANCE WITH THE STATUTES, AND BE IT FURTHER

RESOLVED, THAT GENERAL COUNSEL ASSIST THE WIDOW OF MR. ENGLISH REGARDING THE PENDING PROBATE MATTER, ARRANGE FOR THE PAYMENT OF LEGAL SERVICES AND INCIDENTAL COSTS RELATED THERETO WHICH COSTS WILL BE REIMBURSED BY THE BOARD SUBJECT TO APPROVAL BY THE BOARD OF REASONABLE LEGAL FEES, AND BE IT FURTHER

RESOLVED, THAT THE BOARD ADOPT SUCH ADDITIONAL POLICY RESOLUTION REGARDING THIS MATTER AS DEEMED APPROPRIATE BY THE BOARD OF TRUSTEES:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

CHILDREN'S BENEFITS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD HAS DEEMED IT APPROPRIATE TO ASSIST FAMILIES OF DECEASED MEMBERS WHOSE MINOR CHILDREN ARE ENTITLED TO BENEFITS FROM THE RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD HAS ADOPTED A POLICY PER RESOLUTION DATED AUGUST 31, 2006, AND

WHEREAS, CERTAIN CONSERVATORSHIPS WHICH WERE REQUIRED PRIOR TO AUGUST 31, 2006 MAY NO LONGER BE REQUIRED AS A RESULT OF THE AUGUST 31, 2006 POLICY RESOLUTION OF THE BOARD, AND

WHEREAS, CERTAIN CONSERVATORSHIPS MAY CONTINUE TO BE REQUIRED AND FUTURE CONSERVATORSHIPS MAY BE REQUIRED PURSUANT TO APPLICABLE LAW, AND

WHEREAS, THE BOARD BELIEVES THAT FAMILIES OF DECEASED MEMBERS DESCRIBED ABOVE SHOULD HAVE THE BENEFIT OF THE ASSISTANCE OF THE RETIREMENT SYSTEM WITH RESPECT TO THE APPLICABILITY OR NON-APPLICABILITY OF THE NEED FOR CONSERVATORSHIPS AND GENERAL APPLICABLE INFORMATION RELATIVE THERETO, THEREFORE BE IT

RESOLVED, THAT GENERAL COUNSEL ARRANGE FOR LEGAL ASSISTANCE TO THE APPLICABLE FAMILIES DESCRIBED ABOVE BY APPOINTING SPECIAL LEGAL COUNSEL TO PROVIDE SERVICES REGARDING APPLICABLE PROBATE MATTERS RELATIVE TO CONSERVATORSHIPS AND RELATED MATTERS AND PAYING LEGAL FEES WHICH SHALL BE REIMBURSED BY THE RETIREMENT SYSTEM SUBJECT TO APPROVAL OF REASONABLE LEGAL FEES AND COSTS BY THE BOARD OF TRUSTEES:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

CLARK HILL

ED HAMMOND APPEARED BEFORE THE BOARD, DISCUSSED THE BOARD'S DROP PLAN AT LENGTH. HE ALSO PROVIDED THE BOARD WITH A COPY OF AN AUGUST 23, 2007 COMMUNICATION REGARDING IRS EMPLOYEE PLANS TECHNICAL ADVICE MEMORANDUM.

THE BOARD THEN EXCUSED MR. HAMMOND.

RDD INVESTMENT CORPORATION

SPECIAL COUNSEL **JOE TURNER** PROVIDED EACH MEMBER OF THE BOARD WITH A COPY OF AN AUGUST 23, 2007 COMMUNICATION REGARDING RDD INVESTMENT CORPORATION.

BLACKROCK

BY MR. ORZECH – SUPPORTED BY MS. TALABI

WHEREAS, BLACKROCK HAS BEEN TERMINATED AS A SMALL-CAP GROWTH MANAGER FOR ACCOUNT NUMBER 591334, AND

WHEREAS, CERTAIN RESIDUAL ASSETS REMAIN IN THE BLACKROCK ACCOUNT WHICH ARE NOT INTENDED TO BE UTILIZED TO FUND ANY OTHER INVESTMENT MANAGERS, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH STAFF ON THIS DATE, THEREFORE BE IT

RESOLVED, THAT ALL OF THE SECURITIES REMAINING IN THE BLACKROCK ACCOUNT (591334) BE TRANSFERRED TO THE DOMESTIC TRANSITION ACCOUNT (591374), AND BE IT FURTHER

BLACKROCK

RESOLVED, THAT ALL SECURITIES TRANSFERRED TO THE DOMESTIC TRANSITION ACCOUNT (591374) BE SOLD USING LOOP CAPITAL MANAGEMENT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO LOOP CAPITAL MANAGEMENT:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

DROP PLAN

BY MR. MOORE – SUPPORTED BY MR. PEGG

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE “BOARD”) PREVIOUSLY SUBMITTED TO THE INTERNAL REVENUE SERVICE (IRS) A REQUEST FOR APPROVAL OF THE POLICE AND FIRE RETIREMENT SYSTEM’S PROPOSED DEFERRED RETIREMENT OPTION PLAN (DROP PLAN) AS REQUIRED BY THE ACT 312 AWARD GRANTING THE DROP PLAN BENEFIT TO DPOA (DETROIT POLICE OFFICERS’ ASSOCIATION) MEMBERS, AND

WHEREAS, ED HAMMOND OF CLARK HILL, PLC (SPECIAL COUNSEL):

i RECEIVED FROM THE IRS AND SUBMITTED TO THE BOARD A COPY OF THE IRS TECHNICAL ADVISE MEMORANDUM (TAM) PERTAINING TO OUTSTANDING ISSUES REGARDING THE DROP PLAN

DROP PLAN

ii PREPARED A MEMORANDUM TO THE BOARD DATED AUGUST 23, 2007 (THE MEMO) PROVIDING FOR CHOICES REGARDING THE TAM AND THE APPLICATION OF INTERNAL REVENUE CODE SECTION 415 LIMITS

iii APPEARED BEFORE THE BOARD TO DISCUSS THE MEMO AND RECOMMEND, INTER ALIA, THAT PRIOR TO THE BOARD SELECTING A CHOICE, IT WOULD BE APPROPRIATE TO STATISTICALLY SAMPLE THOSE ELIGIBLE FOR THE DROP PLAN AS TO HOW APPLICATION OF 415 CODE LIMITS AFFECT THEM, AND

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

RESOLVED, THAT THE BOARD APPROVES SPECIAL COUNSEL COORDINATING WITH GABRIEL, ROEDER, SMITH & COMPANY, THE SYSTEM'S ACTUARY, TO ANALYZE THE APPLICATION OF CODE SECTION 415(B) AND CODE SECTION 415 (C) LIMITS ON DROP BENEFITS AND SYSTEM BENEFITS AND THE ACTUARIAL COST, IF ANY, OF CHANGES NECESSARY TO APPLY CODE SECTION 415 (B) LIMITS, AND BE IT FURTHER

RESOLVED, THAT THE BOARD DIRECTS SPECIAL COUNSEL TO ADDRESS CERTAIN QUESTIONS POSED BY THE TRUSTEES REGARDING THE EMPLOYMENT STATUS OF DROP PARTICIPANTS IN THE SYSTEM AND ITS AFFECT ON BENEFITS, INCLUDING ELIGIBILITY FOR HEALTH BENEFITS AS WELL AS TO ANALYZE CODE SECTION 72(T) IMPLICATIONS ON SYSTEM BENEFITS, AND TO PROVIDE RESPONSES TO THE BOARD, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO GABRIEL, ROEDER, SMITH & COMPANY, THE BOARD'S ACTUARY, AND SPECIAL COUNSEL:

DROP PLAN

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

PR INVESTMENT GROUP, LTD

BY MS. TALABI – SUPPORTED BY MR. MILTON

RESOLVED, THAT **PHILLIP MISICK** AND ANY ASSOCIATES OF HIS
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR
PRESENTATION (REAL ESTATE) PURPOSES:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

TRANS INDUSTRIES CAPITAL, LLC

BY MS. TALABI – SUPPORTED BY MR. MILTON

RESOLVED, THAT **WILLIAM GRUITS** AND ANY ASSOCIATES OF HIS
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR
PRESENTATION (ALTERNATIVE INVESTING) PURPOSES:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

SEIZERT CAPITAL

By Mr. Orzech – Supported by Mr. Stewart

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

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

Resolved, That subject to Seizert Capital agreeing to pay the costs for said due diligence and said funds being escrowed by Seizert Capital with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

Resolved, That the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving a due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

Resolved, That a copy of this resolution be forwarded to Seizert Capital and North Point Advisors:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

ORLEANS CAPITAL

By Mr. Orzech – Supported by Mr. Stewart

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

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

Resolved, That subject to Orleans Capital agreeing to pay the costs for said due diligence and said funds being escrowed by Orleans Capital with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

Resolved, That the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving a due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

Resolved, That a copy of this resolution be forwarded to Orleans Capital and North Point Advisors:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

TMG

By Mr. Orzech – Supported by Mr. Stewart

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

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

Resolved, That subject to TMG agreeing to pay the costs for said due diligence and said funds being escrowed by TMG with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

Resolved, That the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving a due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

Resolved, That a copy of this resolution be forwarded to TMG and North Point Advisors:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

CONFERENCE

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

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

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

CONFERENCE

BY MR. BANDEMER – 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 conference, 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 conference:

WORLD SERIES OF EXCHANGE TRADE FUNDS
ARIZONA
OCTOBER 14, 2007 – OCTOBER 16, 2007

CONFERENCE

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Orzech,
Pegg, Scott, Stewart, Talabi and Chairman Best – 10

Nays – None

PUBLIC FORUM

AT **2:30 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 **2:35 P.M.** UNTIL
THURSDAY, **AUGUST 30, 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