

MEETING NO. 3255
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **THURSDAY, FEBRUARY 20, 2020**

9:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Michael F. Berent	Elected Trustee/Fire
Matthew Gnatek	Elected Trustee/Police/ Chairperson
Angela R. James	Ex/Officio Retiree Trustee/Police/Mayoral Designee
Brenda Jones	Ex/Officio Trustee/City Council President
Christa McLellan	Ex/Officio Trustee/Treasurer
Megan S. Moslimani	Ex/Officio Trustee/Corporation Counsel /Vice-Chairperson
John Naglick Jr.	Ex/Officio Trustee/Finance Director
George Orzech	Elected Retiree Trustee/Fire (VIA PHONE)
Jeffrey Pegg	Elected Trustee/Fire
Dean Pincheck	Elected Trustee/Fire
John Serda	Elected Trustee/Police
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Deputy Budget Director/Budget Director's Designee

TRUSTEES EXCUSED

Portia Roberson	Ex/Officio Trustee/Mayoral Alternate
Ronald Thomas	Elected Trustee/Police

ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Joann Harrison	Administrative Assistant
Marcella Brewer	Recording Secretary
Ronald King	General Counsel
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor

STAFF EXCUSED

None

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CHAIRPERSON

Matthew Gnatek

A verbal Roll Call commenced at 9:10 a.m. and Chairperson Gnatek called the meeting to order.

Present at Roll Call: Battle, Berent, McLellan, Naglick, Orzech, Pegg, Pincheck, Serda, and Trozak.

Re: Approval of February 20, 2020 Agenda

Trustee Pegg moved to approve the agenda dated Thursday, February 20, 2020. Trustee Serda supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

Trustee Pegg moved to approve the RETIREMENT applications as listed below. Trustee Trozak supported. The motion passed unanimously.

RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	Daphne S. Bailey – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	16 05 19 – 11 12 19

NAME, TITLE, DEPARTMENT	Kirk D. Kelsey – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	05 07 00 – 01 23 20

NAME, TITLE, DEPARTMENT	Polly A. McCalister – Police Sgt-Promt Lst - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 12 19 19

NAME, TITLE, DEPARTMENT	Heidi McClain – Rasheen P. McClain – Deceased – Police Officer - Police
RETIREMENT TYPE-PLAN	Duty Death Widow - New
SERVICE CREDIT-EFFECTIVE DATE	15 09 13 – 11 21 19

NAME, TITLE, DEPARTMENT	Davin N. Stone – Fire Fighter - Fire
RETIREMENT TYPE-PLAN	Hybrid - Service
SERVICE CREDIT-EFFECTIVE DATE	05 05 00 – 12 07 19

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RECEIPTS:

The Board acknowledged the following receipts:

Cash Receipts			Cash Account:	HYBLIQRES	
Company:	RSCD-PFRS		Start Date:	1/24/2020	
			End Date:	2/14/2020	

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
1/31/2020	GL	010544		After tax annuity contributions 1-31-20		11,904.27
2/3/2020	CA	Cash Entry	001659	Pre tax pension contributions 1-31-20 (Rec'd 2-3-20)	R/C	97,410.04
2/13/2020	GL			After tax annuity contributions 2-13-20		11,928.46
2/13/2020	CA	Cash Entry		Pre tax pension contributions 2-13-20		381,988.33
						503,231.10

Cash Receipts			Cash Account:	LIQUID RES	
Company:	RSCD-PFRS		Start Date:	1/24/2020	
			End Date:	2/14/2020	

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
1/31/2020	CA	Cash Entry		Loan Deductions 1-24-20 (\$2,391.47)		2,391.47
2/6/2020	CA	Cash Entry	001665	Loan Deductions 1-31-20 (\$95,017.03)	R/C	95,017.03
						97,408.50
Total Receipts						600,639.60

Re: Approval of Disbursements

Trustee Pincheck moved to approve the Disbursement List and acknowledge the Investment Committee Disbursement as outlined below. Trustee Trozak supported. The motion passed unanimously.

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Disbursement Report

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 Date 2/17/2020 8:22 AM

Account	Payment Method	Currency			
LIQUID RES	WIRE	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
DRA Growth and Income Fund IX, LLC			021420	Capital Call	745,559.00
HL - Platinum Equity Capital Partners IV, LP			022420	Capital Call	100,154.00
MESIROW FINANCIAL REAL ESTATE VALUE FUND			021120	Capital Call	257,927.41
PLATINUM EQUITY CAPITAL PARTNERS V, LP			021320	Capital Call	23,056.00
Steward Real Estate Partners Fund I, LP (SREP)			020520	Capital Call	20,000.00
THOMA BRAVO			021220	Capital Call	635,272.00
Cash Account/Payment Method Total:			6 Documents		1,781,968.41
HUNT VEND	ACH	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC			1046632	Electrical Billing:12/28/19-1/30/20 #16055044	825.19
500 WEBWARD LLC			1046633	Electrical Billing:12/28/19-1/30/20 #16055070	1,117.37
8x8 INC.			2581150	Phone System Services	1,427.76
Cogent Communications, Inc.			020120	Internet Service	525.00
CREATIVE BREAKTHROUGHS INC			INV3050	Software Maintenance	11,400.00
GABRIEL, ROEDER, SMITH & CO			452642	EDRO Calculations for Frederick Person	1,200.00
GABRIEL, ROEDER, SMITH & CO			452909	EDRO Calculations for Anthony Brown	1,500.00
GLOBAL GOVERNANCE ADVISORS LLC			935	January Deliverables - Project Commencement	10,483.20
INCOME RESEARCH + MANAGEMENT INC.			31623	Management Fees 4th Qtr '19	52,480.21
KLAUSNER & KAUFMAN			25440	Legal Services for January 2020	1,050.00
Office of the Chief Financial Officer			1218692	Wages & Benefits CoD Employees FY19-20 2nd Qtr	328,939.41
PLANTE & MORAN			1792965	Financial Statement Audit for 6/30/19	2,250.00
PROCENTIA, INC.			2335	Procentia Implementation	61,384.51
PROCENTIA, INC.			2345	Procentia Implementation	64,126.41
QUILL CORPORATION			4451786	Office Supplies	369.05
QUILL CORPORATION			4461748	Office Supplies	2.39
QUILL CORPORATION			4476467	Office Supplies	43.49
RICOH			5058721820	Printer Maintenance	220.71
Cash Account/Payment Method Total:			18 Documents		539,344.70

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HUNT VEND	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
BAB ASSOCIATES, LLC	2020-025	Public Relations Services for January 2020	5,402.00		
Dean Pincheck	121319DP	Trustee Parking	15.00		
DEROY & DEVEREAUX	4Q19	Management Fees - 4th Qtr '19	50,080.00		
EASY VERIFICATION INC	20-53413	Member Verification Requests	108.00		
FEDEX	6-918-08852	FedEx Mailing	27.36		
FEDEX	6-925-90590	FedEx Mailing	27.30		
IRON MOUNTAIN	175597	Data Domain Service	1,238.75		
IRON MOUNTAIN	202068565	Storage CDs	1,080.58		
Iron Mountain Records Management	CJZY891	Records Storage	2,008.52		
KELLEY CAWTHORNE	10993	Lobbyist Services for February 2020	7,500.00		
MAD DOG PROFESSIONAL SERVICES	Detroit 122023	Professional Services - Derrick Hunter 1/1/20-1/31/20	7,213.20		
OFFICE DEPOT	437546248001	Office Supplies	14.00		
OFFICE DEPOT	437546249001	Office Supplies	28.54		
OFFICE DEPOT	437546250001	Office Supplies	6.98		
OFFICE DEPOT	437546251001	Office Supplies	16.88		
RSM US LLP	5771386	Professional Services in Connection with IRS Exam	2,750.00		
SHRED-IT USA	8129026162	Shredding Service Charges	49.73		
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	103234743	Printer Maintenance	135.56		
XEROX	099350965	Printer Maintenance	11.83		
Cash Account/Payment Method Total:			19 Documents		77,714.23

Investment Committee Disbursement

HUNT VEND	CHECK	US			
Vendor Name	Invoice Number	Invoice Description	Amount To Pay		
GALLAGHER LAW	20190052	Engagement of Professionals Matter	13,965.00		
GALLAGHER LAW	20190062	Engagement of Professionals Matter	9,951.67		
Cash Account/Payment Method Total:			2 Documents		23,916.67

* Payment amount is estimated based on the effective date 2/17/2020

Re: Approval of Refunds (Accumulated Contributions)

Trustee Pegg moved to approve the Refunds/Accumulated Contributions list as outlined below. Trustee Berent supported. The motion passed unanimously.

- List number 3827 - \$387,577.12
- List number 3828 - \$430,350.50

Re: Approval of the Frozen Defined Contribution Plan/Employee Loan Program

Trustee Pincheck moved to approve the Frozen Defined Contribution Plan/Employee Loan Program as outlined below. Trustee Pegg supported. The motion passed unanimously.

- List #1 - \$80,795.00 – 02/13/2020
- List #2 - \$29,648.00 – 02/20/2020

Re: Approval of Minutes

Trustee Pegg moved to approve the Minutes of January 9, 2020. Trustee Berent supported. The motion passed. Trustee Trozak Abstained.

ASSISTANT EXECUTIVE DIRECTOR’S REPORT

Assistant Executive Director, Kelly Tapper, addressed the following with the Board of Trustees:

- **OIG Request – Knobelsdorf**

Re: OIG Request - Knobelsdorf

Office of the Inspector General’s is requesting information regarding Firefighter Richard Knobelsdorf widow’s and children pension payments for the last ten years. No action is to be taken until we receive clarification from General Counsel Ron King and Inspector General’s Office.

EXECUTIVE DIRECTOR’S REPORT

Executive Director, David Cetlinski, addressed the following with the Board of Trustees:

- **Memo from DoIt regarding Data Breach in the City’s Email System.**

Re: Request for Data

Motion By: Trustee Pegg – Supported By: Trustee Serda.

To release addresses for returned mail for Retiree’s who could have been possibly been affected by the Data Breach in the City’s Email System.

The motion passed unanimously

CHIEF INVESTMENT OFFICER’S REPORT

- **Trustee James entered the meeting at 9:35 a.m.**
- **Trustee Moslimani entered the meeting at 9:37 a.m.**

Chief Investment Officer, Ryan Bigelow, addresses the following with the Board of Trustees:

- Update on Investment Committee Meeting on 2/10/19
- Recommendation to the Investment Committee of the Private Equity Portfolio
- Life Assurance
- Updated CIO Report
- Special IC Meeting February 25, 2020 at 10:15 a.m.

Re: Investment Committee Meeting Update

Wilshire’s Presentation was a re-cap of the Capital Market of 2019. They presented their outlook of Asset Assumptions for 2020. They also walked through a preliminary Performance. CIO is

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expecting to have a full calendar year Performance report by the end of February. CIO plans to schedule Wilshire to come in the middle of March to provide a full report.

Re: Recommendation to the Investment Committee of the Private Equity Portfolio

A recommendation was made to the Investment Committee regarding Grosvenor, a Private Equity Diversity Mandate. The Investment Committee did not approve the motion. Hamilton Lane Portfolio contract ends March 31, 2020.

Re: Life Insurance

Investment monitoring has fully transitioned to Northstar.

Re: CIO Report

Update on Stock Market. Stock market is up 5% through 2/14/20.

Trustee Pegg requested that Money Managers appear and provide presentations on a monthly basis.

PUBLIC COMMENT

Firefighter Lavonne Williams – Hybrid Loan Program request – Annuity withdrawal options

PUBLIC RELATIONS REPORT

- Kraft Heinz Lawsuit
- Status of pending Lawsuit

LOBBYIST’S REPORT

Lobbyist, Dr. Oscar King, discussed the following with the Board:

- Daily Subscription Report.

GENERAL COUNSEL’S REPORT

General Counsel Ronald King, in addition to his legal report, discussed the following matters with the Board:

- Kraft Heinz Lawsuit. The Board had previously retained Levi Korsinsky as securities counsel in this matter. Upon recommendation of L&K and in consultation with General Counsel and the chair, L&K filed a complaint and motion seeking appointments as lead plaintiff.

- Securities Litigation Firm

Re: Kraft Heinz Lawsuit

Trustee James moved to approve and ratify the filing of complaint in the Kraft Heinz matter and the motion seeking appointment as lead plaintiff. Trustee Berent supported. Trustee Pegg opposed. The motion passed unanimously.

Re: Securities Litigation Firm

Trustee Berent moved to retain Nancy Kulesa’s new firm, Bleichmar Fonti & Auld as securities counsel. Trustee James supported. Trustee Pegg opposed. The motion passed unanimously.

Re: Entering into Closed Session

Resolution Moved by Trustee Pegg – Supported by Trustee Berent

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enter into Closed Session for the purpose of discussing Attorney/Client privileged matters regarding the following: Discussion regarding pending litigation.

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, James, McLellan, Moslimani, Naglick, Pegg, Pincheck, Serda, Trozak, and Chairperson Gnatek – 11

Nays – None

Trustee Orzech dropped off the call per Board Policy.

Board entered into closed Session at 10:38 am

Re: Open Session

The Board returned to **Open Session** at 11:24 a.m.

- **Trustee Watson entered the meeting at 11:27 a.m.**

Trustee Pegg moved to hire Clark Hill Law Firm to represent PFRS in the lawsuits filed by Eric Raby and Norbert Zawislak. Trustee Trozak supported. The motion passed unanimously

Re: Committee Report

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None

Accounting Report

- PFRS Budget to Actual Report Dec 2019
- **Trustee Jones entered the meeting at 11:40 a.m.**

NEW BUSINESS/OLD BUSINESS

None

ADJOURNMENT

Trustee Pegg moved to adjourn meeting #3255; Trustee James supported.

Chairperson Gnatek adjourned the meeting at 11:49 A.M. The Board's next meeting is scheduled for Thursday, March 5, 2020 at 9:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director