

MEETING NUMBER 2776

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



PROCEEDINGS HELD THURSDAY, MARCH 11, 2010
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
Gregory Best	Elected Trustee
Ralph Godbee	Ex/Officio Trustee
Cheryl R. Johnson	Ex/Officio Trustee/Treasurer
Brenda Jones	Ex/Officio Trustee/Council Member
Kirk Lewis	Ex/Officio Trustee
James Mack	Ex/Officio Trustee/Fire Commissioner
James Moore	Elected Trustee/Vice Chairperson
Sean Neary	Elected Trustee
Jeffrey Pegg	Elected Trustee/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

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 2776 – THURSDAY – MARCH 11, 2010

CHAIRPERSON

Jeffrey Pegg

VICE CHAIRPERSON

James Moore

AT THE CHAIR'S DIRECTION, ROLL CALL WAS TAKEN AT 9:00 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 SERVICE AND NON-DUTY WIDOW AND CHILDREN RETIREMENTS WHICH ARE REFERENCED BELOW BE APPROVED:

SERVICE AND NON-DUTY RETIREMENTS

NAME, TITLE, DEPARTMENT: SAMUEL WOMACK, JR. – OFFICER - POLICE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CR./EFFECTIVE DATE: 23 00 22 – 02 11 10

NAME, TITLE, DEPARTMENT: TAMMALA TALBERT – WIDOW OF DECEASED
POLICE OFFICER THEODORE TALBERT
RETIREMENT TYPE, PLAN: NON-DUTY - NEW
SERVICE CR./EFFECTIVE DATE: 13 08 26 – 02 02 10

NAME, TITLE, DEPARTMENT: NOAH TALBERT – CHILD OF DECEASED
POLICE OFFICER THEODORE TALBERT
RETIREMENT TYPE, PLAN: NON-DUTY - NEW
SERVICE CR./EFFECTIVE DATE: 13 08 26 – 02 02 10

NAME, TITLE, DEPARTMENT: JACOB TALBERT – CHILD OF DECEASED
POLICE OFFICER THEODORE TALBERT
RETIREMENT TYPE, PLAN: NON-DUTY - NEW
SERVICE CR./EFFECTIVE DATE: 13 08 26 – 02 02 10

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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DROP RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE DROP RETIREMENTS WHICH ARE DESIGNATED BELOW BE APPROVED:

DROP RETIREMENTS

NAME, TITLE, DEPARTMENT: MICHAEL BROWN – SERGEANT - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 30 03 18 – 03 01 10

NAME, TITLE, DEPARTMENT: ROBERT DOMBROWSKI – SR. CHIEF - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 37 06 19 – 02 28 10

NAME, TITLE, DEPARTMENT: FREDERICK HARTMANN – LIEUTENANT -
FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 25 00 04 – 02 08 10

NAME, TITLE, DEPARTMENT: STEVEN KIRSCHNER – CAPTAIN - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 32 00 02 – 12 07 09

NAME, TITLE, DEPARTMENT: MICHAEL MYSZYNSKI – LIEUTENANT - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 25 00 13 – 02 17 10

NAME, TITLE, DEPARTMENT: JAMES WRIGHT – CAPTAIN - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 30 01 06 – 08 01 09

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

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

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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CONFIRMATIONS

RECEIPTS-BNY

BRM Florida Holdings	03/03/10	Distribution, Interest-Feb'10	\$ 51,333.33
Pronous Offshore Fund, Ltd.	03/03/10	Distribution, Return of Capital	841,978.27
Tailwind Capital Partners	03/03/10	Distribution, Return of Capital & Income	244,849.00
Behringer Harvard Reit	03/04/10	Distribution, Interest-Feb'10	28,677.25
Oracle Capital Partners	03/05/10	Distribution	43,906.51
TOTAL RECEIPTS			\$ 1,210,744.36

DISBURSEMENTS-BNY

First Independence National Bank	03/01/10	Retired payroll, Feb'10-checks	\$ 2,752,383.09
First Independence National Bank	03/03/10	Refund List # 3345	572,030.76
First Independence National Bank	03/03/10	Checkwrite	48,298.41
Syndicated Communication	03/03/10	Capital Call	190,614.00
The Superior Fund	03/04/10	Capital Call	950,000.00
General Retirement	03/05/10	Staff Wages	15,433.93
Programmers	03/05/10	Fees, Feb'10	55,773.36
TOTAL DISBURSEMENTS			\$ 4,584,533.55

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
 NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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:

REFUND LIST NUMBER: 3348

REFUND AMOUNT: \$528,469.01

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
 NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

MINUTES OF FEBRUARY 25, 2010

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, FEBRUARY 25, 2010 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 2776 – THURSDAY – MARCH 11, 2010

MINUTES OF FEBRUARY 25, 2010

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

BLACKROCK

BY MR. BEST – SUPPORTED BY MR. NEARY

WHEREAS, BlackRock manages an S & P 500 index account for the Retirement System, and

WHEREAS, BlackRock has notified the Board that the management of the S & P 500 index account will be moving to a different group within BlackRock, and

WHEREAS, the Board has discussed this matter with staff on this date, therefore be it

RESOLVED, that this matter be referred to North Point Advisors for review and recommendation, and be it further

RESOLVED, that a copy of this resolution be forwarded to Blackrock; North Point Advisors; and the Accounting Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

PITG GAMING

ASSISTANT EXECUTIVE SECRETARY CYNTHIA A. THOMAS INFORMED THE BOARD THAT GENERAL RETIREMENT SYSTEM CHAIRPERSON SHEILA W. KNEESHAW WOULD LIKE TO ATTEND THE BOARD'S CLOSED SESSION MEETING (LATER TODAY) REGARDING THE PITG GAMING MEETING THAT WAS HELD IN PITTSBURGH ON MARCH 4, 2010 AND HER REQUEST WAS GRANTED.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 2776 – THURSDAY – MARCH 11, 2010

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. BEST – SUPPORTED BY MR. NEARY

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 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:

Name: ROBERT SHUMANN

Date of Death: FEBRUARY 8, 2010

Application Filed: FEBRUARY 9, 2010

Name: NICHOLAS TRAPANI

Date of Death: JANUARY 25, 2010

Application Filed: FEBRUARY 6, 2010

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

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

BY MR. BEST – SUPPORTED BY MR. STEWART

Whereas, The individual whose name is designated below has applied to this Board for Pre-Employment Military Service Credit and has 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 individual and the number of months eligible active duty be credited him as membership service credit

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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Police and Fire Retirement System of the City of Detroit
Pre-Employment Military Service Credit

subject to the conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

Name: ROBERT PUCKETT – LIEUTENANT – FIRE DEPT.

Pension Number: 210530

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

THE REQUEST OF EDWARD SMITH

CHAIRMAN PEGG DIRECTED THAT EDWARD SMITH’S REQUEST TO RESCIND HIS DROP RETIREMENT BE DISCUSSED AT THE BOARD’S MARCH 18, 2010 MEETING.

TT INTERNATIONAL

MS. THOMAS INFORMED THE BOARD THAT A COMMUNICATION REGARDING A CHANGE IN KEY PERSONNEL AT TT INTERNATIONAL WAS REFERRED TO NORTH POINT ADVISORS.

VALERIE VAUGHN

BY MR. GODBEE – SUPPORTED BY MR. NEARY

WHEREAS, THE BOARD HAS ATTEMPTED TO ARRANGE FOR THE REPLACEMENT OF STAFF TO VACANT POSITIONS WITH THE CITY OF DETROIT, EMPLOYER, AND

WHEREAS, THE CITY OF DETROIT, EMPLOYER, HAS NOT BEEN ABLE TO MEET THE REQUESTS OF THE RETIREMENT SYSTEMS, THEREFORE BE IT

RESOLVED, THAT THE RETIREMENT SYSTEM HIRE VALERIE VAUGHN AS A FULL TIME EMPLOYEE WITH DUTIES AND SALARY COMPARABLE TO A SENIOR ACCOUNTANT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO HEAD ACCOUNTANT MARILYN BERDIJO, AND VALERIE VAUGHN:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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VALERIE VAUGHN

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

CHARTE* HENDERSON

BY MR. GODBEE – SUPPORTED BY MR. NEARY

WHEREAS, THE BOARD HAS ATTEMPTED TO ARRANGE FOR THE REPLACEMENT OF STAFF TO VACANT POSITIONS WITH THE CITY OF DETROIT, EMPLOYER, AND

WHEREAS, THE CITY OF DETROIT, EMPLOYER, HAS NOT BEEN ABLE TO MEET THE REQUESTS OF THE RETIREMENT SYSTEMS, THEREFORE BE IT

RESOLVED, THAT THE RETIREMENT SYSTEM HIRE CHARTE* HENDERSON AS A FULL TIME EMPLOYEE WITH DUTIES AND SALARY COMPARABLE TO A CLERK, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO HEAD ACCOUNTANT MARILYN BERDIJO, AND CHARTE* HENDERSON:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
NEARY, STEWART AND CHAIRMAN PEGG – 9

NAYS – NONE

TRUSTEE JAMES MOORE ENTERED THE MEETING.

HURON CONSULTING GROUP

EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PROVIDED WITH A COPY OF A MARCH 10, 2010 E-MAIL FROM HURON CONSULTING REQUESTING AN APPEARANCE BEFORE THE BOARD TO DISCUSS THE RIVERS CASINO IN PITTSBURGH, PENNSYLVANIA.

RIVERS CASINO

EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PROVIDED WITH A COPY OF A MARCH 5, 2010 COMMUNICATION FROM INVESTMENT ANALYST RICK HUDDLESTON RELATIVE TO THE RIVERS CASINO MEETING HE, GENERAL RETIREMENT SYSTEM CHAIRPERSON SHEILA W. KNEESHAW,

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 2776 – THURSDAY – MARCH 11, 2010

RIVERS CASINO CONTINUATION

SPECIAL COUNSEL JOE TURNER AND ADVISOR ADRIAN ANDERSON
ATTENDED IN PITTSBURGH, PENNSYLVANIA, ON MARCH 5, 2010.

DOTT ACQUISITIONS

SPECIAL COUNSEL DON WAGNER APPEARED BEFORE THE BOARD TO
DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. GODBEE – SUPPORTED BY MS. JOHNSON

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 BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 10

NAYS – NONE

The Board entered into Closed Session at 9:27 A.M.

TRUSTEE JAMES MACK ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

BY MR. NEARY – SUPPORTED BY MR. BANDEMER

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 11

NAYS – NONE

The Board returned to Open Session at 10:43 A.M.

LOOMIS, SAYLES & COMPANY

KENNETH JOHNSON DISCUSSED 2009 FOURTH QUARTER PERFORMANCE.

LAFER BUILDING
PFRS ST. ANDREWS CORPORATION`
PF FUND MUTUAL BUILDING, INC.

SPECIAL COUNSEL F. LOGAN DAVIDSON DISCUSSED THE LAFER BUILDING,
PFRS ST. ANDREWS CORPORATION, AND THE PF FUND MUTUAL BUILDING.

The Lafer Building, Detroit, Michigan
Modification of Loan Documents

By Mr. Mack – Supported by Mr. Lewis

WHEREAS, on February 18, 2010 the Board approved the execution of a First Amendment to Loan Agreement and Loan Documents with Mercier Development Lafer, LLC, a Michigan limited liability company (“Borrower”), and

WHEREAS, the closing on the First Amendment was scheduled for February 25, 2010, but because all issues with the contractor and some of the sub-contractors were not completely resolved, the closing did not take place as scheduled, and

WHEREAS, the Board has received a letter dated March 11, 2010 from the Board’s special legal counsel, F. Logan Davidson, P.C., which letter recommends (i) the Board approve certain revisions to the First Amendment previously signed by the Board but undelivered and (ii) the Board consent to the Borrower’s request to modify its operating agreement, which recommendations are concurred in by the Board’s real estate advisor, Milestone Realty Services, Inc., and

WHEREAS, the Board has discussed this matter, now, therefore be it

RESOLVED, that the Board approves the revisions to the First Amendment to Loan Agreement and Loan Documents as recommended by the Board’s special legal counsel, and be it further

RESOLVED, that the Board consents to the modifications to the Borrower’s operating agreement as requested by the Borrower, and be it further

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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The Lafer Building, Detroit, Michigan
Modification of Loan Documents

RESOLVED, that (i) a revised First Amendment to Loan Agreement and Loan Documents dated as of March 11, 2010, and (ii) a consent to the modification of the Borrower's operating agreement dated as of March 11, 2010, be executed by two authorized signatories on behalf of the Board:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

PFRS St. Andrews Corp.
Request for Permit Transfer of Ownership

By Mr. Stewart – Supported by Mr. Neary

WHEREAS, the Board is the sole shareholder of the corporation, and

WHEREAS, at the time the corporation acquired the Publix@St. Andrews Shopping Center the permits issued to the previous owner, Paradise St. Andrews Ltd., related to water usage and wetlands were not transferred to the corporation, and

WHEREAS, the Board has been requested to approve the execution of a Request for Permit Transfer of the permits from the previous owner, Paradise St. Andrews Ltd., related to water usage and wetlands to the corporation dated March 11, 2010, which Request is to be filed with the South Florida Water Management District by an officer of the corporation, and

WHEREAS, the execution of said document has been recommended by the Board's real estate advisor, Mayfield Gentry Realty Advisors, LLC, and the Board's special legal counsel, F. Logan Davidson, 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 the appropriate corporate officer on behalf of the corporation:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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PFRS St. Andrews Corp.
Request for Permit Transfer of Ownership

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack,
Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

Entry in Minutes

PFRS St. Andrews Corp.: Request for Permit Transfer of Ownership

The Board of Trustees has been made aware of the execution of a Request for Permit Transfer of the permits from the previous owner, Paradise St. Andrews Ltd., related to water usage and wetlands to the corporation dated March 11, 2010, which Request is to be filed with the South Florida Water Management District by an officer of the corporation.

PF Fund Mutual Building, Inc.
Affidavit of No Employees

By Mr. Best – Supported by Mr. Neary

WHEREAS, the Police and Fire Retirement System is the sole shareholder of the corporation, and

WHEREAS, the Board has been requested to approve the execution of an Affidavit of No Employees dated March 11, 2010 by an officer of the corporation, and

WHEREAS, the execution of said document has been recommended by the Board's special legal counsel, F. Logan Davidson, P. C, 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 the Board approves the execution of an Affidavit of No Employees dated March 11, 2010 by an officer of the corporation:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack,
Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

Entry in Minutes

PF FUND MUTUAL BUILDING, INC.: Affidavit of No Employees

The Board of Trustees has been made aware of the execution of an Affidavit of No Employees dated March 11, 2010 by an officer of the corporation.

EVERGREEN INVESTMENTS

LORI BUFFUM AND TWO ASSOCIATES DISCUSSED 2009 FOURTH QUARTER PERFORMANCE AND THE INTEGRATION OF EVERGREEN AND WELLS CAPITAL MANAGEMENT.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING FOREIGN TAX CONSULTANTS, PRICE WATERHOUSE AND COOPERS, UNITED THERAPEUTICS, HURON CONSULTING, AND PITG GAMING.

HURON CONSULTING GROUP ("HURON")

GENERAL COUNSEL STATED THAT THERE OBVIOUSLY WAS A MISUNDERSTANDING BY HURON WITH RESPECT TO THE E-MAIL DATED MARCH 8, 2010 WHICH APPEARS TO HAVE BEEN CORRECTED BY THE E-MAIL DATED MARCH 10, 2010. GENERAL COUNSEL REPORTED THAT HE HAS HAD NO CONTACT WITH HURON ON ANY MATTER.

UNITED THERAPEUTICS LITIGATION

LEGAL COUNSEL PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH COPIES OF A MARCH 9, 2010 COMMUNICATION FROM SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP REGARDING THE ABOVE-REFERENCED LITIGATION.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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PRICE WATERHOUSE COOPERS/INDIA INVESTMENTS

BY MR. BEST – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE AN **ENGAGEMENT LETTER** DATED JANUARY 19, 2010 TO ACT AS TAX CONSULTANT RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE BOARD NOTES INCREASED FEES AND HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN RECOMMENDED BY THE BOARD'S INVESTMENT MANAGER, EVERGREEN INVESTMENTS, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL 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 AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE IT FURTHER

RESOLVED, THAT THE EXECUTED ORIGINAL DOCUMENT BE FORWARDED TO THE APPROPRIATE PARTY, AND BE IT FURTHER

RESOLVED, THAT RETIREMENT SYSTEM ACCOUNTING STAFF RETAIN A COPY OF SAID EXECUTED ORIGINAL DOCUMENT:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

PRICE WATERHOUSE COOPERS/TAIWAN INVESTMENTS

BY MR. BEST – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE AN **ENGAGEMENT LETTER** DATED JANUARY 19, 2010 TO ACT AS TAX CONSULTANT RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE BOARD NOTES INCREASED FEES AND HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN RECOMMENDED BY THE BOARD'S INVESTMENT MANAGER, EVERGREEN INVESTMENTS, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL 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 AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE IT FURTHER

RESOLVED, THAT THE EXECUTED ORIGINAL DOCUMENT BE FORWARDED TO THE APPROPRIATE PARTY, AND BE IT FURTHER

RESOLVED, THAT RETIREMENT SYSTEM ACCOUNTING STAFF RETAIN A COPY OF SAID EXECUTED ORIGINAL DOCUMENT:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

SPECIAL LEGAL COUNSEL'S REPORTS

SPECIAL LEGAL COUNSEL JOE TURNER PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH COPIES OF THE DOCUMENTS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS AND THEN ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. GODBEE – SUPPORTED BY MS. JONES

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 BANDEMER, BEST, GODBEE, JOHNSON, JONES, MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 10

NAYS – NONE

The Board entered into Closed Session at 1:10 P.M.

TRUSTEE LEWIS TEMPORARILY EXCUSED HIMSELF DURING CLOSED SESSION.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 10

NAYS – NONE

The Board returned to Open Session at 3:22 P.M.

TRUSTEE LEWIS RE-JOINED THE MEETING.

SECURITIES AND EXCHANGE COMMISSION

BY MR. MOORE – SUPPORTED BY MR. BEST

WHEREAS, the Board has previously provided counsel to its certain Trustees and staff regarding regulatory and governmental investigations relative to the performance of such trustee's duties and staff's responsibilities, and

WHEREAS, the Board is aware the SEC is conducting a nationwide investigation involving collateralized loan obligations ("CLO") and public pension funds, and

WHEREAS, the SEC has, inter alia, requested formal interviews with current and former PFRS staff with respect to certain PFRS CLO related investments and will likely make further requests, and

WHEREAS, the PFRS desires to fully cooperate with any government investigation, and

WHEREAS, the PFRS desires to have competent counsel for its staff regarding SEC investigations, and

WHEREAS, the SEC is investigating a certain PFRS CLO which required, inter alia, the formal interview of PFRS staff and formal staff, including Rick Huddleston, and

WHEREAS, Clark Hill PLC was deemed as counsel for PFRS staff on all previous governmental investigations, and

WHEREAS, Rick Huddleston has represented he has a conflict of interest with Clark Hill and requested another counsel, and

WHEREAS, the Board has considered this matter, and **THEREFORE BE IT**

RESOLVED, that the Board desires to fully cooperate with all reasonable requests of any governmental agency, including, but not limited to, the SEC, and be it further

RESOLVED, that that Board reaffirms its previous appointment of Clark Hill PLC as Special Counsel for representation of the PFRS, its Trustees and staff for all governmental investigations, including, but not limited to, any SEC investigation, and be it further

SECURITIES AND EXCHANGE COMMISSION

RESOLVED, that due to a conflict of interest, the Board appoints George Peck of Howard & Howard as Special Legal Counsel for Rick Huddleston regarding any SEC matter, and be it further

RESOLVED, the Board appoints Clark Hill PLC as counsel to Walter Stampor and the Board relative to any SEC matter, and be it further

RESOLVED, that a copy of this resolution shall be forwarded to each special counsel (Howard & Howard and Clark Hill), Rick Huddleston, and the Accounting Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, LEWIS,
MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 11

NAYS – NONE

\$6,000,000.00 Equity Investment
Dott Acquisition, LLC and Related Entities

BY MR. MOORE – SUPPORTED BY MS. JOHNSON

WHEREAS, the Police and Fire Retirement System previously made a \$6,000,000 preferred member interest investment in Dott Acquisition, LLC (the “Company”), and

WHEREAS, in connection with the Retirement System’s investment in the Company, the Company has acquired a company in Kuttawa, Kentucky, and a company in Lapeer, Michigan, and

WHEREAS, the Retirement System previously engaged special legal counsel Donald Wagner, Esq., regarding this investment, and

WHEREAS, the Board is in receipt of a letter from the Company dated March 3, 2010 reporting its progress to the Board, and

WHEREAS, special legal counsel Donald Wagner appeared before the Board on March 11, 2010 in closed session and discussed attorney/client matters regarding this investment and made recommendations to the Board of actions available to the Board to protect its position, and

WHEREAS, the Board has discussed this matter, therefore be it

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\$6,000,000.00 Equity Investment
Dott Acquisition, LLC and Related Entities

RESOLVED, the Board follow the recommendations of its special legal counsel, and be it further

RESOLVED, that special legal counsel Donald Wagner take all appropriate actions to intervene in the pending litigation in Genesee County and/or other actions deemed appropriate to protect the Retirement System's interests regarding the Company and the Kentucky property and report his findings to the Board of Trustees, and be it further

RESOLVED, that a copy of this resolution be forwarded to special legal counsels Donald Wagner and F. Logan Davidson, and the Accounting Division of the Retirement System:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

PITG GAMING/RIVERS CASINO
ENGAGEMENT OF CASINO FINANCIAL ADVISOR

BY MR. BEST – SUPPORTED BY MS. JOHNSON

WHEREAS, the Board's Business Advisor and Special Legal Counsel provided a status update on the Board's investment and summary of the Second Lien Holders Meeting on March 5, 2010 at the casino site, and

WHEREAS, the Board received copies of (i) the Business Advisor's report dated March 10, 2010, (ii) a confidential Second Lien Lender's presentation packet dated March 4 (sic), 2010, and (iii) a confidential presentation to North Point Advisors dated March 5, 2010, and

WHEREAS, certain information provided is covered by MCLA 38.1140(*l*).

WHEREAS, the Board has been advised, consistent with the Business Advisor's recommendation, that the PFRS, along with GRS, should approve the engagement of a casino financial advisor to protect the Board's interest, and

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PITG GAMING/RIVERS CASINO
ENGAGEMENT OF CASINO FINANCIAL ADVISOR

WHEREAS, the Board is aware the engagement of the casino financial advisor should occur ASAP and the Board's Business Advisor is interviewing prospective candidates, and

WHEREAS, the Board is cognizant of the urgency of this matter and is aware the GRS passed resolutions authorizing the Business Advisor to conclude the interviews of prospective candidates for casino advisor, make a recommendation to the Board's Chairperson who, along with the GRS Chairperson, is authorized to select the casino financial advisor which shall be engaged by the Retirement Systems, and

WHEREAS, the Board has considered this matter, **THEREFORE BE IT**

RESOLVED, that the Board accepts the Business Advisor's recommendation and authorizes the Board's Business Advisor to conduct interviews for a casino financial advisor and make a recommendation to the Board's Chairperson, who, in conjunction with the General Retirement System's Chairperson, is authorized to select the financial advisor which shall be engaged by the Retirement Systems to protect the Board's interests, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Board's Business Advisor and Special Legal Counsel, the General Retirement System's Chairperson, and the Accounting Division of the Retirement System:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

Trustee Johnson temporarily excused herself.

FEES AND EXPENSES

BY MR. STEWART – SUPPORTED BY MR. NEARY

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH THE SUMMARY OF FEES AND EXPENSES WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

FEES AND EXPENSES

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 APPROVAL BY LEGAL COUNSEL AND SUBJECT TO STAFF AUDIT, THE BOARD APPROVES PAYMENT OF SAID FEES AND EXPENSES:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JONES, LEWIS, MACK, MOORE, NEARY, STEWART AND CHAIRMAN PEGG – 10

NAYS – NONE

Investment Manager Account Withdrawals

By Mr. Best – Supported by Mr. Neary

WHEREAS, the Board must periodically make withdrawals from the accounts of its investment managers to pay the benefits and expenses of the System, as well as fund capital calls, and

WHEREAS, the Board has reviewed the cash forecast prepared by staff wherein the Board notes that \$23,000,000.00 must be withdrawn from the managed accounts in order to pay the benefits and expenses of the System, as well as fund capital calls, and

WHEREAS, the Board has reviewed the recommendation of North Point Advisors, the Board's retained consultant, and

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

RESOLVED, that the following withdrawals be made available no later than March 29, 2010, and be it further

RESOLVED, that a copy of this resolution be sent to Advent Capital, Income, Research and Management, Fisher Investments, Kennedy Capital, Wells Capital Management, The Bank of New York Mellon, North Point Advisors, and the Accounting Division of the Retirement System:

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Investment Manager Account Withdrawals

<u>Manager</u>	<u>Amount</u>	<u>Account Number</u>
Advent Capital Management	\$4,000,000.00	591330
Income, Research & Management	\$4,000,000.00	591353
Fisher Investments	\$6,000,000.00	591341
Kennedy Capital Management	\$4,000,000.00	591337
Wells Capital Management	\$5,000,000.00	591381

TRACY MAITLAND
ADVENT CAPITAL MANAGEMENT
1065 AVENUE OF THE AMERICAS
31ST FLOOR
NEW YORK, NEW YORK 10018

BRIAN HOULE
INCOME, RESEARCH & MANAGEMENT
100 FEDERAL STREET
31ST FLOOR
BOSTON, MASSACHUSETTS 02110

JEFFERY SILK
FISHER INVESTMENTS, INC.
13100 SKYLINE BOULEVARD
WOODSIDE, CALIFORNIA 94062

FRANK LATUDA
KENNEDY CAPITAL MANAGEMENT
10829 OLIVE BOULEVARD
ST. LOUIS, MISSOURI 63141

JAMES KLAUS
WELLS CAPITAL MANAGEMENT
ONE HUNDRED HERITAGE RESERVE
MENOMONEE FALLS, WISCONSIN 53051

Yeas – Trustees Bandemer, Best, Godbee, Jones, Lewis, Mack, Moore,
Neary, Stewart and Chairman Pegg – 10

Nays – None

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Trustee Johnson re-joined the meeting.

HOWARD & HOWARD

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Resolved, That Howard & Howard be added to the list of Special Legal Counsel for the Police and Fire Retirement System of the City of Detroit, and be it further

Resolved, That a copy of this resolution be forwarded to Howard & Howard, and the Accounting Division of the Retirement System:

HENRY J. BRENNAN
HOWARD & HOWARD ATTORNEYS, P.C.
450 W. 4TH ST.
ROYAL OAK, MICHIGAN 48067-2557

Yeas – Trustees Bandemer, Best, Godbee, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 10

Nays – Trustee Johnson – 1

CONFERENCE

BY MR. STEWART – SUPPORTED BY MR. MOORE

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:

INTERNATIONAL FOUNDATION'S BENEFITS CONFERENCE FOR PUBLIC EMPLOYEES
PHOENIX, ARIZONA
APRIL 19, 2010 – APRIL 20, 2010

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CONFERENCE

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

JACKIER GOULD/ATTORNEYS AND COUNSELORS AT LAW

BY MR. STEWART – SUPPORTED BY MR. MOORE

RESOLVED, THAT ERIC BEAN AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS THE SHOPPES AT DETROIT GATEWAY PARK:

Yeas – Trustees Bandemer, Best, Godbee, Johnson, Jones, Lewis, Mack, Moore, Neary, Stewart and Chairman Pegg – 11

Nays – None

PFRS BOARD MEETING OF MARCH 25, 2010

AT CHAIRMAN PEGG'S DIRECTION, TRUSTEE PAUL STEWART IS EXCUSED FROM THE BOARD'S MEETING OF MARCH 25, 2010.

PUBLIC FORUM

AT 3:35 P.M., CHAIRMAN PEGG DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN PEGG ADJOURNED THE MEETING AT 3:37 P.M. UNTIL THURSDAY, MARCH 18, 2010 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