

MEETING NUMBER **2604**

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



PROCEEDINGS HELD THURSDAY, **NOVEMBER 30, 2006**

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
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
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

Frank English	Elected Trustee/Chairperson
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative

ABSENT

None

VICE 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.

PRONOUS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a November 29, 2006 communication from Pronous wherein Pronous requests that the Board wire-transfer the sum of \$10,000,000.00 to Pronous relative to the Board's investment with Pronous, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST – 8

NAYS – NONE

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE RETIREMENT APPLICATIONS WHICH ARE REFERENCED ON PAGE 3 BE APPROVED:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST – 8

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	DENNIS CHOJNACKI – BATTALION CHIEF – FIRE SERVICE – NEW 36 01 17 – 12 08 06
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	HARVEY HOLLINS – CAPTAIN – FIRE SERVICE – NEW 33 03 27 – 01 10 07
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	JAMES KUJAWSKI – OFFICER – POLICE SERVICE – NEW 39 00 15 – 01 03 07
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	DONALD REEDY – OFFICER – POLICE SERVICE – NEW 38 08 18 – 01 03 07
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	PAULETTE REEVES – SERGEANT – POLICE SERVICE – NEW 25 02 17 – 12 15 06
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	MICHAEL TRASKAL – OFFICER – POLICE DUTY DISABILITY RETIREMENT CONVERSION - NEW 25 00 00 – 12 21 06
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	GEORGE HALL – ASSISTANT POLICE CHIEF – POLICE SERVICE – NEW 37 06 15 – 01 01 07
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	JAMES BROWN – OFFICER – POLICE DUTY DISABILITY RETIREMENT CONVERSION – NEW 25 00 00 – 12 08 06
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT/EFFECTIVE DATE	PHILLIPPA PRICE – OFFICER - POLICE DUTY DISABILITY RETIREMENT CONVERSION – NEW 25 00 00 – 01 30 07

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE RECEIPTS WHICH ARE DESIGNATED BELOW BE CONFIRMED:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST – 8

NAYS – NONE

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$83.92** ON NOVEMBER 17, 2006 FROM **CYGNE DESIGNS** – CLASS ACTION PROCEEDS

THE BOARD RECEIVED THE SUM OF **\$24,252.22** ON NOVEMBER 20, 2006 FROM THE **SHEFFIELD** (MMA)

THE BOARD RECEIVED THE SUM OF **\$642,533.27** ON NOVEMBER 21, 2006 FROM **MAYFIELD GENTRY** – OCTOBER, 2006 REMITTANCE

THE BOARD RECEIVED THE SUM OF **\$100.00** ON NOVEMBER 17, 2006 – 50% SHARE FOR **XEROX** REBATE

THE BOARD RECEIVED THE SUM OF **\$31,286.27** ON NOVEMBER 28, 2006 FROM **CANYON-JOHNSON'S** URBAN FUND

THE BOARD RECEIVED THE SUM OF **\$103,617.71** ON NOVEMBER 28, 2006 FROM VARIOUS **SECURITIES LITIGATION** (CORRESPONDING MANAGERS PREVIOUSLY TERMINATED)

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST #**3219**, IN THE AMOUNT OF **\$340,024.72**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST – 8

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 SERVICES WERE PROVIDED TO
THE BOARD AS REQUESTED BY 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 – NOVEMBER 10, 2006 - \$5,939.79 – POLICE AND FIRE PORTION OF
\$11,879.57 – CONTRACT/MISCELLANEOUS SERVICES**

**ADP – NOVEMBER 17, 2006 - \$92.76 – POLICE AND FIRE PORTION OF
\$185.51 – CONTRACT/MISCELLANEOUS SERVICES**

**ADVENT CAPITAL MANAGEMENT – OCTOBER 25, 2006 - \$74,817.71 – 2006
THIRD QUARTER FEES**

**CLARK HILL – NOVEMBER 22, 2006 - \$31,824.00 – OCTOBER, 2006 SERVICES
– EDS, INC.**

**CLARK HILL – NOVEMBER 8, 2006 - \$464.56 – OCTOBER, 2006 SERVICES –
SYN COM V**

**DELL MARKETING – NOVEMBER 8, 2006 - \$711.00 – POLICE AND FIRE
PORTION OF \$1,422.00 – CONTRACT/MISCELLANEOUS SERVICES**

**DELL MARKETING – NOVEMBER 10, 2006 - \$19.98 – POLICE AND FIRE
PORTION OF \$39.95 – CONTRACT/MISCELLANEOUS SERVICES**

**GLAZER, MARK – NOVEMBER 16, 2006 - \$4,590.00 – LARRY NEVERS
DISABILITY RETIREMENT REVIEW BOARD**

**HOWARD & HOWARD – NOVEMBER 15, 2006 - \$18,826.44 – OCTOBER, 2006
SERVICES**

**MCTEVIA & ASSOCIATES – NOVEMBER 1, 2006 - \$8,893.20 – NOVEMBER 1,
2006 THROUGH NOVEMBER 18, 2006 SERVICES – EDS, INC.**

**O'CONNOR – TAMARA – NOVEMBER 9, 2006 - \$100.00 – MISCELLANEOUS FEE
– DR. THOMAS TURKIN**

BILL PAYMENT REQUESTS

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

**OFFICE DEPOT - NOVEMBER 21, 2006 - \$185.94 - POLICE AND FIRE
PORTION OF \$371.88 - OFFICE SUPPLIES**

O'NEAL, REGINALD - NOVEMBER 30, 2006 - \$3,570.00 - EXAMINATION FEES

**PDS, INC. - NOVEMBER 29, 2006 - \$893.75 - POLICE AND FIRE PORTION OF
\$1,787.50 - COMPUTER EQUIPMENT, SOFTWARE, SUPPLIES, TRAINING,
MAINTENANCE**

**PLANTE & MORAN - OCTOBER 11, 2006 - \$9,500.00 - POLICE AND FIRE
PORTION OF \$19,000.00 - JUNE 30, 2006 AUDIT**

**PLANTE & MORAN - NOVEMBER 15, 2006 - \$1,370.00 - POLICE AND FIRE
PORTION OF \$2,740.00 - JUNE 30, 2006 AUDIT**

**SENECA CAPITAL - NOVEMBER 14, 2006 - \$55,228.24 - 2006 THIRD
QUARTER FEES**

**XJJ COMPANY - NOVEMBER 29, 2006 - \$28,692.57 - POLICE AND FIRE
PORTION OF \$53,307.14 - EMPLOYEE PAYROLL FOR THE PERIOD OCTOBER
23, 2006 THROUGH NOVEMBER 24, 2006**

**DOUG DAVIS - NOVEMBER 27, 2006 - \$4,520.98 - NOVEMBER, 2006
COMPUTER SERVICES**

**JASON DELUCE - NOVEMBER 27, 2006 - \$4,500.00 - NOVEMBER, 2006
COMPUTER SERVICES**

**DOUG FREDERICK - NOVEMBER 27, 2006 - \$5,644.80 - NOVEMBER, 2006
COMPUTER SERVICES**

**BRIDGETT HARDY - NOVEMBER 27, 2006 - \$2,961.40 - NOVEMBER, 2006
COMPUTER SERVICES**

**HAL LAMKIN - NOVEMBER 27, 2006 - \$4,054.13 - NOVEMBER, 2006
COMPUTER SERVICES**

**FRANK LEARNED - NOVEMBER 27, 2006 - \$3,721.13 - NOVEMBER, 2006
COMPUTER SERVICES**

**ANITA LINET - NOVEMBER 27, 2006 - \$2,297.68 - NOVEMBER, 2006
COMPUTER SERVICES**

BILL PAYMENT REQUESTS

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

**DENNIS LINET – NOVEMBER 27, 2006 - \$5,724.70 – NOVEMBER, 2006
COMPUTER SERVICES**

**MIKE POWNING – NOVEMBER 27, 2006 - \$4,462.70 – NOVEMBER, 2006
COMPUTER SERVICES**

**SANJAY PRASAD – NOVEMBER 26, 2006 - \$4,594.59 – NOVEMBER, 2006
COMPUTER SERVICES**

**RONALD REEVES – NOVEMBER 27, 2006 - \$3,960.00 – NOVEMBER, 2006
COMPUTER SERVICES**

**RAY TCHOU – NOVEMBER 27, 2006 - \$5,963.79 – NOVEMBER, 2006
COMPUTER SERVICES**

**ED ZARZYCKI – NOVEMBER 27, 2006 - \$3,100.00 – NOVEMBER, 2006
COMPUTER SERVICES**

**YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON,
ORZECZ, STEWART AND VICE CHAIRMAN BEST – 8**

NAYS – NONE

LEGAL COUNSEL'S BILLING

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

**RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED NOVEMBER 30, 2006,
FOR THE MONTH OF NOVEMBER, 2006, IN THE AMOUNT OF \$10,664.11, 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, CHRISTIAN, DOYLE, MILTON,
ORZECZ, STEWART AND VICE CHAIRMAN BEST – 8**

NAYS – NONE

SUPERIOR CAPITAL PARTNERS, LLC

BY MR. DOYLE – SUPPORTED BY MR. CHRISTIAN

RESOLVED, THAT WILLIAM CAMPBELL AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (SUPERIOR FUND) PURPOSES:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, ORZECH, STEWART AND VICE CHAIRMAN BEST – 8

NAYS – NONE

- **TRUSTEE MOORE ENTERED THE MEETING.**

RJL COMPANIES

CARLTON BYRD AND ALICIA MARSHALL APPEARED BEFORE THE BOARD, DISCUSSED RLJ SELECT INVESTMENTS, LLC AND THEN EXCUSED THEMSELVES.

- **COUNSEL ZAJAC ENTERED THE MEETING.**

STEPHEN UHL

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, Stephen Uhl, an active firefighter, died on July 10, 2005 with thirteen (13) years and ten (10) months of service, and

Whereas, Mr. Uhl never had a death benefit deduction withheld, and

Whereas, The Board of Trustees discussed this matter in detail with the staff of the Retirement Systems, Therefore Be It

Resolved, That Mr. Uhl's death benefit be processed and the total amount owed to pay for the death benefit will be withheld:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST – 9

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PRONOUS, THE BOARD'S EDS, INC. TRANSITION TEAM'S DISCUSSION WITH GILL GOOD, EDS, INC.'S OPERATIONAL PROGRESS REPORT, RUNCO'S RELATIONSHIP WITH DOUG WICKLUND AND LEGAL FEES (TO SPECIAL COUNSEL).

PRONOUS

LEGAL COUNSEL PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING PRONOUS, INCLUDING THE WIRE-TRANSFER OF THE \$10,000,000.00 INVESTMENT THIS DATE.

LEGAL FEES TO SPECIAL COUNSEL

BY MR. DOYLE - SUPPORTED BY MR. MOORE

WHEREAS, IT HAS BEEN BROUGHT TO THE BOARD'S ATTENTION BY GENERAL COUNSEL THAT THERE IS A DISPARITY BETWEEN HOURLY RATES FOR LEGAL COUNSEL ON THE TRANSITION COMMITTEE/TEAM REGARDING THE RDD INVESTMENT CORPORATION, AND

WHEREAS, THE BOARD HAS BEEN AWARE THAT, PURSUANT TO A 1989 RESOLUTION, A \$175.00 HOURLY RATE WAS APPLICABLE TO ONE SPECIAL COUNSEL AND, DUE TO OTHER DEVELOPMENTS AND APPROVALS, THE LOWEST RATE APPLICABLE TO OTHER SPECIAL COUNSEL, INCLUDING MEMBERS OF THE TRANSITION TEAM, IS \$225.00, WITH OTHER MEMBERS HAVING BEEN APPROVED BY THE BOARD OF TRUSTEES, THEREFORE BE IT

RESOLVED, THAT THE HOURLY RATE OF \$225.00 APPLY TO ALL MEMBERS OF THE TRANSITION COMMITTEE/TEAM WHO ARE SPECIAL LEGAL COUNSEL SUBJECT TO ANY FUTURE CHANGES WHICH MAY BE MADE BY THE BOARD, AND BE IT FURTHER

RESOLVED, THAT (1) SUBJECT TO THE CUSTOMARY REVIEW BY THE BOARD'S GENERAL COUNSEL AND REPORT TO THE BOARD OF TRUSTEES, AND (2) SUBJECT TO APPROVAL OF PAYMENT OF SPECIAL LEGAL COUNSEL BILLINGS BY THIRD PARTIES WHO PAY SPECIAL LEGAL COUNSEL BILLINGS FOR SERVICES OF LEGAL COUNSEL TO THE RETIREMENT SYSTEM BE CONSISTENT WITH THE HOURLY RATES NORMALLY CHARGED BY SAID ATTORNEYS NOTWITHSTANDING SUCH HOURLY RATES MAY EXCEED \$225.00 PER HOUR, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL F. LOGAN DAVIDSON:

LEGAL FEES TO SPECIAL COUNSEL

**YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON,
ORZECH AND STEWART – 7**

NAYS – TRUSTEES MOORE AND VICE CHAIRMAN BEST – 2

MERRILL LYNCH/BLACKROCK

**PAUL YOUNGBLOOD AND DARNELL JACKSON (OF MERRILL LYNCH) AND
RICHARD VELLA AND OBIE MCKENZIE (OF BLACKROCK) APPEARED BEFORE
THE BOARD, DISCUSSED THE MERRILL LYNCH/BLACKROCK MERGER AND
THEN EXCUSED THEMSELVES.**

ORACLE PARTNERS

**TRUSTEE MOORE DISCUSSED AN ORACLE PARTNERS MEETING THAT HE
ATTENDED ON WEDNESDAY, NOVEMBER 29, 2006.**

RLJ COMPANIES

BY MR. CHRISTIAN – SUPPORTED BY MR. DOYLE

**Whereas, The Board has been presented with an investment proposal from
the RLJ Companies, and**

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

**Resolved, That said proposal be submitted to North Point Advisors for due
diligence:**

**YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON,
MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST – 9**

NAYS – NONE

ROBECO

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

**RESOLVED, THAT MIKAN ZANTEN AND ANY ASSOCIATES OF HIS CHOOSING
BE REQUESTED TO APPEAR BEFORE THE BOARD ON DECEMBER 14, 2006 FOR
PRESENTATION (PRIVATE EQUITY) PURPOSES:**

ROBECO

**YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON,
MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST – 9**

NAYS – NONE

HSBC

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

**WHEREAS, The Board has committed to invest \$10 million in the UBS
O'Connor fund, and**

**WHEREAS, The Board has committed to invest \$10 million in the Citigroup
private equity fund, and**

**WHEREAS, The Board will be required to fund the entire commitment to UBS
O'Connor fund in one installment which will be due on or about December 10,
2006, and**

**WHEREAS, The Board will be required to fund its commitment to Citigroup
private equity fund in multiple draws over time, and**

**WHEREAS, Citigroup has advised the Board that the initial draw will be
approximately \$3.5 million and due on or about December 10, 2006, and**

**WHEREAS, The Board has discussed the funding of these investments with
North Point Advisors, the Board's retained consultant, on this date and**

**WHEREAS, North Point Advisors has recommended that these investments be
funded by making withdrawals from the BB credit quality high yield bond
account managed by HSBC, account number 591345, Therefore Be It**

**RESOLVED, That \$13.5 million be withdrawn from the BB credit quality high
yield bond account managed by HSBC, account number 591345:**

**Yeas – Trustees Bandemer, Beasley, Christian, Doyle, Milton, Moore,
Orzech, Stewart and Vice Chairman Best – 9**

Nays – None

THE HARTFORD

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT PAUL MESKIEWICZ AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (HEDGE FUNDS) PURPOSES:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST – 9

NAYS – NONE

BKM BRET LIN HOME MORTGAGE

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT ROBERT SHUMAKE AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (HOME MORTGAGES) PURPOSES:

YEAS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE, MILTON, MOORE, ORZECH, STEWART AND VICE CHAIRMAN BEST – 9

NAYS – NONE

PUBLIC FORUM

AT 1:20 P.M., VICE 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, VICE CHAIRMAN BEST ADJOURNED THE MEETING AT 1:25 P.M. UNTIL THURSDAY, DECEMBER 7, 2006, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

