

MEETING NUMBER 2701

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



PROCEEDINGS HELD THURSDAY, OCTOBER 2, 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
Seth Doyle	Ex/Officio Trustee
James Fields	Ex/Officio Trustee
James Moore	Elected Trustee
Timothy Ngare	Ex/Officio Trustee/Treasurer
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee/Vice Chairperson
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.

RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BEST

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

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

NAYS - NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	CHERYLE KING – INVESTIGATOR - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 01 29 – 10 14 08

NAME, TITLE, DEPARTMENT	GAIL MEYERS – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	26 08 11 – 10 01 08

RETIREMENTS

NAME, TITLE, DEPARTMENT	WILLIAM HUDSON – DEPUTY CHIEF - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	37 00 06 – 09 26 08

LEGAL COUNSEL RONALD ZAJAC AND TRUSTEE DOYLE ENTERED THE MEETING.

RETIREMENTS

BY MR. ORZECH – SUPPORTED BY MR. STEWART

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

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	ELLA BULLY-CUMMINGS – POLICE CHIEF - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	23 11 23 – 09 19 08

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

CONFIRMATIONS

BY MR. MOORE – SUPPORTED BY MR. BEST

RESOLVED, THAT THE RECEIPTS (\$1,730,698.14) AND DISBURSEMENTS (\$27,196,173.65) WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS BE CONFIRMED:

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. PEGG

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:

LIST #: 3290

REFUND AMOUNT: \$362,499.81

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

TRUSTEE NGARE ENTERED THE MEETING.

BILL PAYMENT REQUESTS

BY MR. STEWART – SUPPORTED BY MR. BEST

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 26, 2008 - \$91.02 – MISCELLANEOUS

ASPEN PUBLISHERS – SEPTEMBER 23, 2008 - \$108.65 – 2009 PENSION ANSWER BOOK

COURTLAND PARTNERS – AUGUST 25, 2008 - \$25,000.00 – JULY AND AUGUST, 2008 SERVICES

FORMS TRAC – SEPTEMBER 17, 2008 - \$123.03 – PRINTING COSTS

HANSON/RENAISSANCE COURT REPORTING – SEPTEMBER 29, 2008 - \$700.50 – GEORGE GRAVES TRANSCRIPT

IKON OFFICE SOLUTIONS – SEPTEMBER 24, 2008 - \$80.50 – MISCELLANEOUS

IT DIVISION – SEPTEMBER 30, 2008 - \$60,507.31 – POLICE AND FIRE PORTION OF \$125,279.68 – SEPTEMBER, 2008 PROGRAMMERS SALARIES

BILL PAYMENT REQUESTS

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

THE BANK OF NEW YORK – OCTOBER 1, 2008 - \$55,941.94 – 2008
SECOND QUARTER FEES

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, NGARE,
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER –
9

NAYS – NONE

REQUEST OF HOMICIDE DIVISION OF THE POLICE DEPARTMENT

BY MR. STEWART – SUPPORTED BY MR. ORZECH

WHEREAS, LIEUTENANT JOHN MORELL OF THE HOMICIDE
DIVISION OF THE POLICE DEPARTMENT HAS PRESENTED THE
BOARD WITH A SEPTEMBER 29, 2008 REQUEST TO RECEIVE THE
ADDRESS AND PHONE NUMBER OF A RETIRED OFFICER, AND

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

RESOLVED, THAT THE REQUEST OF LIEUTENANT JOHN MORELL BE
APPROVED:

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, NGARE,
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER –
9

NAYS – NONE

REPUBLIC UNDERWRITERS, INC.
ULLICO LABOR PROTECTION GROUP

BY MR. ORZECH – SUPPORTED BY MR. PEGG

WHEREAS, REPUBLIC UNDERWRITERS, INC. HAS PRESENTED THE BOARD WITH A “QUOTE” FROM ULLICO LABOR PROTECTION GROUP TO PROVIDE THE SYSTEM WITH FIDUCIARY LIABILITY INSURANCE, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE “QUOTE” OF ULLICO LABOR PROTECTION GROUP TO PROVIDE THE SYSTEM WITH FIDUCIARY LIABILITY INSURANCE EFFECTIVE OCTOBER 6, 2008:

CARRIER: ULLICO LABOR PROTECTION GROUP

DATE ISSUED: SEPTEMBER 30, 2008

QUOTATION NO.: 9928258B

POLICY PERIOD: OCTOBER 6, 2008 – OCTOBER 6, 2009

PENDING OR OCTOBER 6, 2007
PRIOR PROCEEDING
DATE:

COST: \$75,103.00

YEAS – TRUSTEES BEST, DOYLE, FIELDS, MOORE, NGARE,
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER –

9

NAYS – NONE

BANKS & ASSOCIATES

BOB BANKS DISCUSSED SEMINOLE MORTGAGE PARTNERS I, MUNIMAE, & DCR MORTGAGE PARTNERS IV, L.P., MMA'S GROUP TRUST, REIT HOLDINGS AND FLORIGAN AT LENGTH.

MESSRS. CHARLES MANAK, MICHAEL MURPHY AND MICHAEL HUMPHREY (OF COURTLAND PARTNERS) JOINED THE BOARD IN LISTENING TO MR. BANKS' PRESENTATION.

TRUSTEE COLLINS ENTERED THE MEETING DURING MR. BANKS' PRESENTATION.

THE BANK OF NEW YORK

TOM BARRETT AND TWO ASSOCIATES DISCUSSED LEHMAN BROTHERS AND SECURITIES LENDING.

CHURCHILL FINANCIAL, LLC

KEITH GLOECKL AND NICK DEGEL DISCUSSED MMA'S AFFORDABLE HOUSING GROUP TRUST AND MMA'S MULTI-FAMILY EQUITY REIT AT LENGTH.

MESSRS. CHARLES MANAK, MICHAEL MURPHY AND MICHAEL HUMPHREY (OF COURTLAND PARTNERS) JOINED THE BOARD IN LISTENING TO MESSRS. GLOECKL'S AND DEGEL'S PRESENTATION.

TRUSTEE DOYLE EXCUSED HIMSELF.

TRUSTEE NGARE EXCUSED HIMSELF.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING MMA'S RENEWABLE VENTURES

LEGAL COUNSEL'S REPORTS

FINANCING, LLC, PADUCH VERSUS PADUCH, JAMES RABY AND DOTT ACQUISITIONS.

PADUCH VERSUS PADUCH
WASHTENAW COUNTY
CIRCUIT COURT CASE NUMBER 08 1376-DO

BY MR. MOORE – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A SEPTEMBER 25, 2008 REQUEST FROM **ROBERT PADUCH** TO HAVE HIS **OPTION 3 WITH POP-UP C** 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 A SEPTEMBER 17, 2008 COURT ORDER (CONSENT JUDGMENT OF DIVORCE) WHICH HAS BEEN REVIEWED BY THE BOARD'S LEGAL COUNSEL WHO HAS CONCLUDED THAT THE COURT ORDER TERMINATES THE RIGHTS OF THE OPTION BENEFICIARY, AND

WHEREAS, THE ACTION TO FOLLOW IS CONSISTENT WITH LONG-STANDING POLICIES AND PRACTICES OF THE BOARD, THEREFORE BE IT

RESOLVED, THAT PETITIONER'S REQUEST BE GRANTED AND, EFFECTIVE **OCTOBER 1, 2008**, THE RETIREMENT BENEFITS OF ROBERT PADUCH BE ADJUSTED FROM AN **OPTION 3 WITH POP-UP C** RETIREMENT TO A **STRAIGHT LIFE** RETIREMENT, AND BE IT FURTHER

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

PADUCH VERSUS PADUCH
WASHTENAW COUNTY
CIRCUIT COURT CASE NUMBER 08 1376-DO

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ROBERT PADUCH, ATTORNEY BILL COLOVOS, ATTORNEY JOHN OWDZIEJ, AND THE BOARD'S ACTUARY, GABRIEL, ROEDER, SMITH & COMPANY:

YEAS – TRUSTEES BEST, COLLINS, FIELDS, MOORE, ORZECH,
PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

MMA RENEWABLE VENTURES

BY MR. ORZECH – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A “SECOND AMENDMENT TO IRREVOCABLE LETTER OF CREDIT-NO. PF 2007-02” (MMA RENEWABLE VENTURES MERRILL LYNCH FINANCING FACILITY) RELATIVE TO THE AFORESAID TRANSACTION, AND

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

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

MMA RENEWABLE VENTURES

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, FIELDS, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

TRUSTEE NGARE RE-JOINED THE MEETING.

RDD INVESTMENT CORPORATION/TRADEWINDS AIRLINES, INC.

GENERAL COUNSEL REQUESTED THAT THE BOARD ENTER INTO CLOSED SESSION SO THAT SPECIAL COUNSEL JOE TURNER COULD PROVIDE THE BOARD WITH AN UPDATE ON RDD INVESTMENT CORPORATION AND THE TRADEWINDS AIRLINES, INC. LITIGATION.

CLOSED SESSION

BY MR. ORZECH – SUPPORTED BY MR. MOORE

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:

CLOSED SESSION

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

NAYS – NONE

The Board entered into Closed Session at 11:35 A.M.

OPEN SESSION

BY MR. ORZECH – SUPPORTED BY MR. BEST

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at 11:44 A.M.

RDD INVESTMENT CORPORATION

DURING CLOSED SESSION, SPECIAL COUNSEL JOE TURNER PROVIDED EACH MEMBER OF THE BOARD WITH A COPY OF AN OCTOBER 2, 2008 COMMUNICATION REGARDING RDD INVESTMENT CORPORATION.

TRUSTEE DOYLE RE-JOINED THE MEETING.

DOMINION

ANDREW STONES DISCUSSED LONG-TERM INVESTING (DX FUNDS) AT LENGTH.

TRUSTEE COLLINS EXCUSED HERSELF.

TRUSTEE MOORE EXCUSED HIMSELF.

COURTLAND PARTNERS

MESSRS. CHARLES MANAK, MICHAEL MURPHY AND MICHAEL HUMPHREY DISCUSSED THE SYSTEM'S PROPOSED REAL ESTATE SERVICING CONTRACT WITH MILESTONE REALTY SERVICES.

TRUSTEE COLLINS RE-JOINED THE MEETING.

TRUSTEE MOORE RE-JOINED THE MEETING.

WALKER & DUNLOP

PAUL BERNARD AND ASSOCIATE JAMES GURLEY DISCUSSED WALKER & DUNLOP'S MORTGAGE INVESTMENT TRUST I PROPOSAL AND MMA FINANCIAL.

RDD INVESTMENT CORPORATION/TRADEWINDS AIRLINES, INC.

GENERAL COUNSEL REQUESTED THAT THE BOARD ENTER INTO CLOSED SESSION SO THAT SPECIAL COUNSEL JOE TURNER COULD RESUME HIS DISCUSSION OF RDD INVESTMENT CORPORATION AND THE TRADEWINDS AIRLINES, INC. LITIGATION.

CLOSED SESSION

BY MR. BEST – SUPPORTED BY MR. MOORE

CLOSED SESSION

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, DOYLE, FIELDS, MOORE,
NGARE, ORZECH, PEGG, STEWART AND CHAIRMAN
BANDEMER – 10

NAYS – NONE

The Board entered into Closed Session at 2:25 P.M.

TRUSTEE DOYLE EXCUSED HIMSELF.

OPEN SESSION

BY MR. MOORE – SUPPORTED BY MR. PEGG

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEST, COLLINS, DOYLE, FIELDS, MOORE,
NGARE, ORZECH, PEGG, STEWART AND CHAIRMAN
BANDEMER – 10

NAYS – NONE

The Board returned to Open Session at 2:58 P.M.

DURING CLOSED SESSION, SPECIAL COUNSEL JOE TURNER PRESENTED EACH MEMBER OF THE BOARD WITH A COPY OF A

JOINT PROPOSED DISCOVERY PLAN REGARDING TRADEWINDS AIRLINES, INC.

DOTT ACQUISITIONS

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 2, 2008 COMMUNICATION FROM SPECIAL COUNSEL F. LOGAN DAVIDSON, P.C. REGARDING THE ABOVE-CAPTIONED MATTER.

DOTT ACQUISITIONS

BY MR. STEWART – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE BOARD'S MOTION REGARDING DOTT ACQUISITIONS, WHICH WAS TABLED SEPTEMBER 18, 2008, BE REMOVED FROM THE TABLE:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE STEWART WITHDREW HIS MOTION.

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED THE CURRENT WORLD FINANCIAL CRISIS, THE CASH REQUIREMENTS OF THE SYSTEM, LOOMIS, SAYLES & COMPANY, TRANSAMERICA, INCOME, RESEARCH & MANAGEMENT, HSBC AND NORTH POINT'S DUE DILIGENCE OF CAPITAL POINT PARTNERS.

TRUSTEE COLLINS EXCUSED HERSELF.

BILL PAYMENT REQUESTS

BY MR. ORZECH – SUPPORTED BY MR. MOORE

BILL PAYMENT REQUESTS

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

PLANTE MORAN – SEPTEMBER 24, 2008 - \$11,500.00 – SEPTEMBER, 2008 AUDITING SERVICES

YEAS – TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

PUBLIC FORUM/ADJOURNMENT

AT 3:50 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 3:55 P.M. UNTIL THURSDAY, OCTOBER 9, 2008 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

PUBLIC FORUM/ADJOURNMENT

RESPECTFULLY SUBMITTED,

CYNTHIA A. THOMAS
ASSISTANT EXECUTIVE SECRETARY