

MEETING NUMBER 2700

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



PROCEEDINGS HELD THURSDAY, SEPTEMBER 25, 2008
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/Chairperson
Gregory Best	Elected Trustee
Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
Claudia Barden-Jackson	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
Timothy Ngare	Ex/Officio Trustee/Treasurer
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee/Vice Chairperson
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
Paul Stewart	Elected Trustee
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

None

ABSENT

None

CHAIRPERSON

Marty Bandemer

VICE CHAIRPERSON

Jeffrey Pegg

ROLL CALL WAS TAKEN AT 9:06 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CHAIRMAN BANDEMER DIRECTED THAT A SEPTEMBER 24, 2008 COMMUNICATION FROM POLICE CHIEF JAMES BARDEN NAMING CLAUDIA BARDEN-JACKSON AS HIS ALTERNATE ON THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM BE MADE A MATTER OF RECORD.

MS. BARDEN-JACKSON WAS UNABLE TO VOTE, HOWEVER, DUE TO THE FACT THAT SHE HAD NOT BEEN ADMINISTERED THE OATH OF OFFICE BY THE CITY CLERK'S OFFICE.

CAPITAL CALLS/DRAWS

BY MR. STEWART – SUPPORTED BY MR. BEST

Whereas, The Board has been presented with the following capital calls/draws, and

Whereas, The Board has been requested to approve funding of said capital calls/draws, Therefore be it

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves funding of said capital calls/draws:

TRUSTEE ORZECH EXCUSED HIMSELF TEMPORARILY.

CAPITAL CALLS/DRAWS

CAPRI CAPITAL PARTNERS – SEPTEMBER 12, 2008 - **\$5,580,000.00** –
CAPRI URBAN INVESTORS, LLC

SYNDICATED COMMUNICATIONS VENTURE PARTNERS –
SEPTEMBER 23, 2008 - **\$89,367.00** – SYNDICATED
COMMUNICATIONS VENTURE PARTNERS V, L.P.

YEAS – TRUSTEES BEST, PEGG, SCOTT, STEWART AND CHAIRMAN
BANDEMER – 5

NAYS – NONE

CONFIRMATIONS

BY MR. BEST – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE
REFERENCED AT THE END OF THESE PROCEEDINGS BE
CONFIRMED:

YEAS – TRUSTEES BEST, PEGG, SCOTT, STEWART AND CHAIRMAN
BANDEMER – 5

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE CONTRIBUTIONS (INCLUDING INTEREST) TO
THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND
FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT BE REFUNDED
PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

LIST NUMBER: **3289**

REFUND AMOUNT: **\$452,114.59**

YEAS – TRUSTEES BEST, PEGG, SCOTT, STEWART AND CHAIRMAN
BANDEMER – 5

NAYS – NONE

TRUSTEE ORZECH RE-JOINED THE MEETING.

RETIREMENTS

BY MR. ORZECH – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE RETIREMENT APPLICATIONS WHICH ARE
OUTLINED BELOW BE APPROVED:

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

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	TIMOTHY SMITH – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE – NEW*
SERVICE CREDIT, EFFECTIVE DATE	25 05 14 = 07 11 08

*OPTION CHANGE FROM 75% TO 50% WITH POP-UP

NAME, TITLE, DEPARTMENT	GREGORY STOPCYZNSKI – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	20 01 06 – 10 12 08

TRUSTEE TIMOTHY NGARE ENTERED THE MEETING.

TRUSTEE BARBARA-ROSE COLLINS ENTERED THE MEETING.

GSC PARTNERS

HENRY BRENNAN APPEARED BEFORE THE BOARD TO DISCUSS
GSC PARTNERS.

CLOSED SESSION

BY MR. STEWART – SUPPORTED BY MR. BEST

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

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEST, COLLINS, NGARE, ORZECH, PEGG, SCOTT,
STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

The Board entered into Closed Session at 9:35 A.M.

TRUSTEE JAMES MOORE ENTERED THE MEETING.

OPEN SESSION

BY MR. MOORE – SUPPORTED BY MR. BEST

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

OPEN SESSION

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

The Board returned to Open Session at 10:05 A.M., and the Board excused Mr. Brennan.

GSC PARTNERS

BY MR. PEGG – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD HAS HEARD A PRESENTATION/STATUS UPDATE FROM SPECIAL LEGAL COUNSEL HOWARD & HOWARD REGARDING A COURT RULING TO REFER THE LITIGATION TO ARBITRATION, AND

WHEREAS, THE BOARD HAS DISCUSSED AT LEAST TWO (2) OPTIONS REGARDING THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE COURT DECISION REQUIRING ARBITRATION BE APPEALED TO THE APPROPRIATE COURT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL HOWARD & HOWARD, ATTENTION: HENRY BRENNAN, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

DOTT INDUSTRIES

WILLIAM GRUITTS DISCUSSED DOTT INDUSTRIES (SPECIFICALLY ACQUISITIONS 1 THROUGH 3) AT LENGTH.

RDD INVESTMENT CORPORATION

BILL GOODE DISCUSSED RDD INVESTMENT CORPORATION AT LENGTH.

ORACLE

DAVID MORRIS AND AN ASSOCIATE DISCUSSED PERFORMANCE, MBSI HOLDINGS, LLC, TAG HOLDINGS, LLC, TAG A & D, LLC, MIST INNOVATIONS AND DEAL PIPELINE.

SEGALL, BRYANT & HAMILL

PAUL MITCHELL AND LINN ARBOGAST DISCUSSED PERFORMANCE AND SMALL-CAP CORE INVESTING.

MINUTES OF THURSDAY, SEPTEMBER 4, 2008

BY MR. STEWART – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, SEPTEMBER 9, 2008 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. ORZECH – 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 – SEPTEMBER 19, 2008 - \$536.63 – CONTRACT SERVICES

ADP – SEPTEMBER 12, 2008 - \$95.91 – CONTRACT SERVICES

COUZENS, LANSKY, FEALK, ELLIS, ROEDER & LAZAR – SEPTEMBER 22, 2008 - \$19,597.62 (POLICE AND FIRE PORTION OF \$39,195.24) – LEGAL SERVICES – GVC WINSTAR

FORMS TRAC – SEPTEMBER 15, 2008 - \$17.31 – PRINTING SERVICES

IKON OFFICE SOLUTIONS – SEPTEMBER 16, 2008 - \$190.72 – CONTRACT SERVICES

MAYFIELD GENTRY REALTY ADVISORS, LLC – SEPTEMBER 22, 2008 – AUGUST, 2008 ASSET MANAGEMENT AND MORTGAGE SERVICES FEES

MCTEVIA & ASSOCIATES – SEPTEMBER 15, 2008 - \$3,307.50 (POLICE AND FIRE PORTION OF \$6,615.00) – SEPTEMBER, 2008 FEES – TRADEWINDS AIRLINES, INC.

BILL PAYMENT REQUESTS

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

MILLENNIUM BUSINESS SYSTEMS – SEPTEMBER 19, 2008 - \$990.00 –
CONTRACT SERVICES

O'NEAL, REGINALD – SEPTEMBER 16, 2008 - \$1,120.00 –
EXAMINATION FEES

THE ECONOMIST – SEPTEMBER 19, 2008 - \$59.76 – SUBSCRIPTION
FEE FOR TRUSTEE GREGORY BEST

XJJ COMPANY – SEPTEMBER 16, 2008 - \$20,350.81(POLICE AND
FIRE PORTION OF \$40,701.62) – EMPLOYEE PAYROLL FOR THE
PERIOD AUGUST 25, 2008 THROUGH SEPTEMBER 21, 2008

ZONES – SEPTEMBER 16, 2008 - \$937.50 – OFFICE SUPPLIES

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

Police and Fire Retirement System of the City of Detroit
Pre-Employment Military Service Credit

BY MR. STEWART – SUPPORTED BY MR. ORZECH

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

Police and Fire Retirement System of the City of Detroit
Pre-Employment Military Service Credit

Resolved, That payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individuals and the number of months eligible active duty be credited them as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

Name:	Charles L. Williams
Title:	Officer
Department:	Police
Collective Bargaining Unit:	DPOA
U.S. Military Service Period:	7-22-69 – 4-1-71
Payment Method:	Transfer funds from non-taxable portion of annuity

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING MUNIMAE TEI HOLDINGS AND AN FOIA REQUEST FROM THE DETROIT NEWS.

DETROIT NEWS' FOIA REQUEST

LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A COPY OF AN FOIA REQUEST FROM THE DETROIT NEWS AND INFORMED THE BOARD THAT HE WILL RESPOND TO SAID REQUEST CONSISTENT WITH THE BOARD'S ESTABLISHED PROCEDURES.

SILVER STALLION

H. WALLACE PARKER, MERIEL PARKER, DAVID MCGRUDER AND RICHARD MAZUR DISCUSSED A PLAN TO REDEVELOP THE SILVERDOME.

MMA

TRUSTEE ORZECH GAVE A RECAP OF THE MMA REIT AND MRC MORTGAGE TRUST MEETING HELD SEPTEMBER 23, 2008. THE FINANCIALS OF MMA WERE DISCUSSED AT LENGTH.

TRADEWINDS AIRLINES, INC.

SPECIAL COUNSEL JOE TURNER WAS ASKED TO GIVE AN UPDATE ON THE TRADEWINDS AIRLINES, INC. LITIGATION.

CLOSED SESSION

BY MR. SCOTT – SUPPORTED BY MR. BEST

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

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

The Board entered into Closed Session at 2:20 P.M.

OPEN SESSION

BY MR. SCOTT – SUPPORTED BY MR. BEST

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

The Board returned to Open Session at 2:35 P.M.

SEGALL, BRYANT & HAMILL

BY MR. MOORE – SUPPORTED BY MR. BEST

Whereas, The Board has been presented with an investment proposal from **Segall, Bryant & Hamill** (small-cap core investing), and

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

Resolved, That subject to Segall, Bryant & Hamill agreeing to pay the costs for said due diligence and said funds being escrowed by Segall, Bryant & Hamill 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

SEGALL, BRYANT & HAMILL

Resolved, That after receiving the required 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 **Segall, Bryant & Hamill, North Point Advisors, Retirement System staff member Elen Moss**, and the **Accounting Division** of the Retirement Systems:

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

TRUSTEE STEWART EXCUSED HIMSELF FOR THE MEETING'S REMAINDER.

PRIVATE EQUITY INVESTMENTS

BY MR. ORZECH – SUPPORTED BY MR. PEGG

RESOLVED, THAT **NO** FURTHER PRIVATE EQUITY PRESENTATIONS BE MADE AND NO FURTHER PRIVATE EQUITY PROPOSALS BE APPROVED UNTIL JANUARY, 2009:

YEAS – TRUSTEES BEST, COLLINS, ORZECH AND PEGG - 4

NAYS – TRUSTEES MOORE, NGARE, SCOTT AND CHAIRMAN BANDEMER – 4

THE FOREGOING MOTION FAILED.

BOARD MEETING CANCELLATIONS

BY MR. MOORE – SUPPORTED BY MR. SCOTT

RESOLVED, THAT THE FOLLOWING POLICE AND FIRE BOARD MEETINGS BE CANCELLED AND THE APPROPRIATE PARTIES BE NOTIFIED:

OCTOBER 23, 2008

OCTOBER 30, 2008

NOVEMBER 27, 2008

DECEMBER 25, 2008

JANUARY 1, 2009

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT AND CHAIRMAN BANDEMER – 8

NAYS – NONE

MUNIMAE TEI HOLDINGS, LLC
MMA FINANCIAL P. FLOAT PROGRAM

BY MR. PEGG – SUPPORTED BY MR. NGARE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE AN AMENDMENT TO LETTER OF CREDIT NO. PF 2007-03, RE: MUNIMAE TEI HOLDINGS, LLC/MMA FINANCIAL P. FLOAT PROGRAM RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT(S) HAS BEEN RECOMMENDED BY MMA, AND

MUNIMAE TEI HOLDINGS, LLC
MMA FINANCIAL P. FLOAT PROGRAM

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

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

RESOLVED, THAT RETIREMENT SYSTEM ACCOUNTING STAFF RETAIN A COPY OF SAID EXECUTED DOCUMENT(S), AND BE IT FURTHER

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

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT AND CHAIRMAN BANDEMER – 8

NAYS – NONE

EXECUTIVE SICK TIME PAYMENT

TRUSTEE BARBARA-ROSE COLLINS PROVIDED EACH BOARD MEMBER WITH A COPY OF A SEPTEMBER 18, 2008 COMMUNICATION FROM MS. COLLINS TO COUNCIL MEMBER KWAME KENYATTA REGARDING THE ABOVE-CAPTIONED MATTER.

CONFERENCE(S)

BY MR. MOORE – SUPPORTED BY MR. PEGG

CONFERENCE(S)

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(s), 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(s):

Bernstein, Litowitz, Berger & Grossmann's Forum For Institutional Investors – New York City, New York – October 23 ,2008 – October 24 ,2008

YEAS – TRUSTEES BEST, COLLINS, MOORE, NGARE, ORZECH,
PEGG, SCOTT AND CHAIRMAN BANDEMER – 8

NAYS – NONE

PUBLIC FORUM/ADJOURNMENT

AT 3:09 P.M., CHAIRMAN BANDEMER DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN BANDEMER ADJOURNED THE MEETING AT 3:13 P.M. UNTIL THURSDAY, OCTOBER 2, 2008 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