

MEETING NUMBER 2650

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



PROCEEDINGS HELD THURSDAY, OCTOBER 18, 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
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 Rep.
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Reginald O'Neal	Medical Director

EXCUSED

Richard Huddleston	Investment Analyst
--------------------	--------------------

ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT 9:13 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

RDD INVESTMENT CORPORATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with an October 12, 2007 communication from RDD Investment Corporation wherein RDD Investment Corporation requests that the Board fund its portion of the capital call due for RDD Investment Operations, LLC in the amount of **\$25,000.00**, 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, Stewart and Chairman Best – 5

Nays – None

STEWARD REAL ESTATE

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with an October 4, 2007 communication from Steward Real Estate wherein Steward Real Estate 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 **\$1,483,333.33**, Therefore Be It

STEWARD REAL ESTATE

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, Stewart and
Chairman Best – 5

Nays – None

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

Yeas – Trustees Bandemer, Freeman, Orzech, Stewart and
Chairman Best – 5

Nays – None

CONFIRMATIONS (DISBURSEMENTS)

THE BOARD DISBURSED THE SUM OF \$805,000.00 ON OCTOBER 10, 2007 TO
FUND ICG LEASEBACK FUND I – CAPITAL CALL 2

THE BOARD DISBURSED THE SUM OF \$88,851.00 ON OCTOBER 10, 2007 TO
FUND SYNDICATED COMMUNICATIONS – CAPITAL CALL 9

THE BOARD DISBURSED THE SUM OF \$21,216.71 ON OCTOBER 12, 2007 TO
PAY COUZENS LANSKY'S LEGAL FEES FOR THE PERIOD JANUARY, 2007
THROUGH SEPTEMBER, 2007 – MCA

THE BOARD DISBURSED THE SUM OF \$1,150,000.00 ON OCTOBER 12, 2007 TO
FUND ONXY CAPITAL ADVISORS – CAPITAL CALL 3

CONFIRMATIONS (DISBURSEMENTS)

THE BOARD DISBURSED THE SUM OF \$1,890.00 ON OCTOBER 12, 2007 TO PAY DR. O'NEAL' MEDICAL EXAMINATION FEES – SEPTEMBER, 2007

THE BOARD DISBURSED THE SUM OF \$1,483,333.33 ON OCTOBER 15, 2007 TO FUND STEWARD REAL ESTATE'S PARTNER FUND – CAPITAL CALL 3

THE BOARD DISBURSED THE SUM OF \$2,835.08 ON OCTOBER 15, 2007 TO PAY PDS – SOFTWARE PURCHASE

THE BOARD DISBURSED THE SUM OF \$2,835.098 ON OCTOBER 15, 2007 TO PAY XO COMMUNICATIONS – AUGUST, 2007 THROUGH OCTOBER, 2007

THE BOARD DISBURSED THE SUM OF \$771,165.66 ON OCTOBER 16 ,2007 TO REIMBURSE FIRST INDEPENDENCE – LIST #3257

TOTAL: \$4,333,302.26

CONFIRMATIONS (RECEIPTS)

THE BOARD RECEIVED THE SUM OF \$17,737.83 ON OCTOBER 9, 2007 FROM MUNIMAE MIDLAND – WACHOVIA LETTER OF CREDIT

THE BOARD RECEIVED THE SUM OF \$14,614.18 ON OCTOBER 10, 2007 FROM THE COLUMNS OF KENTUCKY – SEPTEMBER, 2007 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$24,106.77 ON OCTOBER 10, 2007 FROM THE TRELLISES OF KENTUCKY – SEPTEMBER, 2007 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$630,136.99 ON OCTOBER 10, 2007 FROM MIDLAND'S MULTI-FAMILY REIT – 2007 THIRD QUARTER DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$2,046,657.54 ON OCTOBER 10, 2007 FROM MIDLAND'S AFFORDABLE HOUSING GROUP TRUST – 2007 THIRD QUARTER DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$8,473.03 ON OCTOBER 10, 2007 FROM CHURCHILL MORTGAGE TRUST – SEPTEMBER, 2007 CONSTRUCTION LOAN INTEREST

CONFIRMATIONS (RECEIPTS)

THE BOARD RECEIVED THE SUM OF \$560,368.67 ON OCTOBER 10, 2007 FROM MUNIMAE MIDLAND – SEPTEMBER, 2007 CONSTRUCTION LOAN INTEREST

THE BOARD RECEIVED THE SUM OF \$7,676.23 ON OCTOBER 10, 2007 FROM STATE STREET BANK – LITIGATION

THE BOARD RECEIVED THE SUM OF \$48,162.99 ON OCTOBER 11, 2007 FROM THE KALES BUILDING – OCTOBER, 2007 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$289,472.53 ON OCTOBER 12, 2007 FROM THE GENERAL FUND – WEEKLY ANNUITY – WEEK 15-08

THE BOARD RECEIVED THE SUM OF \$382,990.18 ON OCTOBER 12, 2007 FROM WALTON REAL ESTATE

THE BOARD RECEIVED THE SUM OF \$81,169.40 ON OCTOBER 15, 2007 FROM INLAND'S AMERICAN REIT

THE BOARD RECEIVED THE SUM OF \$54,794.71 ON OCTOBER 16, 2007 FROM BEHRINGER HARVARD

TOTAL: \$4,148,623.22

TRUSTEE MOORE ENTERED THE MEETING.

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 #3258, IN THE AMOUNT OF **\$324,819.42**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Stewart
and Chairman Best – 6

Nays – None

MINUTES OF THURSDAY, OCTOBER 4, 2007

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,
OCTOBER 4, 2007 BE APPROVED AS RECORDED AND SUBMITTED
BY THE BOARD'S RECORDING SECRETARY:

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Stewart
and Chairman Best – 6

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

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:

BILL PAYMENT REQUESTS

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

ADP, INC. – OCTOBER 5, 2007 - \$6,353.14 – POLICE AND FIRE
PORTION OF \$12,706.28 – SUPPLIES

ALPHA PARTNERS, LLC – OCTOBER 6, 2007 - \$21,556.00 – 2007
THIRD QUARTER FEES

DETROIT OFFICE INTERIORS – OCTOBER 15, 2007 - \$1,100.90 –
POLICE AND FIRE PORTION OF \$2,201.00 – FURNITURE

FORTUNE MAGAZINE – OCTOBER 17, 2007 - \$5.00 – POLICE AND
FIRE PORTION OF \$10.00 – SUPPLIES

HOWARD & HOWARD – OCTOBER 12, 2007 - \$8,507.00 –
SEPTEMBER, 2007 SERVICES – GSC PARTNERS

INCOME, RESEARCH & MANAGEMENT – OCTOBER 17, 2007 -
\$40,895.08 – 2007 THIRD QUARTER FEES

MAYFIELD GENTRY REALTY ADVISORS, LLC – OCTOBER 16, 2007 -
\$778,057.32 – CAPITAL IMPROVEMENTS – PFRS DUBLIN CORP.

MAYFIELD GENTRY REALTY ADVISORS, LLC – OCTOBER 17, 2007 -
\$255,371.76 – OCTOBER, 2007 ASSET MANAGEMENT AND
SERVICING FEES

MAYFIELD GENTRY REALTY ADVISORS, LLC – OCTOBER 16, 2007 -
\$41,113.81 – OPERATIONAL EXPENSES AND CAPITAL
IMPROVEMENTS FOR GRAND PARK CENTRE

MUNROS CAPITAL MANAGEMENT – OCTOBER 16, 2007 -
\$147,386.32 – 2007 THIRD QUARTER FEES

BILL PAYMENT REQUESTS

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

NORTH POINT ADVISORS – OCTOBER 16, 2007 - \$15,000.00 –
PROVIDENT FIXED INCOME HEDGE FUND DUE DILIGENCE

OFFICE DEPOT – OCTOBER 1, 2007 - \$247.43 – POLICE AND FIRE
PORTION OF \$494.85 – SUPPLIES

PAYDEN & RYGEL – OCTOBER 9, 2007 - \$10,949.00 – SEPTEMBER,
2007 SERVICES – ACCOUNT 1612

PAYDEN & RYGEL – OCTOBER 9, 2007 - \$17,880.00 – SEPTEMBER,
2007 SERVICES – ACCOUNT 1613

PENN CAPITAL MANAGEMENT – OCTOBER 10, 2007 - \$68,012.61
– 2007 THIRD QUARTER FEES

PENSIONS & INVESTMENTS – SEPTEMBER 29, 2007 - \$119.50 –
POLICE AND FIRE PORTION OF \$239.00 – SUPPLIES

PLANTE & MORAN – OCTOBER 8, 2007 - \$29,000.00 – POLICE
AND FIRE PORTION OF \$58,000.00 – AUDIT SERVICES FOR YEAR
END JUNE 30, 2007

RHUMBLINE INVESTMENT ADVISORY – OCTOBER 12, 2007 -
\$39,420.24 – 2007 THIRD QUARTER FEES

STEWARD CAPITAL MANAGEMENT – OCTOBER 15, 2007 -
\$48,298.14 – 2007 THIRD QUARTER FEES

THALNER ELECTRONICS – OCTOBER 5, 2007 - \$41.35 – POLICE
AND FIRE PORTION OF \$82.69 – SUPPLIES

BILL PAYMENT REQUESTS

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

TRANSAMERICA – OCTOBER 8, 2007 - \$72,153.00 – 2007 THIRD QUARTER FEES

VERIZON WIRELESS – OCTOBER 4, 2007 - \$2,158.04 – PHONE SERVICES

ZONES – OCTOBER 9, 2007 - \$365.00 – POLICE AND FIRE PORTION OF \$730.00 – SUPPLIES

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Stewart and Chairman Best – 6

Nays – None

Pre-Employment Military Service Credit

By Mr. Moore – Supported by Mr. Bandemer

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

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:

Pre-Employment Military Service Credit

Roger Salcedo – Police Department

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Stewart
and Chairman Best – 6

Nays – None

REQUEST OF TIMOTHY GAJEWSKI

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

WHEREAS, TIMOTHY GAJEWSKI HAS PRESENTED THE BOARD WITH AN OCTOBER 8, 2007 REQUEST TO RECEIVE A REFUND (32 MONTHS) OF THE MILITARY SERVICE TIME HE PURCHASED, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. GAJEWSKI BE APPROVED:

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Stewart
and Chairman Best – 6

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. STEWART – SUPPORTED BY MR. MOORE

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

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

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:

RICHARD ARRINGTON

BENEFICIARY DATE OF DEATH: SEPTEMBER 16, 2007

APPLICATION FILED: SEPTEMBER 19, 2007

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Stewart and Chairman Best – 6

Nays – None

TRUSTEE SCOTT ENTERED THE MEETING.

MEDICAL DIRECTOR REGINALD O'NEAL ENTERED THE MEETING.

RETURN TO WORK REQUEST OF LEMARR TORAN

LEMARR TORAN APPEARED BEFORE THE BOARD, DISCUSSED HIS REQUEST TO RETURN TO WORK AND THEN EXCUSED HIMSELF.

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

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

CLOSED SESSION

reports of the individuals whose names are designated below and 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:

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Scott, Stewart and Chairman Best – 7

Nays – None

The Board entered into Closed Session at **9:28 A.M.**

SPECIAL COUNSEL JOE TURNER, TRUSTEE PEGG AND LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

BY MR. MOORE – SUPPORTED BY MR. ORZECH

Resolved, That the Board return to Open Session:

A Roll Call vote was taken as follows:

OPEN SESSION

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
MOORE, ORZECH, PEGG, SCOTT, STEWART, TALABI AND
CHAIRMAN BEST – 11

NAYS – NONE

The Board returned to Open Session at **10:18 A.M.** and Medical Director Reginald O’Neal was excused for the remainder of the Meeting.

DISABILITY RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	GWEN ASHE – OFFICER – POLICE
DISABILITY, PLAN	DUTY - NEW
INJURIES	LUNG DISEASE
DOCTOR'S RECOMMENDATION	CAUSATION UNCERTAIN
BOARD ACTION	APPROVE – APPROVE, ANNUAL RE- EXAMINATIONS NOT REQUIRED – DENY – TABLE – REFER TO DETROIT MEDICAL CENTER – REFER TO ARBITRATION – REFER TO MEDICAL BOARD OF REVIEW
NAME, TITLE, DEPARTMENT	CECELIA CARTER – OFFICER – POLICE
DISABILITY, PLAN	DUTY - NEW
INJURIES	RIGHT KNEE
DOCTOR'S RECOMMENDATION	APPLICATION PREMATURE
BOARD ACTION	APPROVE – APPROVE, ANNUAL RE- EXAMINATIONS NOT REQUIRED – DENY – TABLE – REFER TO DETROIT MEDICAL CENTER – REFER TO ARBITRATION – REFER TO MEDICAL BOARD OF REVIEW

DISABILITY RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	RICHARD LIS – OFFICER – POLICE
DISABILITY, PLAN	DUTY - NEW
INJURIES	RIGHT ANKLE
DOCTOR'S RECOMMENDATION	DUTY RELATED DISABILITY
BOARD ACTION	APPROVE – APPROVE, ANNUAL RE- EXAMINATIONS NOT REQUIRED – DENY – TABLE – REFER TO DETROIT MEDICAL CENTER – REFER TO ARBITRATION – REFER TO MEDICAL BOARD OF REVIEW

NAME, TITLE, DEPARTMENT	GERY LOFTIS – OFFICER – POLICE
DISABILITY, PLAN	DUTY - NEW
INJURIES	LOWER BACK AND RIGHT SHOULDER
DOCTOR'S RECOMMENDATION	DUTY RELATED DISABILITIES
BOARD ACTION	APPROVE – APPROVE, ANNUAL RE- EXAMINATIONS NOT REQUIRED – DENY – TABLE – REFER TO DETROIT MEDICAL CENTER – REFER TO ARBITRATION – REFER TO MEDICAL BOARD OF REVIEW

NAME, TITLE, DEPARTMENT	ERIC ROBINSON – OFFICER – POLICE
DISABILITY, PLAN	DUTY - NEW
INJURIES	LOWER BACK, ANKLES, SHOULDERS, KNEES
DOCTOR'S RECOMMENDATION	DUTY RELATED DISABILITIES
BOARD ACTION	APPROVE – APPROVE, ANNUAL RE- EXAMINATIONS NOT REQUIRED – DENY – TABLE – REFER TO DETROIT MEDICAL CENTER – REFER TO ARBITRATION – REFER TO MEDICAL BOARD OF REVIEW

GWEN ASHE

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING GWEN ASHE, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES GWEN ASHE'S APPLICATION FOR DUTY DISABILITY RETIREMENT:

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 7

Nays – Trustee Freeman – 1

TRUSTEE STEWART TEMPORARILY EXCUSED HIMSELF.

CECELIA CARTER

BY MR. MOORE – SUPPORTED BY MR. FREEMAN

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING CECELIA CARTER, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY DENIES MS. CARTER'S APPLICATION FOR DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT MS. CARTER BE APPRISED OF HER RIGHT TO APPEAL SAID DENIAL PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING:

CECELIA CARTER

Yeas – Trustees Bandemer, Freeman, Moore, Orzech, Pegg,
Scott and Chairman Best – 7

Nays – None

TRUSTEE BEASLEY ENTERED THE MEETING.

TRUSTEE STEWART RE-JOINED THE MEETING.

RICHARD LIS

BY MR. STEWART – SUPPORTED BY MR. BANDMER

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND
RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING
RICHARD LIS, AND BE IT FURTHER

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

Yeas – Trustees Bandemer, Beasley, Freeman, Moore, Orzech,
Pegg, Scott, Stewart and Chairman Best – 9

Nays – None

TRUSTEE BEASLEY TEMPORARILY EXCUSED HIMSELF.

GERY LOFTIS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

GERY LOFTIS

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING GERY LOFTIS, AND BE IT FURTHER

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

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

Nays – None

TRUSTEE BEASLEY RE-JOINED THE MEETING.

ERIC ROBINSON

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING ERIC ROBINSON, AND BE IT FURTHER

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

Yeas – Trustees Bandemer, Beasley, Freeman, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 9

Nays – None

DAVID SALAZAR

BY MR. MOORE – SUPPORTED BY MS. FREEMAN

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING DAVID SALAZAR, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY DENIES MR. SALAZAR'S APPLICATION FOR DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT MR. SALAZAR'S CASE BE RE-SUBMITTED TO ARBITRATION (DONALD SUGERMAN):

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

Nays – Trustee Bandemer – 1

TRUSTEE TALABI ENTERED THE MEETING.

RE-EXAMINATIONS

BY MR. MOORE – SUPPORTED BY MR. STEWART

RESOLVED, THAT IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD' MEDICAL DIRECTOR, THE RETIRANTS WHOSE NAME ARE OUTLINED ON PAGE 15 BE CONTINUED ON THE DISABILITY RETIREMENT PAYROLLS, WITH NO FURTHER EXAMS BEING NECESSARY FOR BETTIE COOK, ROBERT HOGANS, POLLY MCCALISTER, BILLY MOFFET, AYLWIN OWENS AND GEORGE REYNOLDS:

RE-EXAMINATIONS

TRUSTEE MILTON ENTERED THE MEETING.

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

Nays – None

Abstain – Trustee Milton – 1

J. P. MORGAN

DOUGLAS LAWRENCE AND THREE (3) ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED AN URBAN RENAISSANCE PROPERTY FUND (EMERGING MARKETS) AND THEN EXCUSED THEMSELVES.

MAYFIELD GENTRY REALTY ADVISORS, LLC

AUCIA DIAZ AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED MAYFIELD GENTRY'S GENESIS VALUE FUND AND THEN EXCUSED THEMSELVES.

MMA REALTY CAPITAL

PAUL BERNARD AND **THOMAS ZDRODOWSKI** APPEARED BEFORE THE BOARD, DISCUSSED THE SHADOW RIDGE APARTMENTS IN LOUISIANA AND DETROIT TARGETED INVESTMENTS.

THE BOARD THEN EXCUSED MESSRS. **BERNARD** AND **ZDRODOWSKI**.

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED, AMONG OTHER MATTERS, THE SYSTEM'S CASH REQUIREMENTS FOR THE REMAINDER OF 2007, ASSET ALLOCATION, CLO-UBS/MILLER & JACOBS AND A HOME MORTGAGE PROGRAM FOR PLAN PARTICIPANTS.

THE BOARD THEN EXCUSED MR. **ANDERSON**.

TRUSTEE BEASLEY TEMPORARILY EXCUSED HIMSELF.

INVESTMENT MANAGER WITHDRAWALS

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, from time to time, the Board needs to make withdrawals from the accounts of its investment managers to fund benefits, expenses and new investments, and

WHEREAS, staff has advised the Board that during the fourth quarter, 2007 approximately \$105 million of withdrawals will be required, and

WHEREAS, the Board referred this matter to its consultant, North Point Advisors, and North Point Advisors appeared before the Board this date to present and discuss its recommendations, Therefore Be It

RESOLVED, that \$20 million be withdrawn from the All-Cap equity account managed by Fisher Investments (591341) **on or about October 31, 2007** and be it further

RESOLVED, that \$20 million be withdrawn from the Russell Mid-Cap Index account managed by Rhumblin (591382) **on or about October 31, 2007** and be it further

RESOLVED, that \$30 million be withdrawn from the S & P 500 Index account managed by Blackrock (591332) **on or about November 15, 2007** and be it further

INVESTMENT MANAGER WITHDRAWALS

RESOLVED, that \$15 million be withdrawn from the Small-Cap Value account managed by Kennedy (591337) **on or about November 15, 2007** and be it further

RESOLVED, that \$15 million be withdrawn from the Russell 2000 Growth Index account managed by Rhumblin (591377) **on or about December 15, 2007** and be it further

RESOLVED, that \$15 million be withdrawn from the Russell 1000 Value Index account managed by Rhumblin (591343) **on or about December 15, 2007**:

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

Nays – None

TRUSTEE BEASLEY RE-JOINED THE MEETING.

SPECIAL LEGAL COUNSEL LEGAL FEES

BY MR. BEASLEY – SUPPORTED BY MS. FREEMAN

WHEREAS, AS DETERMINED APPROPRIATE BY THE BOARD OF TRUSTEES, CONSISTENT WITH GENERAL POLICY FOLLOWED BY THE BOARD OF TRUSTEES, SPECIAL LEGAL COUNSEL IS DESIGNATED BY THE RETIREMENT SYSTEM AND SPECIAL LEGAL COUNSEL'S FEES ARE PAID BY THE RETIREMENT SYSTEM, AND

WHEREAS, THE HOURLY RATES OF SPECIAL LEGAL COUNSEL, WHICH HAVE BEEN APPROVED BY THE BOARD, ARE CONSISTENT WITH THE HOURLY RATES OF SPECIAL LEGAL COUNSEL WHICH APPLY TO OTHER CLIENTS, AND

WHEREAS, THE BOARD, AT ONE TIME, SOUGHT TO TARGET A MAXIMUM HOURLY RATE OF SPECIAL LEGAL COUNSEL TO \$225.00; HOWEVER, DEVELOPMENTS IN LEGAL FEE BILLINGS, PARTICULARLY IN AREAS OF EXPERTISE, HAVE SUPERSEDED THE CONCEPT OF A MAXIMUM \$225.00 HOURLY RATE FOR SPECIAL LEGAL COUNSEL, AND

WHEREAS, FOR THE PAST NUMBER OF YEARS, THE BOARD OF TRUSTEES HAS APPROVED THE PAYMENT OF SPECIAL LEGAL COUNSEL FEES IN EXCESS OF

SPECIAL LEGAL COUNSEL LEGAL FEES

\$225.00 PER HOUR, NOTING THAT IN THE DETROIT AREA HOURLY RATES CAN BE UP TO APPROXIMATELY \$500.00 PER HOUR FOR CERTAIN ATTORNEYS, AND

WHEREAS, THE BOARD NOTES THAT JOSEPH TURNER'S HOURLY RATES FOR OTHER CLIENTS EXCEED THE RATES PRESENTLY CHARGED TO THE RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD HAS DETERMINED THAT SPECIAL LEGAL COUNSEL JOSEPH TURNER, DUE TO HIS EXPERIENCE, EXPERTISE, EFFICIENCY, KNOWLEDGE OF THE OPERATIONS OF THE RETIREMENT SYSTEM AND COMPATIBILITY WITH THE BOARD OF TRUSTEES, SHOULD NOT BE LIMITED TO \$225.00 PER HOUR AND IS ENTITLED TO AN **INCREASE** IN HIS HOURLY RATE TO \$300.00 PER HOUR, WHICH RATE HAS BEEN DETERMINED BY THE BOARD TO BE FAIR AND COMPETITIVE UNDER ALL CIRCUMSTANCES, THEREFORE BE IT

RESOLVED, THAT, EFFECTIVE **OCTOBER 19, 2007**, MR. TURNER'S HOURLY RATE BE APPROVED AT \$300.00 PER HOUR, AND BE IT FURTHER

RESOLVED, THAT SPECIAL LEGAL COUNSEL JOSEPH TURNER BE ADDED TO THE BOARD'S RESOLUTION APPROVING ATTENDANCE AT EDUCATIONAL CONFERENCES, ETC., APPROVED FOR THE TRUSTEES, EXECUTIVE SECRETARY, ASSISTANT EXECUTIVE SECRETARY AND GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL JOSEPH TURNER AND RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, SCOTT, STEWART AND TALABI – 8

NAYS – TRUSTEES ORZECH, PEGG AND CHAIRMAN BEST – 3

REASON FOR TRUSTEE **ORZECH'S** "NAY" VOTE: THIS WAS AN UNANNOUNCED AND VERY SUDDEN SALARY INCREASE FOR SPECIAL LEGAL COUNSEL BECAUSE THERE WERE NO NEGOTIATIONS, RESEARCH, COMPARABLES OR DOCUMENTS SUBMITTED WHATSOEVER FOR THIS SALARY INCREASE.

THERE WAS NO ALLOWANCE FOR ANY PENSION STAFF RESEARCH AND NO ONE WAS GIVEN THE CURRENT CONTRACT FOR SPECIAL LEGAL COUNSEL. THIS ACTION WAS INAPPROPRIATE.

RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

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

Nays – None

RETIREMENT

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN

CYNTHIA L. RANDALL – SERGEANT – POLICE
DUTY DISABILITY RETIREMENT CONVERSION –
NEW

SERVICE CREDIT, EFFECTIVE DATE

25 00 00 – 06 11 07

LEGAL COUNSEL'S BILLING

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT LEGAL COUNSEL'S BILLING (DATED OCTOBER 25, 2007) FOR THE MONTH OF OCTOBER, 2007, IN THE AMOUNT OF **\$12,913.64**, BE APPROVED AND SAID AMOUNT BE PAID PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

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

Nays – None

MMA REALTY CAPITAL/SHADOWRIDGE APARTMENTS

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, MMA REALTY CAPITAL HAS PRESENTED THE BOARD WITH AN OCTOBER, 2007 COMMUNICATION WHEREIN MMA REALTY CAPITAL REQUESTS THAT THE BOARD APPROVE THE REQUEST WHICH IS REFERENCED BELOW RELATIVE TO THE SHADOWRIDGE APARTMENTS IN LOUISIANA, AND

WHEREAS, THE BOARD HAS DISCUSSED SAID REQUEST, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES SAID REQUEST:

REQUEST: APPROVE PARTIAL WAIVER OF EXTENSION FEES

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore, Orzech, Scott, Stewart and Talabi – 9

Nays – Trustees Pegg and Chairman Best – 2

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING COMMERCE BANK, INC., WELLINGTON MANAGEMENT, INDEPENDENCE, THE INTERNAL REVENUE SERVICE, SAFE-NET, BAUSCH & LOMB, MORELLI VERSUS MORELLI AND MOSTEIKO VERSUS MOSTEIKO.

COMMERCE BANK, INC. LITIGATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE SYSTEM OWNS 19,299 SHARES OF COMMERCE BANK, INC., AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST COMMERCE BANK, INC., AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

COMMERCE BANK, INC. LITIGATION

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER ANY LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP:

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

Nays – None

WELLINGTON MANAGEMENT

BY MR. BANDEMER – SUPPORTED BY MS. TALABI

Whereas, The Board has been requested to execute an **Investment Management Agreement** with Wellington Management, and

Whereas, The execution of said document has been recommended by 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

WELLINGTON MANAGEMENT

Resolved, That the executed original document be forwarded to Wellington Management, 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, Stewart, Talabi and Chairman Best – 11

Nays – None

INDEPENDENCE

BY MR. BANDEMER – SUPPORTED BY MS. TALABI

Whereas, The Board has been requested to execute an **Investment Management Agreement** with Independence, and

Whereas, The execution of said document has been recommended by 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 Independence, and be it further

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

INDEPENDENCE

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

Nays – None

MORELLI VERSUS MORELLI – MACOMB COUNTY CASE NUMBER
06-7107-DM

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS IN RECEIPT OF A SEPTEMBER 20, 2007 CONSENT JUDGMENT OF DIVORCE WHEREIN **LOIS MORELLI** IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND/OR DEFINED CONTRIBUTION PLAN BENEFITS OF **ANDREW MORELLI** WHO IS CURRENTLY AN ACTIVE EMPLOYEE; AND WHEREAS PARTICIPANT'S DATE OF BIRTH IS JULY 28, 1948, AND, TO DATE, PARTICIPANT HAS ATTAINED 26 YEARS, 01 MONTHS AND 21 DAYS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN BECAUSE ALL AMOUNTS WERE PREVIOUSLY WITHDRAWN FROM THE DEFINED CONTRIBUTION PLAN, BUT ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN SUBJECT TO THE ENTRY OF AN ELIGIBLE DOMESTIC RELATIONS ORDER (EDRO), AND

WHEREAS, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS IMMEDIATELY, UPON THE ENTRY OF AN ELIGIBLE DOMESTIC RELATIONS ORDER (EDRO), AND WHEREAS THE COURT ORDER LIMITS THE TIME WHEN THE ALTERNATE PAYEE MAY RECEIVE PAYMENTS FROM THE DEFINED BENEFIT PLAN I.E., ENTRY OF AN ELIGIBLE DOMESTIC RELATIONS ORDER (EDRO), AND

MORELLI VERSUS MORELLI – MACOMB COUNTY CASE NUMBER
06-7107-DM

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE NOT CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, TO THE EXTENT THAT AN ELIGIBLE DOMESTIC RELATIONS ORDER (EDRO) HAS NOT BEEN PROVIDED TO THE RETIREMENT SYSTEM, THEREFORE BE IT

RESOLVED, THAT \$500.00 PER MONTH OF PARTICIPANT'S BENEFITS BE HELD IN ESCROW IN LIGHT OF THE TERMS OF THE JUDGMENT OF DIVORCE, AND BE IT FURTHER

RESOLVED THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO LOIS MORELLI AND ANDREW MORELLI:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
MOORE, ORZECH, PEGG, SCOTT, STEWART, TALABI AND
CHAIRMAN BEST – 11

NAYS – NONE

MOSTEIKO VERSUS MOSTEIKO – WAYNE COUNTY CASE NUMBER
07-716674-DO

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS IN RECEIPT OF AN OCTOBER 15, 2007 ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS AN OCTOBER 15, 2007 JUDGMENT OF DIVORCE WHEREIN **RUTH MOSTEIKO** IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND/OR DEFINED CONTRIBUTION PLAN BENEFITS OF **THOMAS MOSTEIKO** WHO IS CURRENTLY AN ACTIVE EMPLOYEE; AND WHEREAS THE BOARD HAS BEEN INFORMED THAT PARTICIPANT IS ELIGIBLE TO IMMEDIATELY RETIRE, AND WHEREAS PARTICIPANT'S DATE OF BIRTH IS FEBRUARY 18, 1951, AND, TO DATE, PARTICIPANT HAS ATTAINED 33 YEARS, 10 MONTHS AND 29 DAYS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN, PAYMENT OF WHICH IS SUBJECT TO PARTICIPANT'S ELIGIBILITY FOR WITHDRAWAL FROM DEFINED CONTRIBUTION PLAN AND SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, AND ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR THE ALTERNATE PAYEE IMMEDIATELY, AND WHEREAS, IT IS NOTED THAT PARAGRAPH 4 AND PARAGRAPH 5 (B) REFER TO THE DATE OF DIVORCE (OCTOBER 15, 2007) AS THE BENEFIT ACCRUAL DATE, BUT PARAGRAPH 5 (A) DOES NOT HAVE A DATE INSERTED, HOWEVER, THE RETIREMENT SYSTEM READS PARAGRAPH 5 (A) AS INFERENTIALLY INTENDING OCTOBER 17, 2007 AS THE ACCRUAL

MOSTEIKO VERSUS MOSTEIKO – WAYNE COUNTY CASE NUMBER
07-716674-DO

DATE; AND WHEREAS THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR THE ALTERNATE PAYEE IS IMMEDIATELY, AND WHEREAS THE BOARD'S POLICY IS TO REQUIRE THAT THE COST FOR THE ACTUARY'S CALCULATIONS ARE TO BE BORNE BY THE PARTIES TO THE DOMESTIC RELATIONS PROCEEDINGS, AND THE COURT ORDER PROVIDES FOR THE PARTIES TO SHARE THE COST OF THE ACTUARY'S FEES, AND

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, THEREFORE BE IT RESOLVED THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO RUTH MOSTEIKO AND THOMAS MOSTEIKO:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
MOORE, ORZECH, PEGG, SCOTT, STEWART, TALABI AND
CHAIRMAN BEST – 11

NAYS – NONE

GENERAL COUNSEL LEGAL FEES

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

WHEREAS, THE BOARD OF TRUSTEES DEEMS IT APPROPRIATE TO INCREASE THE FEES OF GENERAL COUNSEL, RONALD ZAJAC, BASED UPON A NUMBER OF CONSIDERATIONS, INCLUDING FAIRNESS, COMPETITIVENESS, EFFICIENCY AND GENERAL COUNSEL'S INTIMATE KNOWLEDGE OF THE RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD OF TRUSTEES HAS RETAINED THE SERVICES OF GENERAL COUNSEL SINCE 1971, THEREFORE BE IT

RESOLVED, THAT EFFECTIVE **OCTOBER 19, 2007**, THE FEES OF GENERAL COUNSEL, RONALD ZAJAC, BE **INCREASED** 33 & 1/3%, AND BE IT FURTHER

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

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, SCOTT, STEWART AND TALABI – 8

NAYS – TRUSTEES ORZECH, PEGG AND CHAIRMAN BEST – 3

REASON FOR TRUSTEE **ORZECH'S** "NAY" VOTE: THIS WAS AN UNANNOUNCED AND VERY SUDDEN SALARY INCREASE FOR LEGAL COUNSEL BECAUSE THERE WERE NO NEGOTIATIONS, RESEARCH, COMPARABLES OR DOCUMENTS SUBMITTED WHATSOEVER FOR THIS 33 & 1/3 SALARY INCREASE.

THERE WAS NO ALLOWANCE FOR ANY PENSION STAFF RESEARCH AND NO ONE WAS GIVEN THE CURRENT CONTRACT FOR LEGAL COUNSEL THE POLICE AND FIRE RETIREMENT SYSTEM, BY ITSELF, PLACED LEGAL COUNSEL'S SALARY WELL OVER \$165,000.00. THIS ACTION WAS INAPPROPRIATE.

SAFE-NET

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 10, 2007 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP REGARDING SAFE-NET.

BAUSCH & LOMB, INC.

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 12, 2007 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP REGARDING BAUSCH & LOMB, INC.

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

BY MR. MILTON – SUPPORTED BY MS. TALABI

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials presented to the Board and discussed this date and at previous meetings, and to which certain modifications and additional requirements may have been added by the Board or advisors to the Board, per discussion between or with the Board members, and

Whereas, The Board has indicated its willingness to further consider making this proposed investment subject to certain additional terms and modifications of said proposal, which have already been identified by the Board of Trustees, and certain additional terms and modifications which will be required after Special Legal Counsel begins to prepare loan investment documents, and

Whereas, The Board's contingent approval is conditioned upon the Board's receipt of **written acknowledgment** from **Paramount Land Holdings** that **Paramount Land Holdings** has **received** a copy of this **resolution** and **acknowledges** and **agrees** to the **conditions** and **requirements** therein, and

Whereas, The Board's contingent approval is also conditioned upon the understanding that the proposed transaction does

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

not contemplate unrelated Business Taxable Income (UBTI) to the Retirement System as Lender, and

Whereas, The Board will be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Paramount Land Holdings and subject to approval of final documents by the Board of Trustees, and be it further

Resolved, That it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's Legal Counsel and is executed by the Board, Paramount Land Holdings, any Guarantors and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including legal fees and expenses being paid from an escrow account funded by Paramount Land Holdings or entities other than the Board, and be it further

Resolved, That the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board and any applicable due diligence monitor and/or business advisor and Special Legal Counsel, and be it further

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

Resolved, That any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction loan documents are subject to approval as to form and content by the Board and the Board's Special Legal Counsel, and approval as to form and content by the Board's General Counsel, and be it further

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for Paramount Land Holdings to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Paramount Land Holdings paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due to Paramount Land Holdings deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or for any other reason deciding not to proceed with the transaction, and be it further

Resolved, That a copy of this resolution be forwarded to Paramount Land Holdings and Special Legal Counsel to be selected by the Board:

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

BY MR. PEGG – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

YEAS – TRUSTEES ORZECH, PEGG AND CHAIRMAN BEST – 3

NAYS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE,
SCOTT, STEWART AND TALABI – 8

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

BY MR. MILTON – SUPPORTED BY MS. TALABI

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials presented to the Board and discussed this date and at previous meetings, and to which certain modifications and additional requirements may have been added by the Board or advisors to the Board, per discussion between or with the Board members, and

Whereas, The Board has indicated its willingness to further consider making this proposed investment subject to certain additional terms and modifications of said proposal, which have already been identified by the Board of Trustees, and certain additional terms and modifications which will be required after Special Legal Counsel begins to prepare loan investment documents, and

Whereas, The Board's contingent approval is conditioned upon the Board's receipt of **written acknowledgment** from **Paramount Land Holdings** that **Paramount Land Holdings** has **received** a copy of this **resolution** and **acknowledges** and **agrees** to the **conditions** and **requirements** therein, and

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

Whereas, The Board's contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate unrelated Business Taxable Income (UBTI) to the Retirement System as Lender, and

Whereas, The Board will be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Paramount Land Holdings and subject to approval of final documents by the Board of Trustees, and be it further

Resolved, That it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's Legal Counsel and is executed by the Board, Paramount Land Holdings, any Guarantors and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including legal fees and expenses being paid from an escrow account funded by Paramount Land Holdings or entities other than the Board, and be it further

Resolved, That the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board

PARAMOUNT LAND HOLDINGS
\$10,000,000.00 PROPOSED INVESTMENT

and any applicable due diligence monitor and/or business advisor and Special Legal Counsel, and be it further

Resolved, That any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction loan documents are subject to approval as to form and content by the Board and the Board's Special Legal Counsel, and approval as to form and content by the Board's General Counsel, and be it further

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for Paramount Land Holdings to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Paramount Land Holdings paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due to Paramount Land Holdings deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or for any other reason deciding not to proceed with the transaction, and be it further

Resolved, That a copy of this resolution be forwarded to Paramount Land Holdings and Special Legal Counsel to be selected by the Board:

**YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE,
SCOTT, STEWART AND TALABI – 8**

NAYS – TRUSTEES ORZECH, PEGG AND CHAIRMAN BEST – 3

REASON FOR TRUSTEE BEST'S "NAY" VOTE: NO TIME WAS ALLOWED TO READ THE DUE DILIGENCE REPORT ON THE INVESTMENT. THE DUE DILIGENCE REPORT WAS RECEIVED THIS DATE.

REASON FOR TRUSTEE ORZECH'S "NAY" VOTE: AFTER A REQUEST BY A TRUSTEE WAS MADE TO ALLOW TWO TRUSTEES A WEEK TO READ THE DUE DILIGENCE REPORT THAT WAS JUST RECEIVED ON THIS INVESTMENT (WHICH IS A CURRENT BOARD POLICY), THE TRUSTEE WAS TOLD, "YOU CAN VOTE NOW AND READ IT LATER." THAT WAS IN APPROPRIATE BOARD ACTION.

CONFERENCE

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary, General Counsel and Special Legal 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, General Counsel and Special Legal Counsel to attend said conference:

Conflict Management Skills Conference
DECEMBER 5, 2007
FARMINGTON HILLS, MICHIGAN

Conflict Management Skills Conference
DECEMBER 6, 2007
DEARBORN, MICHIGAN

Conflict Management Skills Conference
JANUARY 10, 2008
ANN ARBOR, MICHIGAN

Conflict Management Skills Conference
JANUARY 11, 2008

CONFERENCE

TROY, MICHIGAN

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
MOORE, ORZECH, PEGG, SCOTT, STEWART, TALABI AND
CHAIRMAN BEST – 11

NAYS – NONE

PFRS 3151 BEHREND DRIVE CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE
FOLLOWING DOCUMENTS (DATED 10-18-07) BY AN OFFICER OF
THE CORPORATION:

APPLICATION FOR RECOGNITION OF EXEMPTION UNDER
SECTION 501 (A) OF THE INTERNAL REVENUE CODE (IRS FORM
1024)

POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE
(IRS FORM 2848)

PFRS 3202 BEHREND DRIVE CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE
FOLLOWING DOCUMENTS (DATED 10-18-07) BY AN OFFICER OF
THE CORPORATION:

APPLICATION FOR RECOGNITION OF EXEMPTION UNDER
SECTION 501 (A) OF THE INTERNAL REVENUE CODE (IRS FORM
1024)

POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE
(IRS FORM 2848)

PFRS TRYON SQUARE CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE FOLLOWING DOCUMENTS (DATED 10-18-07) BY AN OFFICER OF THE CORPORATION:

APPLICATION FOR RECOGNITION OF EXEMPTION UNDER SECTION 501 (A) OF THE INTERNAL REVENUE CODE (IRS FORM 1024)

POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE (IRS FORM 2848)

PFRS TRYON CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE FOLLOWING DOCUMENTS (DATED 10-18-07) BY AN OFFICER OF THE CORPORATION:

APPLICATION FOR RECOGNITION OF EXEMPTION UNDER SECTION 501 (A) OF THE INTERNAL REVENUE CODE (IRS FORM 1024)

POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE (IRS FORM 2848)

PFRS SAN DIEGO CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE FOLLOWING DOCUMENTS (DATED 10-18-07) BY AN OFFICER OF THE CORPORATION:

APPLICATION FOR RECOGNITION OF EXEMPTION UNDER SECTION 501 (A) OF THE INTERNAL REVENUE CODE (IRS FORM 1024)

PFRS SAN DIEGO CORP.

POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE
(IRS FORM 2848)

PFRS GLENWOOD PLAZA CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE
FOLLOWING DOCUMENTS (DATED 10-18-07) BY AN OFFICER OF
THE CORPORATION:

APPLICATION FOR RECOGNITION OF EXEMPTION UNDER
SECTION 501 (A) OF THE INTERNAL REVENUE CODE (IRS FORM
1024)

POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE
(IRS FORM 2848)

PUBLIC FORUM

AT 2:40 P.M., CHAIRMAN BEST DECLARED THE MEETING IN
OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC
ATTENDING THE MEETING.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,
CHAIRMAN BEST ADJOURNED THE MEETING AT 2:50 P.M. UNTIL
THURSDAY, NOVEMBER 1 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