

MEETING NUMBER 2781

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



PROCEEDINGS HELD THURSDAY, APRIL 15, 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
Cheryl R. Johnson	Ex/Officio Trustee/Treasurer
Brenda Jones	Ex/Officio Trustee/Council Member
Kirk Lewis	Ex/Officio Trustee
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
Reginald O'Neal	Medical Director

EXCUSED

Ralph Godbee	Ex/Officio Trustee
James Mack	Ex/Officio Trustee/Fire Commissioner

ABSENT

None

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
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CHAIRPERSON

Jeffrey Pegg

VICE CHAIRPERSON

James Moore

AT THE CHAIR'S DIRECTION, ROLL CALL WAS TAKEN AT 9:10 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CLOSED SESSION

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, The Board's Medical Director is now before the Board of Trustees of the Police and Fire Retirement System of the City of Detroit to discuss the medical and psychiatric reports of individuals who have applied for disability retirement, and the medical and psychiatric reports of individuals who have received re-examinations, and

WHEREAS, The Michigan Open Meetings Act provides for Closed Sessions in certain circumstances, including the foregoing matter, and

WHEREAS, The Board has discussed this matter consistent with the Michigan Open Meetings Act, Therefore be it

RESOLVED, That the Board enter into Closed Session consistent with the Michigan Open Meetings Act:

A Roll Call vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEST, LEWIS, STEWART AND CHAIRMAN PEGG

- 5

NAYS – NONE

The Board entered into Closed Session at 9:10 A.M.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
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OPEN SESSION

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Resolved, That the Board return to Open Session:

A Roll Call vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at 9:32 A.M. and the Board's Medical Director was excused for the remainder of the Meeting.

DISABILITY RETIREMENT APPLICATIONS

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	DAWN ALLEN	DUTY RELATED DISABILITY	X		
Title	OFFICER				
Department	POLICE				
Pension No.	236651				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	LEFT KNEE				
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	CHRISTOPHER DEHN	NOT REPORTED ON			
Title	OFFICER				
Department	POLICE				
Pension No.	233321				
Disability Type	DUTY – DEPARTMENT REQUEST				
Plan	NEW				
Injury/Injuries					
SSN					

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DISABILITY RETIREMENT APPLICATIONS

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	JAMAL GOOD	DUTY RELATED DISABILITY	X		
Title	OFFICER				
Department	POLICE				
Pension No.	216521				
Disability Type	DUTY – DEPARTMENT REQUEST				
Plan	NEW				
Injury/Injuries	STRESS				
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	FRANK HARRIS	DUTY RELATED DISABILITY	X		
Title	SERGEANT				
Department	FIRE				
Pension No.	231985				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	LEFT ANKLE				
SSN					

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	PATRICK HARRISON	DUTY RELATED DISABILITY	X		
Title	FIRE FIGHTER - DRIVER				
Department	FIRE				
Pension No.	237011				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	LOWER BACK				
SSN					

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DISABILITY RETIREMENT APPLICATIONS

EMPLOYEE INFORMATION		MEDICAL DIRECTOR'S RECOMMENDATION	APPROVE	DENY	APPEAL
Name	DEVON JACKSON	DUTY RELATED DISABILITY	X		
Title	SERGEANT				
Department	POLICE				
Pension No.	235964				
Disability Type	DUTY				
Plan	NEW				
Injury/Injuries	STRESS				
SSN					

DAWN ALLEN – 236651 – BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING DAWN ALLEN, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES DAWN ALLEN'S APPLICATION FOR DUTY DISABILITY RETIREMENT:

YEAS – TRUSTEES BANDEMER, BEST, LEWIS, STEWART AND CHAIRMAN PEGG

- 5

NAYS – NONE

CHRISTOPHER DEHN – 233321

CHRISTOPHER DEHN'S DUTY DISABILITY RETIREMENT APPLICATION WAS NOT REPORTED ON THIS DATE.

TRUSTEE JOHNSON ENTERED THE MEETING.

JAMAL GOOD – 216521 – BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING JAMAL GOOD, AND BE IT FURTHER

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JAMAL GOOD – 216521

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES THE POLICE DEPARTMENT'S APPLICATION FOR JAMAL GOOD'S DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT JAMAL GOOD BE APPRISED OF HIS RIGHT TO APPEAL SAID APPROVAL PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, LEWIS, STEWART AND CHAIRMAN PEGG - 6

NAYS – NONE

TRUSTEE NEARY ENTERED THE MEETING, AS DID LEGAL COUNSEL RONALD ZAJAC.

FRANK HARRIS – 231985 – BY MR. BANDEMER – SUPPORTED BY MR. BEST

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING FRANK HARRIS, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES FRANK HARRIS' APPLICATION FOR DUTY DISABILITY RETIREMENT:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, LEWIS, NEARY, STEWART AND CHAIRMAN PEGG - 7

NAYS – NONE

PATRICK HARRISON – 237011 – BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING PATRICK HARRISON, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY APPROVES PATRICK HARRISON'S APPLICATION FOR DUTY DISABILITY RETIREMENT:

PATRICK HARRISON – 237011

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, LEWIS, NEARY, STEWART AND  
CHAIRMAN PEGG - 7

NAYS – NONE

DEVON JACKSON – 235964 – BY MR. STEWART – SUPPORTED BY  
MR. LEWIS

RESOLVED, THAT THE BOARD ACCEPT THE REPORT AND  
RECOMMENDATION OF ITS MEDICAL DIRECTOR REGARDING  
DEVON JACKSON, AND BE IT FURTHER

RESOLVED, THAT BASED UPON THE BOARD'S MEDICAL  
DIRECTOR'S RECOMMENDATION, THE BOARD HEREBY  
APPROVES DEVON JACKSON'S APPLICATION FOR DUTY  
DISABILITY RETIREMENT:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, LEWIS, NEARY, STEWART AND  
CHAIRMAN PEGG - 7

NAYS – NONE

TRUSTEE MOORE ENTERED THE MEETING, AS DID SPECIAL LEGAL  
COUNSEL JOE TURNER.

RE-EXAMINATIONS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

RESOLVED, THAT IN ACCORDANCE WITH THE  
RECOMMENDATION OF THE BOARD'S MEDICAL DIRECTOR, THE  
FOLLOWING DIRECTIVES BE APPROVED:

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RE-EXAMINATIONS

NAME DEPARTMENT DISABILITY TYPE RE-EXAM NUMBER	CONTINUE ON DISABILITY RETIREMENT PAYROLLS WITH NEXT RE-EXAM IN ONE (1) YEAR	CONTINUE ON DISABILITY RETIREMENT PAYROLLS. NO FURTHER RE-EXAMS REQUIRED	CONTINUE ON DISABILITY RETIREMENT PAYROLLS. MUST RECEIVE NEXT RE-EXAM IN DETROIT, MICHIGAN
JOSEPH BLANKENSHIP – FIRE – DUTY – FOURTH		X	
STEVEN CARTER – FIRE – DUTY - FOURTH	DENY RETURN TO WORK REQUEST AND INFORM OF RIGHT TO APPEAL		
DEVON FIELDS – FIRE – DUTY – THIRD	X		
MARK GREEN – FIRE – DUTY – SECOND	NOT REPORTED ON		
CHARLES LEONARD – POLICE – DUTY – THIRD	X		
KEITH MIDDLEBROOKS – FIRE – DUTY – FIFTH	NOT REPORTED ON		
DERRICK SMITH – FIRE – DUTY – FIRST	X		
ANTHONY THOMAS – FIRE – DUTY – FIRST	X		
JEFFREY WIELCZOPOLSKI – FIRE – DUTY – THIRD	X		

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

NAYS – NONE

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RETIREMENT APPLICATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

RETIREMENTS

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

NAME, TITLE, DEPARTMENT: TERRY TATUM – SERGEANT - FIRE  
RETIREMENT TYPE, PLAN: VESTED RETIREMENT - NEW  
SERVICE CR./EFFECTIVE DATE: 21 05 10 – 03 17 10

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

NAYS – NONE

DROP RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

DROP RETIREMENTS

NAME, TITLE, DEPARTMENT: RONALD KALVENAS – CAPTAIN - FIRE  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 30 00 02 – 03 16 10

NAME, TITLE, DEPARTMENT: ALFONSO MARTINEZ – CAPTAIN -  
FIRE  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 31 04 10 – 09 04 09

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DROP RETIREMENTS

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

NAYS – NONE

CONFIRMATIONS

BY MR. NEARY – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE  
REFERENCED AT THE END OF THESE PROCEEDINGS BE CONFIRMED:

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

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BEST – SUPPORTED BY MR. NEARY

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: 3352

REFUND AMOUNT: \$707,500.72

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

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
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MINUTES OF MARCH 11, 2010 AND MARCH 25, 2010

BY MR. BEST – SUPPORTED BY MR. NEARY

RESOLVED, THAT THE MINUTES OF THE MEETINGS HELD THURSDAY, MARCH 11, 2010, AND MARCH 25, 2010 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

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

NAYS – NONE

Finance/Retirement Petty Cash Account

By Mr. Best – Supported by Mr. Neary

Whereas, The present balance of the System's Finance/Retirement Petty Cash account is \$497.40, and

Whereas, Staff has requested that said account be replenished to its maximum amount of \$4,000.00, Therefore Be It

Resolved, That the System's Finance/Retirement Petty Cash account be replenished to the maximum amount of \$4,000.00, and be it further

Resolved, That the amount required to replenish said account to \$4,000.00, be paid accordingly:

Police and Fire Retirement System:     \$2,230.47

General Retirement System:             \$1,272.13

and be it further

Resolved, That a copy of this resolution be forwarded to the Accounting Division of the Retirement System, and Retirement System staff member Deborah Wilkerson:

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

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
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ONYX CAPITAL ADVISORY FUND I, L.P.

BY MS. JOHNSON – SUPPORTED BY MR. LEWIS

WHEREAS, THE BOARD OF TRUSTEES HAS BEEN MADE AWARE OF THE ACTION OF THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, PER RESOLUTION DATED APRIL 7, 2010, AND

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF AN APRIL 7, 2010 LETTER FROM THE GENERAL RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD OF TRUSTEES HAS REQUESTED ONYX TO APPEAR BEFORE THE BOARD FOR IMMEDIATE DISCUSSIONS, AND

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF AN APRIL 14, 2010 LETTER FROM ROY DIXON, AND

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

RESOLVED, THAT THE BOARD JOIN WITH THE GENERAL RETIREMENT SYSTEM (“GRS”) CONSISTENT WITH THE RESOLUTION OF THE GRS DATED APRIL 7, 2010 AND LETTER FROM THE GRS DATED APRIL 14, 2010, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE GRS, SPECIAL LEGAL COUNSEL F. LOGAN DAVIDSON, P.C., AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

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

NAYS – NONE

SUPERIOR CAPITAL PARTNERS, LLC – ANNUAL MEETING

ASSISTANT EXECUTIVE SECRETARY CYNTHIA THOMAS REMINDED THE BOARD THAT SUPERIOR’S ANNUAL MEETING WILL BE HELD MONDAY, APRIL 19, 2010, (BETWEEN 3:00 P.M. AND 5:00 P.M.) AT THE WESTIN BOOK CADILLAC (ESQUIRE ROOM) IN DETROIT (1114 WASHINGTON BOULEVARD).

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RREEF AMERICA REIT II, INC.

By Mr. Best – Supported by Ms. Johnson

WHEREAS, the Board is in receipt of the proxy of RREEF America REIT II, Inc. to vote the Board's shares at the annual meeting of shareholders, and

WHEREAS, the Board referred this matter to Courtland Partners, the Board's real estate consultant, for its recommendation as to how to vote the proxy, and

WHEREAS, the Board has received and reviewed the recommendation of Courtland with respect to the afore-mentioned proxy, therefore be it

RESOLVED, that staff be directed to vote in favor of the proposed amendment (Corporation' Charter: Permitting the Corporation to use cash flow to acquire properties in an amount that the Board of Directors ("Board") determines is in the best interests of the Corporation, provided that during any period of time that there are outstanding unsatisfied redemption requests, the aggregate cash flow used to acquire properties may not exceed the aggregate amount of redemption payments made by the Corporation) in accordance with the recommendation of Courtland, and be it further

RESOLVED, that a copy of this resolution be forwarded to Courtland Partners:

MICHAEL MURPHY  
COURTLAND PARTNERS, LTD.  
200 PUBLIC SQUARE  
SUITE 2530  
CLEVELAND, OHIO 44114

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

NAYS – NONE

DOTT ACQUISITIONS, LLC

EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PROVIDED WITH A COPY OF SPECIAL COUNSEL DON WAGNER'S APRIL 15, 2010 MEMO REGARDING WILLIAM GRUITS' APRIL 14, 2010 LETTER TO THE BOARD.

PARAMOUNT LAND HOLDINGS, LLC DUE DILIGENCE

EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PROVIDED WITH A COPY OF SPECIAL COUNSEL MARIE T. RACINE'S APRIL 14, 2010 COMMUNICATION REQUESTING THAT PARAMOUNT LAND HOLDINGS BE REQUESTED TO ESCROW AN ADDITIONAL \$7,500.00 TO MARIE T. RACINE AND ASSOCIATES TO COVER ADDITIONAL DUE DILIGENCE COSTS.

BOB SAKS AUTOMOTIVE GROUP

EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PROVIDED WITH A COPY OF A MARCH 3, 2010 COMMUNICATION FROM BOB SAKS REQUESTING A FORMAL MEETING BEFORE THE BOARD TO DISCUSS A \$6,000,000.00 REAL ESTATE LOAN PROPOSAL.

PUGH CAPITAL MANAGEMENT

EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WAS PROVIDED WITH A COPY OF PUGH'S PORTFOLIO STATEMENTS FOR THE FIRST QUARTER, 2010, VIA A MARCH 3, 2010 COMMUNICATION FROM PUGH.

MAYFIELD GENTRY REALTY ADVISORS

ALICIA DIAZ AND THREE ASSOCIATES (INCLUDING CHAUNCEY MAYFIELD VIA PHONE CONFERENCE) ASKED THE BOARD TO APPROVE A LEASE TRANSACTION FOR CROSSROADS CORPORATE PARK IN N. CAROLINA.

KLAUSNER & KAUFMAN

ROBERT (BOB) KLAUSNER DISCUSSED SENATE AND HOUSE BILLS, AS WELL AS OTHER LITIGATION.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING GSC PARTNERS (HE PRESENTED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH A COPY OF A COPY OF A MICHIGAN COURT OF APPEALS' NOTICE OF ARGUMENT FOR MAY 4, 2010 (10:00 A.M.) FROM SPECIAL COUNSEL HOWARD & HOWARD), HARTFORD FINANCIAL SERVICES GROUP (HE PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH A COPY OF AN UNDATED LITIGATION ALERT REGARDING SAME) AND SMITH INTERNATIONAL, INC. (HE PRESENTED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER WITH A COPY OF A MARCH 25, 2010

LEGAL COUNSEL'S REPORTS

COMMUNICATION FROM SPECIAL COUNSEL KOHN, SWIFT & GRAF REGARDING SAME).

HARTFORD FINANCIAL SERVICES GROUP, INC. ("THE HARTFORD")

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE SYSTEM HAS INCURRED APPROXIMATELY \$227,600.00 IN LOSSES FROM THE PURCHASE OF COMMON STOCK OF THE HARTFORD FINANCIAL SERVICES GROUP, INC. ("THE HARTFORD" OR THE "COMPANY"), AND

WHEREAS, SCOTT & SCOTT HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST THE HARTFORD FINANCIAL SERVICES GROUP, INC. AND

WHEREAS, SCOTT & SCOTT HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT SCOTT & SCOTT IS HEREBY SELECTED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SCOTT & SCOTT, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

YEAS – TRUSTEES BANDEMER, BEST, JOHNSON, LEWIS, MOORE, NEARY AND STEWART - 7

NAYS – CHAIRMAN PEGG – 1

HARTFORD FINANCIAL SERVICES GROUP, INC. ("THE HARTFORD")

REASONING FOR CHAIRMAN PEGG'S "NAY" VOTE:

CHAIRMAN PEGG STATED THAT HE IS NOT OPPOSED TO THE MATTER BEING LITIGATED, ONLY TO THE SYSTEM SEEKING LEAD PLAINTIFF STATUS.

TRUSTEE JONES ENTERED THE MEETING.

SMITH INTERNATIONAL, INC. SHAREHOLDERS LITIGATION

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD, THIS DATE, REVIEWED A LETTER FROM DENIS F. SHEILS, ESQUIRE OF KOHN, SWIFT & GRAF, P.C. SPECIAL COUNSEL, REGARDING HIS RECOMMENDATION THAT THE FUND COMMENCE AN ACTION AGAINST THE BOARD OF DIRECTORS OF SMITH INTERNATIONAL, INC. ("SMITH") FOR BREACH OF THEIR FIDUCIARY DUTIES IN CONNECTION WITH THE SALE OF SMITH TO SCHLUMBERGER, LTD., 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 COMMENCE AN ACTION AGAINST THE BOARD OF DIRECTORS OF SMITH, 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, BEST, JOHNSON, JONES, LEWIS, MOORE, NEARY, STEWART AND CHAIRMAN PEGG - 9

NAYS – NONE

SPECIAL LEGAL COUNSEL'S REPORTS

SPECIAL LEGAL COUNSEL JOE TURNER ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. STEWART – SUPPORTED BY MR. BEST

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, JOHNSON, JONES, LEWIS, MOORE,  
NEARY, STEWART AND CHAIRMAN PEGG - 9

NAYS – NONE

The Board entered into Closed Session at 11:25 A.M.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MS. JONES

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at 11:53 A.M.

CLOSED SESSION DISCUSSIONS

DURING CLOSED SESSION, SPECIAL COUNSEL TURNER DISCUSSED UNION HERITAGE, THE SEC INVESTIGATION; THE TRADEWINDS LITIGATION; PFRS, ET AL, VERSUS MDNR, ET AL; LOBBYING; AND MALHALAB, ET AL, VERSUS BANDEMER, ET AL.

PFRS TRAVEL POLICY AND REGULATIONS

ASSISTANT EXECUTIVE SECRETARY CYNTHIA THOMAS DISCUSSED THE SYSTEM'S TRAVEL POLICY AND REGULATIONS AT LENGTH AND THEN EXCUSED HERSELF. EXECUTIVE SECRETARY WALTER STAMPOR THEN SAT IN HER STEAD.

RETENTION OF SPECIAL LEGAL COUNSEL REGARDING  
SENATE BILL 1239 AND RELATED MATTERS

BY MR. NEARY – SUPPORTED BY MR. BEST

WHEREAS, the Board has been presented with extraordinary legal challenges and proposed unconstitutional legislation, and

WHEREAS, the proposed legislation ignores the rights of self-governance of the voters of the City of Detroit and is contrary to a number of state statutes, and

WHEREAS, such challenges are reflective of a larger national policy attacking the independence of pension trust funds and trustees, and

WHEREAS, the Board of Trustees is also facing an unprecedented challenge to its investment authority, and

WHEREAS, the Board has a fiduciary duty to the members and beneficiaries of the plan to protect the members and beneficiaries of the Retirement System, THEREFORE BE IT

RESOLVED, that the Board shall engage the law firm of **Klausner & Kaufman**, a nationally recognized firm specializing solely in the representation of State and Local government retirement systems to serve as a legal consultant to the System in such capacity as the Board deems appropriate including initiating litigation on behalf of the Retirement System and the Board of Trustees or participating in such litigation, and further

RESOLVED, that the Retirement System's general counsel and special legal counsel coordinate the activities of Klausner & Kaufman, and further

RESOLVED, that the Board approves the hourly rate of \$300.00 (three hundred dollars) per hour, and further

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RETENTION OF SPECIAL LEGAL COUNSEL REGARDING  
SENATE BILL 1239 AND RELATED MATTERS

RESOLVED, that a Retainer Agreement be executed by two authorized signatories on behalf of the Retirement System with any applicable retention/escrow deposit amounts subject to final approval of the Board of Trustees and subject to approval as to form by the Retirement System's general counsel, and further

RESOLVED, that a copy of this Resolution be forwarded to Special legal Counsel, Klausner & Kaufman, ATTN: Robert D. Klausner, and the Accounting Division of the Retirement System:

ROBERT D. KLAUSNER  
KLAUSNER & KAUFMAN  
10059 NORTHWEST 1<sup>ST</sup> COURT  
PLANTATION, FLORIDA 33324

YEAS – TRUSTEES BANDEMER, BEST, JONES, MOORE, NEARY, STEWART AND  
CHAIRMAN PEGG - 7

NAYS – TRUSTEES JOHNSON AND LEWIS – 2

CONFERENCE

BY MR. BEST – SUPPORTED BY MR. STEWART

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:

Strategic Investment Executive Forum  
Washington, D.C.  
May 16, 2010 – May 18, 2010

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

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 2781 – THURSDAY – APRIL 15, 2010

MAYFIELD GENTRY REALTY ADVISORS, LLC (“MGRA”)  
CROSSROADS CORPORATE PARK – NORTH CAROLINA

BY MR. STEWART – SUPPORTED BY MR. BEST

WHEREAS, MAYFIELD GENTRY REALTY ADVISORS, LLC APPEARED BEFORE THE BOARD OF TRUSTEES THIS DATE AND REQUESTED THE BOARD OF TRUSTEES TO APPROVE A PROPOSED LEASE WITH A PUBLIC SCHOOL SYSTEM IN NORTH CAROLINA WHICH INVOLVES EXPENDITURES OF **\$11,500,000.00** AND PRESENTED A NINE-PAGE BOOKLET REGARDING THIS MATTER, AND

WHEREAS, THE BOARD’S INVESTMENT ANALYST HAS OPINED THAT THE EXPENDITURES SHOULD BE CONSIDERED AS EXPENSES RELATED TO THE LEASING OF PROPERTY, AND

WHEREAS, THE BOARD HAS DISCUSSED THE REQUIREMENTS OF PUBLIC ACT 314 OF 1965 AS AMENDED, THEREFORE BE IT

THAT THE BOARD OF TRUSTEES APPROVES THE RECOMMENDATIONS OF ITS REAL ESTATE ADVISOR (MGRA) SUBJECT TO COMPLIANCE WITH APPLICABLE LEGAL REQUIREMENTS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MAYFIELD GENTRY REALTY ADVISORS, LLC, COURTLAND PARTNERS, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

CHAUNCEY MAYFIELD  
MAYFIELD GENTRY REALTY ADVISORS, LLC  
TALON CENTRE  
100 RIVER PLACE DRIVE  
SUITE 300  
DETROIT, MICHIGAN 48207

MICHAEL MURPHY  
COURTLAND PARTNERS, LTD.  
200 PUBLIC SQUARE  
SUITE 2530  
CLEVELAND, OHIO 44114

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

NAYS – NONE

TRADEWINDS

BY MR. BEST – SUPPORTED BY MR. NEARY

**WHEREAS**, the Board has received (i) a letter from Peter A. Jackson of Clark Hill PLC (the Board's Special Counsel) dated April 13, 2010 summarizing the proposed action of Barry Mukamal (the Tradewinds Bankruptcy Trustee) to pursue the collection of a substantial debt owed to Tradewinds Airlines by one of its debtors, Cargo Italia, (estimated value at least \$2.5 million) subject to an agreement to split the costs and proceeds of the collection as follows, sixty-five percent (65%) to the secured lenders (the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit collectively – the Detroit Pension Funds), and thirty-five percent (35%) to the Trustee on behalf of the unsecured lenders, and (ii) a proposed Agreed Motion For Approval of Agreement Between Chapter 7 Trustee and Secured Lenders, the Police and Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit, Regarding Collection and Use of Certain Cash Receipts (the Motion) memorializing the agreement authorizing the Tradewinds Bankruptcy Trustee to proceed with the Cargo Italia collection action consistent with the foregoing understanding, and

**WHEREAS**, the Bankruptcy Trustee has previously collected \$54,000 in small debts of which the Detroit Pension Funds is entitled to their prorate share, however, the Bankruptcy Trustee recommends the entire \$54,000 proceeds should be utilized to fund the initial costs of the Cargo Italia collection costs, otherwise the Detroit Pension Funds would be entitled to their prorate share of such proceeds, and

**WHEREAS**, with respect to the Cargo Italia collection action, the Police and Fire Retirement System and the General Retirement System of the City of Detroit would each receive one-half of the Detroit Pension Funds pro rata share of any net collection proceeds and likewise would be responsible for one-half of the Detroit Pension Funds pro rata share of the collection costs in excess of the aforementioned \$54,000, and

**WHEREAS**, the on April 14, 2010 the General Retirement System approved a resolution authorizing the Cargo Italia collection action and the Motion, and

TRADEWINDS - CONTINUED

**WHEREAS**, the Board's Florida Bankruptcy Counsel respectfully recommends the Board approves the Cargo Italia collection action and the Motion, and

**WHEREAS**, the Board's Special Counsel has advised the Board and respectfully recommends the Board approves the Cargo Italia collection action and the Motion, and

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

**RESOLVED**, that having been advised by counsel, the Board approves the Tradewinds Bankruptcy Trustee pursuing the Cargo Italia collection action consistent with the Motion, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to the Boards' Florida Bankruptcy Counsel, the Bankruptcy Trustee, the Board's Special Legal Counsel, and the Accounting Division of the Retirement System:

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

NAYS – NONE

ALTERNATIVE INVESTMENT CONSULTANT RFP'S

CHAIRMAN PEGG DIRECTED THAT ALTERNATIVE INVESTMENT CONSULTANT RFP FINALISTS COGENT, GRAY & COMPANY AND NEW ENGLAND PENSION CONSULTANTS BE SCHEDULED TO APPEAR BEFORE THE BOARD TO DISCUSS ALTERNATIVE INVESTMENT SERVICES.

CAPITAL CALLS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

CAPITAL CALLS

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, JOHNSON, JONES, LEWIS, MOORE, NEARY, STEWART AND CHAIRMAN PEGG - 9

NAYS – NONE

FEES AND EXPENSES

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

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:

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

NAYS – NONE

PUBLIC FORUM

AT **1:48 P.M.**, CHAIRMAN PEGG DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 2781 – THURSDAY – APRIL 15, 2010

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,  
CHAIRMAN PEGG ADJOURNED THE MEETING AT **1:50 P.M.** UNTIL  
THURSDAY, **APRIL 22, 2010** AT 9:00 A.M., IN ROOM 910 OF THE  
COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN  
48226.

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY

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WALTER STAMPOR  
EXECUTIVE SECRETARY