

MEETING NUMBER 2778

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



PROCEEDINGS HELD THURSDAY, MARCH 25, 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
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

Paul Stewart	Elected Trustee
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ABSENT

None

CHAIRPERSON

Jeffrey Pegg

VICE CHAIRPERSON

James Moore

AT THE CHAIR'S DIRECTION, ROLL CALL WAS TAKEN AT 9:21 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

SERVICE RETIREMENTS – BY MR. BANDEMER – SUPPORTED BY MR. BEST

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

SERVICE RETIREMENTS

NAME, TITLE, DEPARTMENT: KEVIN KEMP – LIEUTENANT - POLICE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CR./EFFECTIVE DATE: 28 02 21 – 02 21 10*

*** EFFECTIVE DATE CHANGE FROM JANUARY 30, 2010 TO FEBRUARY 21, 2010**

NAME, TITLE, DEPARTMENT: GARY CLAPP – BATTALION FIRE CHIEF -
FIRE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CR./EFFECTIVE DATE: 37 04 27 – 04 13 10

NAME, TITLE, DEPARTMENT: MICHAEL TURNER – BATTALION FIRE CHIEF
- FIRE
RETIREMENT TYPE, PLAN: SERVICE - NEW
SERVICE CR./EFFECTIVE DATE: 37 00 01 – 03 19 10

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

DUTY DISABILITY RETIREMENT CONVERSION

BY MR. MOORE – SUPPORTED BY MR. BEST

RESOLVED, THAT THE DUTY DISABILITY RETIREMENT CONVERSION WHICH IS REFERENCED BELOW BE APPROVED:

DUTY DISABILITY RETIREMENT CONVERSION

NAME, TITLE, DEPARTMENT: STEVEN SIPPERLY – FIRE FIGHTER - FIRE
RETIREMENT TYPE, PLAN: DUTY DISABILITY RETIREMENT
CONVERSION - NEW
SERVICE CR./EFFECTIVE DATE: 25 00 00 – 02 04 10

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

DROP RETIREMENTS – BY MR. BANDEMER – SUPPORTED BY MR. BEST

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

DROP RETIREMENTS

NAME, TITLE, DEPARTMENT: DENNIS HOLMES – CAPTAIN - FIRE
RETIREMENT TYPE, PLAN: DROP – NEW*
SERVICE CR./EFFECTIVE DATE: 31 11 24 – 03 01 10

***OPTION CHANGE FROM 100% TO 50% WITH POP-UP C**

NAME, TITLE, DEPARTMENT: THOMAS RUTKOWSKI – LIEUTENANT - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 25 01 12 – 03 16 10

NAME, TITLE, DEPARTMENT: GARY STIRZINGER – BATTALION FIRE CHIEF
- FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 34 01 08 – 02 24 10

NAME, TITLE, DEPARTMENT: LONNIE WADE, JR. – OFFICER - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 26 05 05 – 03 10 10

DROP RETIREMENTS - CONTINUED

NAME, TITLE, DEPARTMENT: MICHAEL WALSH – LIEUTENANT - POLICE
 RETIREMENT TYPE, PLAN: DROP - NEW
 SERVICE CR./EFFECTIVE DATE: 28 01 29 – 02 16 10

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
 NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

CONFIRMATIONS – BY MR. NEARY – SUPPORTED BY MR. BANDEMER

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

RECEIPTS-BNY

General Fund	03/15/10	Weekly Annuity Contribution	\$	306,708.09
SG Mortgage Fund	03/15/10	Interest February, 2010		66,942.37
Inland American Reit	03/15/10	Interest February, 2010		66,532.29
Milestone Realty Services	03/17/10	Interest, February, 2010-Kales Building		46,744.89
Milestone Realty Services	03/17/10	Interest, February, 2010-Kennedy Square		18,583.33
ICG Leaseback	03/17/10	Distribution		39,592.58
General Fund	03/19/10	Weekly Annuity Contribution		103,054.14
Milestone Realty Services	03/19/10	Interest, February, 2010-Lafer Building		6,813.70
				654,971.39

DISBURSEMENTS-BNY

First Independence National Bank	03/17/10	Checkwrite	\$	34,582.05
First Independence National Bank	03/17/10	List # 3348		528,469.01
TT International	03/19/10	Management Fee, 4th Qtr'09		131,302.72
				694,353.78

TOTAL DISBURSEMENTS \$ 694,353.78

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
 NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. MOORE – 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:

REFUND LIST NUMBER: 3350

REFUNDS OF ACCUMULATED CONTRIBUTIONS - CONTINUED

REFUND AMOUNT: \$289,873.63

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

APRIL 1, 2010 BOARD MEETING CANCELLATION

BY MR. BEST – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM BOARD MEETING OF THURSDAY, APRIL 1, 2010 BE CANCELLED AND THE APPROPRIATE PARTIES BE NOTIFIED OF SAID CANCELLATION:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

RREEF AMERICA II REIT PROXY

BY MR. BEST – SUPPORTED BY MS. JOHNSON

WHEREAS, the Board owns units in the RREEF America II REIT, and

WHEREAS the Board is in receipt of the notice of annual meeting and proxy, and

WHEREAS, staff has reviewed the proxy and advised the Board that certain issues to be voted on at the annual meeting will directly affect, in a material way, the Board's investment, therefore be it

RESOLVED, that the proxy be referred to Courtland Partners, the Board's retained real estate consultant, for a review and recommendation, and

WHEREAS, the Board deems it appropriate that a representative/representatives attend the annual meeting, therefore be it

RREEF AMERICA II REIT – CONTINUED

RESOLVED, that the Board's Investment Analyst be directed to attend the annual meeting (April 23, 2010; Chicago, Illinois) if no other representative is available, and be it further

RESOLVED, that a copy of this resolution be forwarded to Courtland Partners, and the Accounting Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MOORE,
NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

MILESTONE REALTY SERVICES, INC.

MARTY WEST AND KEN KELLEY PROVIDED THE BOARD WITH MILESTONE'S FINAL DUE DILIGENCE REPORT FOR THE BEETHOVEN APARTMENTS IN DETROIT, MICHIGAN.

TRUSTEE JAMES MACK ENTERED THE MEETING DURING MILESTONE'S PRESENTATION.

MUNIMAE

EARL COLE AND MIKE FALCONI APPEARED BEFORE THE BOARD TO DISCUSS MATTERS INVOLVING PRIVILEGED MATTERS.

MUNIMAE

BY MR. BEST – SUPPORTED BY MR. NEARY

WHEREAS, MUNIMAE is presenting certain financial or proprietary information and documentation ("Proprietary Information") in connection with its various obligations to the Police & Fire Retirement System of the City of Detroit (P&F") to be discussed on March 25, 2010, and

WHEREAS, MuniMae believes that such Proprietary Information relates to financial or proprietary information pertaining to a portfolio company in real estate and MuniMae believes that such Proprietary Information is confidential since such Proprietary Information is not

MUNIMAE - CONTINUED

shared with MMA's shareholders and is subject to confidentiality agreements between MuniMae and P&F, and

WHEREAS, it is the policy of P&F to review and hold such Proprietary Information confidential pursuant to Act 314 of the Public Employee Retirement System Investment Act (the "Act"), Section 1140I and that such Proprietary Information is not subject to the disclosure requirements of the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, and

WHEREAS, P&F agrees that such Proprietary Information to be presented to P&F on March 25, 2010, will be held and reviewed as Proprietary Information and exempt from disclosure under the Freedom of Information Act pursuant to Section 1140I of the Act, and

WHEREAS, it is in the best interest of P&F to hold such Proprietary Information as provided herein, and

WHEREAS, the Board has discussed this matter before it, and

NOW, THEREFORE, IT IS RESOLVED, that the Proprietary Information provided by MuniMae to P&F for the March 25, 2010 meeting will be reviewed and considered in closed and executive session pursuant to the Act, and further

RESOLVED, that this Proprietary Information will be held by P&F as proprietary and financial information under the Act and such Proprietary Information will not be released to third parties unless required by court order and will not be subject to the disclosure requirements of the Freedom of Information Act pursuant to Section 11401 of the Act, and further

RESOLVED, that a copy of this Resolution be forwarded to MuniMae, Special Legal Counsel, and the Accounting Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MACK,
MOORE, NEARY AND CHAIRMAN PEGG – 9

NAYS – NONE

CLOSED SESSION

BY MR. MACK – SUPPORTED BY MR. MOORE

Resolved, That the Board enter into Closed Session for the purpose of discussing privileged matters:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MACK, MOORE, NEARY AND CHAIRMAN PEGG – 9

NAYS – NONE

The Board entered into Closed Session at 10:15 A.M.

OPEN SESSION

BY MS. JONES – SUPPORTED BY MR. MOORE

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, JONES, LEWIS, MACK, MOORE, NEARY AND CHAIRMAN PEGG – 9

NAYS – NONE

The Board returned to Open Session at 10:8 A.M.

LIFE ASSURANCE PLAN

DEREK BATTS DISCUSSED LIFE ASSURANCE FUND'S LIFE SETTLEMENT POLICIES.

PARADIGM ASSET MANAGEMENT

ADRIAN ANDERSON OF NORTH POINT ADVISORS JOINED THE BOARD IN LISTENING TO EUGENE DUFFY AND TWO ASSOCIATES DISCUSS THE PERFORMANCE OF PARADIGM'S LARGE-VALUE PORTFOLIO.

PARADIGM ASSET MANAGEMENT - CONTINUED

TRUSTEE RALPH GODBEE ENTERED THE MEETING DURING PARADIGM'S PRESENTATION.

TRUSTEES MOORE AND LEWIS EXCUSED THEMSELVES.

WASHINGTON PLAZA – 2010 APPRAISAL REPORT

BY MR. BEST – SUPPORTED BY MR. NEARY

WHEREAS, THE BOARD IS IN RECEIPT OF A LETTER FROM BANYAN REALTY ADVISORS, LLC ("BANYAN") DATED MARCH 24, 2010 RECOMMENDING THAT THE BOARD APPROVE THE APPRAISED VALUE OF WASHINGTON PLAZA IN THE AMOUNT OF \$36,000,000.00, AND

WHEREAS, THE BOARD IS IN RECEIPT A LETTER FROM ITS REAL ESTATE CONSULTANT, COURTLAND PARTNERS, DATED FEBRUARY 3, 2010 WHICH RECOMMENDATION IS CONSISTENT WITH THE RECOMMENDATION OF BANYAN, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES THE UTILIZATION OF THE APPRAISED VALUE OF \$36,000,000.00, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN, COURTLAND PARTNERS, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, MACK, NEARY AND CHAIRMAN PEGG – 8

NAYS – NONE

THE SEMINOLE COMPANIES

BY MR. BEST – SUPPORTED BY MR. NEARY

RESOLVED, THAT ROBERT J. BANKS AND ANY ASSOCIATE OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS RENEWABLE ENERGY INTERIM LOANS:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, MACK, NEARY AND CHAIRMAN PEGG – 8

THE SEMINOLE COMPANIES - CONTINUED

NAYS – NONE

TRUSTEE MOORE RE-JOINED THE MEETING.

RETIREMENT SYSTEM STAFF MEMBER DEBRA TYLER

BY MR. MACK – SUPPORTED BY MR. GODBEE

Whereas, Debra Tyler has requested to address the Board regarding an over-payment of out-of-class pay and other issues, and

Whereas the Board has discussed the request with executive staff and acknowledges that the issue is administrative in nature, therefore be it

Resolved, That the request of Ms. Tyler be denied, and be it further

Resolved, that executive staff facilitate re-payment arrangements with Ms. Tyler, and be it further

Resolved, that copies of this resolution be forwarded to Debra Tyler, David Cetlinski and Marilyn Berdijo:

YEAS – TRUSTEES BANDEMER, BEST, GODBEE, JOHNSON, JONES, MACK, MOORE, NEARY AND CHAIRMAN PEGG – 9

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING HORIZON LINES, INC., AND GOLDMAN SACHS. HE ALSO PROVIDED THE BOARD WITH A COPY OF A MARCH 25, 2010 LETTER FROM SPECIAL LEGAL COUNSEL KOHN, SWIFT & GRAF REGARDING GOLDMAN SACHS, AND A COPY OF PLAINTIFF'S MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANTS' MOTION TO DISMISS AMENDED COMPLAINT REGARDING HORIZON LINES, INC.

TRUSTEE LEWIS RE-JOINED THE MEETING.

GOLDMAN SACHS MORTGAGE-BACKED PASS-THROUGH CERTIFICATE LITIGATION

BY MR. MACK – SUPPORTED BY MR. GODBEE

WHEREAS, THE BOARD, THIS DATE, REVIEWED A LETTER FROM DENIS F. SHEILS, ESQUIRE OF KOHN, SWIFT & GRAF, P.C. SPECIAL COUNSEL, RECOMMENDING THAT THE FUND BE JOINED AS AN ADDITIONAL PLAINTIFF IN THE ACTION ENTITLED NECA-IBEW HEALTH & WELFARE FUND V. GOLDMAN SACHS & CO., ET. AL., CASE NO. 08-CV-10783 (MCG) PROVIDED THAT AGREEMENT IN THE CASE CAN BE REACHED WITH LEAD COUNSEL, COUGHLIN STOIA, ABOUT THE FUND'S ROLE IN THE CASE, AND IN THE ABSENCE OF SUCH AGREEMENT, THAT KOHN, SWIFT & GRAF, P.C. BE GIVEN THE DISCRETION TO MOVE TO HAVE THE FUND APPOINTED LEAD PLAINTIFF ON BEHALF OF A CLASS OF PURCHASERS OF THE GSR MTG LN TR 2007-4-F GOLDMAN SACHS & CO. SPONSORED MORTGAGE-BACKED PASS-THROUGH CERTIFICATES; AND

WHEREAS THE BOARD'S GENERAL COUNSEL HAS JOINED IN THE RECOMMENDATION OF SPECIAL COUNSEL; AND

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

RESOLVED, THAT THE BOARD APPROVES THE RECOMMENDATION AND AUTHORIZES KOHN, SWIFT & GRAF, P.C. TO TAKE ALL STEPS TO HAVE THE FUND JOINED AS AN ADDITIONAL PLAINTIFF IN THE ACTION ENTITLED NECA-IBEW HEALTH & WELFARE FUND V. GOLDMAN SACHS & CO., ET. AL., CASE NO. 08-CV-10783 (MCG) PROVIDED THAT AGREEMENT IN THE CASE CAN BE REACHED WITH LEAD COUNSEL, COUGHLIN STOIA, ABOUT THE FUND'S ROLE IN THE CASE, AND IN THE ABSENCE OF SUCH AGREEMENT, THAT KOHN, SWIFT & GRAF, P.C. BE GIVEN THE DISCRETION TO MOVE TO HAVE THE FUND APPOINTED LEAD PLAINTIFF ON BEHALF OF A CLASS OF PURCHASERS OF THE GSR MTG LN TR 2007-4-F GOLDMAN SACHS & CO. SPONSORED MORTGAGE-BACKED PASS-THROUGH CERTIFICATES; AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL COUNSEL KOHN, SWIFT & GRAF, P.C., AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

YEAS – TRUSTEES BANDEMER, GODBEE, JOHNSON, JONES, LEWIS, MACK, MOORE, NEARY AND CHAIRMAN PEGG – 9

NAYS – TRUSTEE BEST – 1

NORTH POINT ADVISORS

THE BOARD DISCUSSED LIFE ASSURANCE FUND'S LIFE SETTLEMENT POLICIES, PARADIGM ASSET MANAGEMENT AND SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982 WITH ADRIAN ANDERSON VIA PHONE CONFERENCE.

PARADIGM ASSET MANAGEMENT

BY MR. MACK – SUPPORTED BY MR. BEST

RESOLVED, THAT PARADIGM ASSET MANAGEMENT BE PLACED ON THE SYSTEM'S INTERNAL WATCH LIST FOR PERFORMANCE MONITORING PURPOSES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PARADIGM, NORTH POINT ADVISORS, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

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

NAYS – NONE

SPECIAL LEGAL COUNSEL'S REPORTS

SPECIAL LEGAL COUNSEL JOE TURNER PROVIDED THE BOARD WITH COPIES OF THE DOCUMENTS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS AND ASKED THE BOARD TO ENTER INTO CLOSED SESSION.

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, LEWIS, MACK, MOORE, NEARY AND CHAIRMAN PEGG – 10

CLOSED SESSION - CONTINUED

NAYS – NONE

The Board entered into Closed Session at 2:12 P.M.

OPEN SESSION

BY MR. GODBEE – SUPPORTED BY MR. NEARY

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 AND CHAIRMAN PEGG – 10

NAYS – NONE

The Board returned to Open Session at 2:50 P.M.

TRUSTEE GODBEE COMPLIMENTED THE TRUSTEES FOR THE PROFESSIONALISM THEY DISPLAYED WHILE DISCUSSING SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982.

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982

BY MR. MOORE – SUPPORTED BY MR. NEARY

WHEREAS, on March 18, 2010, Senate Bills (“SB”) 1239 and 1240 were introduced in the Michigan Senate by Senator Michael Switakski (D - Roseville) and Senator Ron Jelinek (R – Three Oaks), respectively, and

WHEREAS, the Board has received and reviewed a copy of SB 1239 deemed the Distressed Municipal Pension System Act which, inter alia, proposes to eliminate local municipal pension systems, such as the Police and Fire Retirement System of the City of Detroit, and turnover to the Michigan Employees Retirement System (“MERS”) all of the local system’s assets and administrative responsibilities, and

WHEREAS, the Board has received and reviewed a copy of Senate Bill 1240 which proposes to amend the MERS Act, MCLA 38.1535, et seq., to facilitate the turnover of all assets of certain local municipal pension

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982 -
CONTINUED

systems deemed distressed pension systems as set forth in Senate Bill 2939,
and

WHEREAS, on March 23, 2010, House Bills (“HB”) 5976 and 5982 were introduced in the Michigan House of Representatives by Representative George Cushingberry (D – Detroit) and Representative Dave Hildenbrand (R – Lowell), respectively, and

WHEREAS, the Board has received and reviewed (i) a copy of HB 5976 which is substantially similar to SB 1239, and (ii) a copy of HB 5982 which is substantially similar to SB 1240 (SB 1239, SB 1240, HB 5976 and HB 5982 shall be collectively referred to as the “Detroit Pensions Takeover Bills” or individually as a “Detroit Pension Funds Takeover Bill”), and

WHEREAS, General Counsel has discussed with the Board certain legal rights and remedies regarding the Detroit Pension Funds Takeover Bills,
and

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

RESOLVED, that the Board deems the Detroit Pension Funds Takeover Bills, as a violation of the constitutional and statutory rights of the Retirement System, its members and beneficiaries and citizens of Detroit and hereby oppose such legislation or any future similar legislation seeking to (i) eliminate the Board of Trustees, or (ii) cause the Retirement System to turnover the control of its assets to another entity, and be it further

RESOLVED, consistent with the Board's fiduciary obligations to protect the Retirement System's assets, inter alia, the Board hereby engages Clark Hill, PLC, to serve as the Board's lobbyist and Special Legal Counsel to vigorously pursue all appropriate lobbying efforts and legal courses of action to defeat any and all Detroit Pension Funds Takeover Bills or similar legislation which may be subsequently introduced in the Michigan Legislature, and be it further

RESOLVED, that the Board shall form a committee to (i) interact with the Board's Lobbyist and Special Legal Counsel as needed, and (ii) advise the Board accordingly, and be it further

RESOLVED, that the Board's Business Consultant, Investment Analyst, General Counsel, Lobbyist, Special Legal Counsel and Media Consultant

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982 -
CONTINUED

shall coordinate their efforts to defeat each Detroit Pension Funds Takeover Bill or any similar legislation, and be it further

RESOLVED, that a copy of this resolution be provided to the Board's Business Consultant, Investment Analyst, General Counsel, Lobbyist, Special Legal Counsel and Media Consultant:

YEAS – TRUSTEES BANDEMER, BEST, JONES, MOORE, NEARY AND CHAIRMAN PEGG – 6

NAYS – TRUSTEES GODBEE, JOHNSON, LEWIS AND MACK – 4

DROP RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. NEARY

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

DROP RETIREMENTS

NAME, TITLE, DEPARTMENT: TERRY HARRIMAN – FIRE ENGINE
OPERATOR - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 26 07 10 – 02 16 10

NAME, TITLE, DEPARTMENT: DONALD HUDSON – LIEUTENANT - POLICE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 35 02 18 – 03 18 10

NAME, TITLE, DEPARTMENT: JAMES PROVOST – CAPTAIN - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 29 02 17 – 03 17 10

NAME, TITLE, DEPARTMENT: GUY WALKER – CAPTAIN - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 32 06 05 – 03 22 10

NAME, TITLE, DEPARTMENT: GEORGE WOODSON – FIRE ENGINE
OPERATOR - FIRE
RETIREMENT TYPE, PLAN: DROP - NEW
SERVICE CR./EFFECTIVE DATE: 25 08 28 – 03 16 10

DROP RETIREMENTS – CONTINUED

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

NAYS – NONE

CAPITAL CALLS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH THE CAPITAL CALLS WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO APPROVE FUNDING OF SAID CAPITAL CALLS, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO FINAL APPROVAL OF ALL TRANSACTION DOCUMENTS BY THE BOARD'S LEGAL COUNSEL AND SUBJECT TO STAFF AUDIT, THE BOARD APPROVES FUNDING OF SAID CAPITAL CALLS:

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

NAYS – NONE

FEES AND EXPENSES

BY MR. BANDEMER – SUPPORTED BY MR. BEST

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

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:

FEES AND EXPENSES - CONTINUED

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

NAYS – NONE

DOTT ACQUISITIONS

CHAIRMAN PEGG DIRECTED THAT AN UNSIGNED COMMUNICATION REGARDING DOTT ACQUISITIONS BE REFERRED TO DON WAGNER FOR THE PURPOSE OF OBTAINING WILLIAM GRUITS' WRITTEN RESPONSE TO SAID COMMUNICATION.

SENATE BILLS 1239 AND 1240 AND HOUSE BILLS 5976 AND 5982

TRUSTEE JONES INFORMED THE BOARD THAT A HEARING WILL BE HELD ON MARCH 26, 2010 TO DISCUSS THE ABOVE-REFERENCED BILLS.

Re: Requirement for Guarantor's Financial Statements to be Prepared by a Certified Public Accountant

By Mr. Lewis – Supported by Ms. Johnson

WHEREAS, it is the standard practice of the Board that whenever it is requested to make a mortgage loan to a potential borrower that the Board refers the request to one of its real estate advisors for due diligence and underwriting criteria, and

WHEREAS, if, during the due diligence and underwriting process, the real estate advisor determines that it is in the best interest of the Board to require a personal guaranty from the principals/owners of the borrower, the real estate advisor will report such to the Board and recommend to the Board that any loan be conditioned on the execution of a satisfactory guaranty by the identified guarantors, and

WHEREAS, the Board has determined that any loans which contain the requirement of a guaranty only be approved if the financial statements that are submitted to the real estate advisor are prepared by a Certified Public Accountant and are otherwise acceptable to the Board's real estate advisor and will be made available to the Board of Trustees, Therefore be it

RESOLVED, that the Board hereby adopts a policy that all financial statements that are submitted to the Board's real estate advisor in support of a

**Re: Requirement for Guarantor's Financial Statements to be Prepared by
a Certified Public Accountant - Continued**

potential borrower's request for a mortgage loan shall be prepared by a Certified Public Accountant and shall be otherwise acceptable to the Board's real estate advisor and be made available to the Board of Trustees, and be it further

RESOLVED, that a copy of this resolution be sent to all of the Board's real estate advisors and special legal counsel for immediate implementation, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Accounting Division of the Retirement System:

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

NAYS – NONE

PUBLIC FORUM

AT 3:10 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 3:15 P.M. UNTIL THURSDAY, APRIL 8, 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