

**MEETING NUMBER 3090**

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

**HELD THURSDAY, MAY 5, 2016**

9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
ONE DETROIT CENTER, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

JUNE ADAMS	EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYORAL DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR/VICE CHAIRPERSON
JOHN SERDA	ELECTED TRUSTEE/POLICE
DAVID SZYMANSKI	EX/OFFICIO TRUSTEE/TREASURER
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE

TRUSTEES EXCUSED

MARK DIAZ	ELECTED TRUSTEE/POLICE
PAMELA SCALES	EX/OFFICIO TRUSTEE/BUDGET DIRECTOR
TRACY THOMAS	ELECTED TRUSTEE/FIRE

TRUSTEES ABSENT

NONE

STAFF PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	CHIEF INVESTMENT OFFICER
MICHAEL KRUSHENA	INVESTMENT OFFICER
RONALD A. KING	GENERAL COUNSEL
JANET S. LENEAR	RECORDING SECRETARY

STAFF EXCUSED

NONE

STAFF ABSENT

NONE

CHAIRPERSON

**JEFFREY PEGG**

VICE CHAIRPERSON

**PORTIA ROBERSON**

FOLLOWING A VERBAL ROLL CALL, VICE CHAIRPERSON **ROBERSON** CALLED THE MEETING TO ORDER AT **9:25 A.M.**

MAY 5, 2016 AGENDA APPROVAL

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT TODAY'S **MAY 5, 2016** AGENDA BE APPROVED AS PREPARED AND PRESENTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, GNATEK, NAGLICK, NEARY, SERDA, SZYMANSKI,  
TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

DROP APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE SZYMANSKI

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

DROP APPLICATIONS

NAME, TITLE, DEPARTMENT:	ANDRE GUYTON – OFFICER - POLICE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT:	21 07 11
EFFECTIVE DATE:	01 19 16

NAME, TITLE, DEPARTMENT:	ROBERT ROBY – OFFICER - POLICE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT:	18 01 25
EFFECTIVE DATE:	05 06 16

DROP APPLICATIONS - CONTINUED

YEAS – TRUSTEES ADAMS, GNATEK, NAGLICK, NEARY, SERDA, SZYMANSKI,  
 TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

RECEIPTS

THE **RECEIPTS** WHICH FOLLOW WERE ACKNOWLEDGED BY THE BOARD:

The Police & Fire Retirement System of the City of Detroit			
Receipts for Acknowledgement			
4/18/16-4/29/16			
Meeting #3090			
May 5, 2016			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
<b>RECEIPTS</b>			
RACINE & ASSOCIATES	04/21/16	Settlement Proceeds - DPF v Paramount	3,000.00
VEBA Assistance Deposit	04/21/16	Reimbursement	11,144.35
Behringer	04/22/16	Distribution	31,745.88
Lightstone	04/22/16	Distribution	151,437.66
Miller Howard	04/27/16	Transfer to Liquid Reserve	24,628.64
Herndon Capital	04/27/16	Transfer to Liquid Reserve	88,361.04
ALEX BROWN RLTY - BEETHOVEN	04/27/16	Distribution	11,577.24
American Core Realty	04/29/16	Distribution	125,671.67
FIRST INDEPENDENCE BANK	04/15/16	Loan Deductions	45,921.49
FIRST INDEPENDENCE BANK	04/20/16	Loan Deductions	136,826.03
CITY OF DETROIT	04/15/16	Weekly Mandatory Employee Contribution	227,357.71
CITY OF DETROIT	04/15/16	Weekly Annuity Contribution	3,718.25
CITY OF DETROIT	04/22/16	Weekly Mandatory Employee Contribution	78,999.19
CITY OF DETROIT	04/22/16	Weekly Annuity Contribution	841.52
<b>TOTAL RECEIPTS</b>			<b>\$ 941,230.67</b>

DISBURSEMENTS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT THE **DISBURSEMENTS** WHICH ARE DESIGNATED ON THE PAGES WHICH FOLLOW BE APPROVED:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3090 – THURSDAY – MAY 5, 2016

DISBURSEMENTS - CONTINUED

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
4/18/16-4/29/16			
Meeting #3090			
May 5, 2016			
PAYEE NAME		DESCRIPTION	AMOUNT
<b>DISBURSEMENTS</b>			
Retired Payroll		Direct Deposit for Retirees - 5/1/2016	16,830,006.38
Retired Payroll		Checks for Retirees - 5/1/2016	6,908,272.97
Annuity Refunds		Refund List # 3631	757,049.42
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3089	35,157.00
<b>TOTAL DISBURSEMENTS</b>			<b>\$ 24,530,485.77</b>

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
LIST OF DISBURSEMENTS FOR BOARD APPROVAL  
FOR MAY 5, 2016

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
<b>MANAGEMENT FEES:</b>				
ATIVO CAPITAL	3/31/2016	1630	Management Fees - 1st Qtr '16	\$31,305.28
DEROY & DEVEREAUX	4/19/2016	1Q16	Management Fees - 1st Qtr '16	\$15,932.00
INCOME RESEARCH + MANAGEMENT INC.	4/26/2016	15149	Management Fees - 1st Qtr '16	\$44,364.38
PARADIGM ASSET MANAGEMENT CO., LLC	4/18/2016	1Q16	Management Fees - 1st Qtr '16	\$38,084.03
PENN CAPITAL MANAGEMENT COMPANY, Inc	3/31/2016	1Q16	Management Fees - 1st Qtr '16	\$56,668.48
RHUMBLINE ADVISERS	4/28/2016	gdetgro2016Q1	Management Fees - 1st Qtr '16	\$18,505.00
TT INTERNATIONAL	3/31/2016		Management Fees - 1Q16, Invoice # 20160331-114-A	\$126,431.19
Subtotal				\$331,290.36
<b>ADMINISTRATIVE EXPENSES:</b>				
500 WEBWARD LLC	5/1/2016	15170	Base Rent & CAM Estimate - May 2016	\$20,669.85
ADP, INC	4/15/2016	472113087	Check Printing Services	\$11,130.12
ALEX BROWN REALTY	5/3/2016	05032016	Loan Servicing Fees - April 2016	\$1,331.44
ALLEGRA	4/29/2016	95448	Office Supplies	\$664.38
BAB ASSOCIATES, LLC	5/2/2016	2016-175	Media Consultant - April 2016	\$2,517.70
BLOOMBERG FINANCE LP	4/27/2016	5603334290	Subscription Services: 4/21/16-7/20/16	\$5,490.00
FEDEX	4/20/2016	5-390-29389	FedEx Mailings	\$31.85
FEDEX	4/27/2016	5-397-89314	FedEx Mailings	\$27.53
IT STAFF WAGES	4/30/2016		IT Staff Wages for April 2016	\$56,649.87
KELLEY CAWTHORNE	5/2/2016	7226	Lobbyist Services: April 2016	\$7,500.00
OFFICE DEPOT	4/20/2016	835442551001	Office Supplies	\$97.49
OFFICE DEPOT	4/27/2016	836674928001	Office Supplies	\$535.96
OFFICE DEPOT	4/23/2016	835442552001	Office Supplies	\$6.74
PREFERRED DATA SYSTEMS, LLC	4/29/2016	23584	Computer Support, Equipment	\$1,233.46
QUILL CORPORATION	4/20/2016	5169093	Office Supplies	\$118.13
QUILL CORPORATION	4/21/2016	5240922	Office Supplies	\$18.00
QUILL CORPORATION	4/20/2016	5172888	Office Supplies	\$15.30
SHRED-IT USA	4/15/2016	9410267969	Off-Site Regular Service	\$47.73
STAFF WAGES	4/24/2016		Staff Wages for 4/11/16 - 4/24/16	\$15,818.89

DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
LIST OF DISBURSEMENTS FOR BOARD APPROVAL  
FOR MAY 5, 2016

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
UHY ADVISORS MI INC	4/18/2016		Prof Accounting Svcs - 4/1/16-4/15/16, Inv # 1169811	\$35,043.75
Subtotal				\$158,948.19
Total Disbursements for Board Approval				\$490,238.55

YEAS – TRUSTEES ADAMS, GNATEK, NAGLICK, NEARY, SERDA, SZYMANSKI,  
TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE SERDA – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER 3631 - \$757,049.42

LIST NUMBER 3632 - \$508,247.03

YEAS – TRUSTEES ADAMS, GNATEK, NAGLICK, NEARY, SERDA, SZYMANSKI,  
TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT THE **1974** DEFINED CONTRIBUTION PLAN LOAN REQUEST LISTS SUBMITTED THIS DATE BE APPROVED AND THE REQUESTED AMOUNTS BE DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM) - CONTINUED

LIST #1 – \$35,157.00

LIST #2 – \$10,969.00

YEAS – TRUSTEES ADAMS, GNATEK, NAGLICK, NEARY, SERDA, SZYMANSKI,  
TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

APPROVAL OF APRIL 7, 2016 MINUTES

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NAGLICK

**RESOLVED**, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, APRIL 7, 2016** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, GNATEK, NAGLICK, NEARY, SERDA, SZYMANSKI,  
TUCKER AND VICE CHAIRPERSON ROBERSON – 8

NAYS – NONE

ABSTENTIONS – TRUSTEE TROZAK – 1

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** ASKED THE BOARD TO APPROVE THE EXECUTION OF CERTAIN DOCUMENTS PERTAINING TO PFRS/GRS JEFFERSON AVENUE CORPORATION.

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** ENTERED THE MEETING AT **9:31 A.M.**

**PFRS/GRS JEFFERSON AVENUE CORP.**  
**DISSOLUTION AND FINAL TAX RETURN**

**BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE SZYMANSKI**

**WHEREAS**, the Police and Fire Retirement System of the City of Detroit is a fifty percent (50%) shareholder of PFRS/GRS Jefferson Avenue Corp. (the “Corporation”); and

**WHEREAS**, the Board has been requested to authorize the execution of (i) a Certificate of Dissolution, (ii) a Request for Tax Clearance Application, (iii) a Notice of Change or Discontinuance, (iv) an Authorized Representative Declaration (Power of Attorney), (v) a final 2015 U.S. Return of Organization Exempt from Income Tax, by an officer of the Corporation, and (vi) a Unanimous Written Consent of the Shareholders authorizing the dissolution of the Corporation; and

**WHEREAS**, the execution of said documents has been recommended by the Board’s Special Legal Counsel, F. Logan Davidson, P.C.; and

**WHEREAS**, the execution of said documents has been reviewed and approved as to form by the Board’s General Counsel, and the execution of said documents is consistent with prior action of the Board; therefore be it

**RESOLVED**, that said documents be executed by the appropriate corporate officers on behalf of the Corporation; and be it further

**RESOLVED**, that a copy of this resolution be forwarded to the Board of Trustees of the General Retirement System of the City of Detroit, and the Board’s Special Legal Counsel F. Logan Davidson, P.C.:

Yeas – Trustees Adams, Gnatek, Naglick, Neary, Serda, Szymanski, Trozak, Tucker and  
Vice Chairperson Roberson - 9

Nays – None

Chairperson **Jeffrey Pegg** entered the meeting at **9:40 A.M.**; and Trustee **Angela James** entered at **9:45 A.M.**

ASSISTANT EXECUTIVE DIRECTOR'S REPORT - CONTINUED

**MR. CETLINSKI** ALSO INFORMED THE BOARD THAT LETTERS (INCLUDING ESTIMATES AND OPTIONS) WERE MAILED TO THOSE POLICE AND FIRE RETIREES WHO ARE ELIGIBLE TO RECEIVE RETIREMENT BENEFITS AS PROVIDED FOR IN THE HYBRID PLAN FOR SERVICE RENDERED FROM JULY 1, 2014 UNTIL RETIREMENT ON OR BEFORE MARCH 1, 2016.

IN CONCLUSION, **MR. CETLINSKI** NOTED THAT THE BOARD'S INVESTMENT COMMITTEE WILL MEET ON MONDAY, MAY 16, 2016 AT 10:00 A.M. IN THE RETIREMENT SYSTEMS' CONFERENCE ROOM.

EXECUTIVE DIRECTOR'S REPORT

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** HAD NOTHING TO REPORT.

PUBLIC RELATIONS DIRECTOR'S REPORT

PUBLIC RELATIONS DIRECTOR **BRUCE BABIARZ** PROVIDED THE BOARD WITH A POST-CHAPTER 9 BANKRUPTCY UPDATE.

LOBBYIST'S REPORT

LOBBYIST **OSCAR W. KING, III** PROVIDED THE BOARD WITH A MICHIGAN LEGISLATIVE UPDATE.

CHIEF INVESTMENT OFFICER'S REPORT

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** INFORMED THE BOARD THAT HE'D LIKE TO DISCUSS A SETTLEMENT PROPOSAL REGARDING THE RIVERS CASINO IN CLOSED SESSION. HE ALSO DISCUSSED STOUT, RISIUS & ROSS' PROPOSAL TO PERFORM A VALUATION OF THE SYSTEM'S 2016 ALTERNATIVE INVESTMENTS.

TRUSTEE **BRENDA JONES** ENTERED THE MEETING AT **9:55 A.M.**



GENERAL COUNSEL'S REPORT

GENERAL COUNSEL **RONALD A. KING** ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS PENDING LITIGATION REGARDING PFRS VERSUS PARAMOUNT LIMITED, LLC; AND A SETTLEMENT PROPOSAL WITH RESPECT TO THE RIVERS CASINO.

CLOSED SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TUCKER

**RESOLVED**, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION REGARDING PFRS VERSUS PARAMOUNT LIMITED, LLC; AND A SETTMENT PROPOSAL WITH RESPECT TO THE RIVERS CASINO:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, GNATEK, JAMES, JONES, NAGLICK, NEARY, PEGG, SERDA, SZYMANSKI, TROZAK, TUCKER AND VICE CHAIRPERSON ROBERSON – 12

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **9:58 A.M.**

VICE CHAIRPERSON **ROBERSON** RELINQUISHED THE CHAIR TO CHAIRPERSON **PEGG** AT **10:03 A.M.**

TRUSTEE **ADAMS** TEMPORARILY EXCUSED HERSELF AT **10:43 A.M.**

OPEN SESSION

BY TRUSTEE NAGLICK – SUPPORTED BY TRUSTEE SERDA

**RESOLVED**, THAT THE BOARD RETURN TO OPEN SESSION:

OPEN SESSION - CONTINUED

YEAS – TRUSTEES GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON,  
SERDA, SZYMANSKI, TROZAK, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **10:46 A.M.**

TRUSTEE **ADAMS** RETURNED TO THE MEETING AT **10:47 A.M.**; AND TRUSTEE  
**JONES** EXCUSED HERSELF AT **10:48 A.M.**

COMMITTEE REPORTS

TRUSTEE **SERDA** INFORMED THE BOARD THAT THE BOARD'S LEGAL REVIEW  
COMMITTEE MET ON APRIL 21, 2016 AND DISCUSSED GENERAL COUNSEL'S  
CONTRACT AT LENGTH. CHAIRPERSON **PEGG** ASKED THAT THIS MATTER BE  
PLACED ON THE BOARD'S MAY 19, 2016 AGENDA FOR FURTHER DISCUSSION.

PUBLIC FORUM

AT **11:07 A.M.**, **CHAIRPERSON 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, **CHAIRPERSON  
PEGG** ADJOURNED THE MEETING AT **11:07 A.M.** UNTIL **THURSDAY, MAY 19,  
2016**, AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT  
SYSTEMS, ONE DETROIT CENTER, 500 WOODWARD AVENUE, 30<sup>TH</sup> FLOOR (SUITE  
3000), DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,



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DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR