

MEETING NUMBER 2679

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



PROCEEDINGS HELD THURSDAY, MAY 8, 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/Vice Chairperson
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/ Chairperson
Seth Doyle	Ex/Officio Trustee
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
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

Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
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ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT 9:04 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CAPITAL CALLS/DRAWS

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

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:

Firm: Paramount Land Holdings
Date: April 21, 2008
Fund Name: Paramount Limited, LLC
Capital Call/Draw: \$2,794,295.00

Firm: SYN-COM
Date: May 6, 2008
Fund Name: Syndicated Communications Venture Partners V,
L.P.
Capital Call/Draw: \$368,242.00

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

Nays – None

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

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

Nays – None

RETIREMENTS

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT, EFFECTIVE DATE

TEDRE KERR – INVESTIGATOR - POLICE
SERVICE - NEW
33 00 01 – 04 02 08

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT, EFFECTIVE DATE

SARAH HENDON-LAGER – SERGEANT –
POLICE
DUTY DISABILITY RETIREMENT CONVERSION –
NEW
25 00 00 – 05 16 08

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT, EFFECTIVE DATE

RENEE ELLIS – OFFICER - POLICE
SERVICE - NEW
23 00 07 – 07 08 08

NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT, EFFECTIVE DATE

MAYA REECE – INVESTIGATOR - POLICE
NON/DUTY - NEW
09 08 24 – 08 06 05

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE RECEIPTS (\$5,514,556.25) AND DISBURSEMENTS
(\$10,468,589.14) WHICH ARE REFERENCED AT THE END OF THESE
PROCEEDINGS BE CONFIRMED:

CONFIRMATIONS

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

Nays – None

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 #3275, IN THE AMOUNT OF \$818,374.56, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

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

Nays – None

MINUTES OF THURSDAY, APRIL 17, 2008

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, APRIL 17, 2008 BE APPROVED AS AMENDED, RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

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

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING BILLINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

BILL PAYMENT REQUESTS

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 – APRIL 25, 2008 - \$45.69 – APRIL, 2008 PROCESSING CHARGES

BANYAN REALTY ADVISORS, LLC – MAY 7, 2008 - \$3,871.84 – S G CAPITAL GROUP DUE DILIGENCE

CHA, INC. – APRIL 23, 2008 - \$43.70 – OFFICE SUPPLIES

CHICAGO EQUITY PARTNERS – APRIL 28, 2008 - \$83,033.52 – 2008 FIRST QUARTER FEES

EVERGREEN INVESTMENTS – APRIL 24, 2008 - \$148,022.57 – 2008 FIRST QUARTER FEES

GABRIEL, ROEDER, SMITH & COMPANY – APRIL 30, 2008 - \$9,500.00 – SUPPLEMENTAL ACTUARIAL VALUATIONS OF UN-USED SICK LEAVE PROPOSALS

GABRIEL, ROEDER, SMITH & COMPANY – MAY 1, 2008 - \$4,700.00 – MAY, 2008 ACTUARIAL SERVICES

GRAPHIC SCIENCES – APRIL 25, 2008 - \$375.00 – OFFICE SUPPLIES

HARLAND TECHNOLOGY – APRIL 30, 2008 - \$5,746.50 – COMPUTER SERVICE CONTRACTS

MC TEVIA & ASSOCIATES – MAY 1, 2008 - \$3,714.03 – LEGAL SERVICES FOR THE PERIOD MARCH 23, 2008 THROUGH APRIL 30, 2008 – GVC WINSTAR

MELISSA DATA CORPORATION – MAY 1, 2008 - \$1,322.50 – WEB SERVICE RENEWAL – ONE YEAR

BILL PAYMENT REQUESTS

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

OFFICE DEPOT – APRIL 28, 2008 - \$202.43 – OFFICE SUPPLIES

PRUDENTIAL FINANCIAL – APRIL 14, 2008 - \$21,278.16 – 2008 FIRST QUARTER FEES

TECH DEPOT – APRIL 23, 2008 - \$49.93 – OFFICE SUPPLIES

TECH DEPOT – APRIL 24, 2008 - \$89.40 – OFFICE SUPPLIES

TELECOM SOLUTIONS – FEBRUARY 7, 2008 - \$37,394.46 – INTERNET SERVICES

WELLS FARGO – APRIL 24, 2008 - \$166,961.68 – 2008 FIRST QUARTER FEES

WELLS FARGO – APRIL 21, 2008 - \$99,084.27 – 2008 FIRST QUARTER FEES

ZONES – APRIL 24, 2008 - \$2,882.80 – OFFICE SUPPLIES

ZONES – APRIL 24, 2008 - \$94.56 – OFFICE SUPPLIES

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

Nays – None

TRUSTEE MOORE ENTERED THE MEETING.

INLAND AMERICAN REAL ESTATE TRUST, INC. PROXY

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE PROXY FOR INLAND AMERICAN REAL ESTATE TRUST, INC. BE VOTED (A VOTE FOR ALL OF THE NOMINEES FOR DIRECTOR, AND A VOTE FOR PROPOSAL 2) AS RECOMMENDED BY THE BOARD'S INVESTMENT ANALYST:

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

INLAND AMERICAN REAL ESTATE TRUST, INC. PROXY

Nays – None

MMA Financial, LLC
Red River Construction Loan

By Mr. Stewart – Supported by Mr. Bandemer

WHEREAS, At its prior meeting, the Board was advised by staff that the Red River loan was beyond its initial maturity date, and

WHEREAS, The Board has reviewed the report distributed by staff on this date with respect to the status of the Red River loan and the various options available to the Board, and

WHEREAS, The Board has discussed this matter with staff on this date, Therefore be it

RESOLVED, That the Board elects to **exercise** its option to put the Red River loan back to MMA Financial, LLC, and be it further

RESOLVED, That demand be made of MMA Financial, LLC for **immediate** payment of all amounts due the Board, including but not limited to, all outstanding principal, interest, late charges and extension fees, and be it further

RESOLVED, That a copy of this resolution be sent to MMA Financial, LLC, the Board's General Counsel and the Accounting Division of the Retirement Systems:

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

Nays - None

CHICAGO EQUITY PARTNERS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT CHICAGO EQUITY PARTNERS BE PLACED ON THE SYSTEM'S INTERNAL "WATCH LIST," AND BE IT FURTHER

CHICAGO EQUITY PARTNERS

RESOLVED, THAT CHICAGO EQUITY PARTNERS BE REQUESTED TO APPEAR BEFORE THE BOARD TO ADDRESS MATTERS REGARDING PERFORMANCE:

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

Nays – None

NORTH POINTE CAPITAL

THE CHAIRMAN DIRECTED THAT NORTH POINTE CAPITAL BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS PERFORMANCE.

TRUSTEE SCOTT ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING NORTH POINTE CAPITAL.

NORTH POINTE CAPITAL

BY MR. MOORE – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD IS IN RECEIPT OF AN APRIL 11, 2008 LETTER AND A REVISED APRIL 11, 2008 LETTER WHICH IS INTERPRETED BY THE BOARD TO REQUEST A BOARD DECISION TO, IN LIGHT OF THE INFORMATION PRESENTED, CONTINUE TO PAY THE .80% MANAGEMENT FEE, OR REQUIRE NORTH POINTE CAPITAL TO REDUCE THE POLICE AND FIRE RETIREMENT SYSTEM'S CONTRACTUAL MANAGEMENT FEE TO .77%, AND

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

RESOLVED, THAT THE BOARD DOES NOT REQUIRE ANY CHANGE IN THE ANNUAL MANAGEMENT FEE OF .80% AT THIS TIME BASED UPON THE INFORMATION PROVIDED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE PLACED IN THE BOARD'S INVESTMENT MANAGEMENT AGREEMENT FILE WITH NORTH POINTE CAPITAL, AND BE IT FURTHER

NORTH POINTE CAPITAL

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO NORTH POINTE CAPITAL, ATTENTION: MICHAEL P. HAYDEN, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

TRUSTEE BEASLEY ENTERED THE MEETING.

YEAS – TRUSTEES BEASLEY, FREEMAN, MOORE, ORZECZ, SCOTT AND STEWART - 6

NAYS – TRUSTEES BANDEMER AND CHAIRMAN BEST – 2

MILESTONE REALTY SERVICES/JENKINS CONSTRUCTION

TRUSTEE MILTON ENTERED THE MEETING.

MARTY WEST AND TWO ASSOCIATES JOINED THE BOARD IN LISTENING TO JAMES JENKINS AND SIX ASSOCIATES DISCUSS THEIR INTEREST IN CONSTRUCTING THE NEW RETIREMENT SYSTEMS' OFFICES.

THE BOARD THEN EXCUSED MR. JENKINS AND HIS ASSOCIATES.

MILESTONE REALTY SERVICES/WHITE CONSTRUCTION

MARTY WEST AND TWO ASSOCIATES JOINED THE BOARD IN LISTENING TO W. BERNARD WHITE AND FIVE ASSOCIATES DISCUSS THEIR INTEREST IN CONSTRUCTING THE NEW RETIREMENT SYSTEMS' OFFICES.

THE BOARD THEN EXCUSED MR. WHITE AND HIS ASSOCIATES.

MILESTONE REALTY SERVICES/EXCEL CONSTRUCTION

MARTY WEST AND TWO ASSOCIATES JOINED THE BOARD IN LISTENING TO MICHAEL WOODHOUSE AND FOUR ASSOCIATES DISCUSS THEIR INTEREST IN CONSTRUCTING THE NEW RETIREMENT SYSTEMS' OFFICES.

THE BOARD THEN EXCUSED MR. WOODHOUSE AND HIS ASSOCIATES.

SMITH BARNEY

BRUCE BALLARD AND ASSOCIATE ANDY SPEARMAN DISCUSSED MESIROW AND PERFORMANCE AND THEN EXCUSED THEMSELVES.

DRS HOLDINGS, INC.

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS THE SOLE SHAREHOLDER OF THE CORPORATION,
AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE
EXECUTION OF A 2007 U. S. CORPORATION INCOME TAX RETURN DATED
MAY 7, 2008 BY AN OFFICER OF THE CORPORATION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT(S) HAS BEEN
RECOMMENDED BY THE BOARD'S SPECIAL LEGAL COUNSEL, F. LOGAN
DAVIDSON, P.C., 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

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 AND
RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE,
ORZECH, SCOTT, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

BARDEN DEVELOPMENT CORPORATION
\$75,000,000.00 PITG GAMING, LLC CREDIT ENHANCEMENT

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT PREVIOUSLY APPROVED THE ABOVE-REFERENCED INVESTMENT SUBJECT TO A FAVORABLE DUE DILIGENCE REPORT FROM ITS ADVISOR, NORTH POINT ADVISORS, AND A FAVORABLE LEGAL REVIEW FROM ITS SPECIAL LEGAL COUNSEL, CLARK HILL, PLC, AND

WHEREAS, THE BOARD'S ADVISOR HAS SUBMITTED A FAVORABLE MARCH 30, 2008 DUE DILIGENCE REPORT WHICH IS ACCEPTABLE TO THE BOARD, AND

WHEREAS, THE BOARD'S SPECIAL LEGAL COUNSEL HAS SUBMITTED A FAVORABLE LEGAL REPORT WHICH IS ACCEPTABLE TO THE BOARD, AND

WHEREAS, SPECIAL LEGAL COUNSEL AND THE VARIOUS LENDERS ARE FINALIZING DOCUMENTATION FOR THE CLOSING SCHEDULED FOR MAY 14, 2008 AND RECOMMENDS APPROVAL OF THE DOCUMENTATION SUBJECT TO FINALIZATION OF CERTAIN DOCUMENTS BY THE VARIOUS LENDERS WITH FINAL APPROVAL, THEREOF, BY THE BOARD'S ADVISOR, THE BOARD'S SPECIAL LEGAL COUNSEL AND THE BOARD'S GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE SIGNING OF THE CLOSING DOCUMENTS SUBJECT TO THE REVIEW AND FINAL APPROVAL BY THE BOARD'S ADVISOR, THE BOARD'S SPECIAL LEGAL COUNSEL AND THE BOARD'S GENERAL COUNSEL. THE CLOSING DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO:

COMMITMENT LETTER

CREDIT ENHANCEMENT FUNDING AND INDEMNITY AGREEMENT

VARIOUS OTHER DOCUMENTS (COLLECTIVELY, THE CLOSING DOCUMENTS), AND BE IT FURTHER

RESOLVED, THAT THE BOARD AUTHORIZES TWO AUTHORIZED SIGNERS (CONSISTENT WITH BOARD POLICY) TO EXECUTE THE CLOSING DOCUMENTS AND ANY OTHER DOCUMENTATION REQUIRED BY THE BOARD'S SPECIAL

BARDEN DEVELOPMENT CORPORATION
\$75,000,000.00 PITG GAMING, LLC CREDIT ENHANCEMENT

LEGAL COUNSEL AND THE BOARD'S GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S SPECIAL LEGAL COUNSEL IS TO DELIVER SAID CLOSING DOCUMENTS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BARDEN DEVELOPMENT INC., THE BOARD'S ADVISOR, THE BOARD'S SPECIAL LEGAL COUNSEL, THE BOARD'S GENERAL COUNSEL AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE, ORZECZ, SCOTT, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED TRADE WINDS AIRLINES.

TRUSTEE PEGG ENTERED THE MEETING NEARING THE CONCLUSION OF MR. ANDERSON'S DISCUSSION.

PRIOR TO EXCUSING HIMSELF, MR. ANDERSON DISCUSSED ASSET ALLOCATION.

PUBLIC FORUM

AT **3:40 P.M.**, CHAIRPERSON 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, CHAIRPERSON BEST ADJOURNED THE MEETING AT **3:43 P.M.** UNTIL THURSDAY, **MAY 15, 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