

MEETING NO. 3257
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, MARCH 19, 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
Megan S. Moslimani	Ex/Officio Trustee/Corporation Counsel /Vice-Chairperson
John Naglick Jr.	Ex/Officio Trustee/Finance Director
George Orzech	Elected Retiree Trustee/Fire
John Serda	Elected Trustee/Police
Ronald Thomas	Elected Trustee/Police
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Deputy Budget Director/Budget Director's Designee

TRUSTEES EXCUSED

Christa McLellan	Ex/Officio Trustee/Treasurer
Jeffrey Pegg	Elected Trustee/Fire
Dean Pincheck	Elected Trustee/Fire

ALSO PRESENT

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

STAFF EXCUSED

Marcella Brewer	Recording Secretary
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CHAIRPERSON

Matthew Gnatek

A verbal Roll Call commenced at 9:08 a.m. and Chairperson Gnatek called the meeting to order.

Present at Roll Call: Battle, Berent, Moslimani, Naglick, Orzech, Serda, Thomas and Trozak.

Re: Approval of March 19, 2020 Agenda

Trustee Thomas moved to approve the agenda dated Thursday, March 19, 2020. Trustee Berent supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

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

RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	Anayah Person-Curd – Child of Deceased
RETIREMENT TYPE-PLAN	James L. Hearn – Police Officer - Police
SERVICE CREDIT-EFFECTIVE DATE	Duty Death Child - New 04 05 07 – 07 27 18
NAME, TITLE, DEPARTMENT	Kelly N. Mullins - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	17 04 14 – 03 05 20
NAME, TITLE, DEPARTMENT	Ricardo E. Nelson, Sr. – Fire Fighter Driver - Fire
RETIREMENT TYPE-PLAN	Early - New
SERVICE CREDIT-EFFECTIVE DATE	13 07 18 – 01 15 20
NAME, TITLE, DEPARTMENT	Gentry J. Shelby - Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	14 04 24 – 02 25 20
NAME, TITLE, DEPARTMENT	Thomas G. Zberkot, Jr. - Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	14 07 00 – 02 18 20

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RECEIPTS:

The Board acknowledged the following receipts:

Cash Receipts
Company: RSCD-PFRS
Cash Account: HYBLIQRES
Start Date: 2/28/2020
End Date: 3/13/2020

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
3/13/2020	GL			After tax annuity contributions 3-13-20		13,588.65
3/13/2020	CA	Cash Entry		Pre tax pension contributions 3-13-20		388,204.22
						<u>401,792.87</u>

Cash Receipts
Company: RSCD-PFRS
Cash Account: LIQUID RES
Start Date: 2/28/2020
End Date: 3/13/2020

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
3/5/2020	CA	Cash Entry	001700	Loan Deductions 2-28-20		106,684.04
						<u>106,684.04</u>

Total Receipts

508,476.91

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Re: Approval of Disbursements

Trustee Thomas moved to approve the Disbursement as outlined below with Acknowledgement of IC expenses. Trustee Berent supported. The motion passed unanimously.

Disbursement Report

Page: 1 of 2
 Date: 3/17/2020 12:07 PM

Account	Payment Method	Currency
LIQUID RES	WIRE	US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
BLACKSTONE	022720	Capital Call - Blackstone Tactical Opportunities Fund	351,838.27
Cash Account/Payment Method Total:			351,838.27

HUNT VEND	ACH	US
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Vendor Name	Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC	1055256	Electrical Billing: 1/30/20-2/27/20 #16055044	778.64
500 WEBWARD LLC	1055257	Electrical Billing: 1/30/20-2/27/20 #16055070	887.37
8x8 INC.	2559081	Phone System Services	1,368.42
8x8 INC.	2603748	Phone System Services	1,388.73
CDW GOVERNMENT	XBV0902	Computer Equipment	1,959.66
CLARK HILL, PLC	962144	General Counsel Services for February 2020	26,264.00
Cogent Communications, Inc.	030120	Internet Service	525.00
CREATIVE BREAKTHROUGHS INC (CBI)	INV3201	Software Maintenance	10,400.00
CREATIVE BREAKTHROUGHS INC (CBI)	INV3230	Parking Expense - Nick Bishop	30.00
GABRIEL, ROEDER, SMITH & CO	453075	EDRO Calculations for Eric Watts	1,200.00
GABRIEL, ROEDER, SMITH & CO	453262	Actuarial Services-Jan & Feb 2020	20,784.00
NORTHSTAR LIFE SERVICES	0003407-IN	Servicing Fee	500.00
QUILL CORPORATION	5150585	Office Supplies	282.53
QUILL CORPORATION	5176325	Office Supplies	20.64
UHY Advisors MI, Inc.	1331095	Professional IT Services for February 2020	44,625.00
WILSHIRE ASSOCIATES INCORPORATED	INV00187483	Consulting Services - 2nd Qtr '20	138,733.75
Cash Account/Payment Method Total:			249,747.74

HUNT VEND	CHECK	US
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Vendor Name	Invoice Number	Invoice Description	Amount To Pay
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Vendor Name	Invoice Number	Invoice Description	Amount To Pay
DIRECTV	37202534457	Service Charges 2/23/20-3/22/20	40.62
EASY VERIFICATION INC	20-53621	Member Verification Requests	8.00
FEDEX	6-947-03158	FedEx Mailing	27.04
FEDEX	6-904-80901	FedEx Mailing	27.55
FEDEX	6-953-53851	FedEx Mailing	27.17
First CHOICE Coffee Services	674122	Coffee Supplies	30.00
HEADSETS.COM, INC	2956083	Office Equipment	999.80
IRON MOUNTAIN	202089308	Storage CDs	1,045.99
IRON MOUNTAIN	177205	Data Domain Service	1,290.94
Iron Mountain Records Management	CLPB990	Records Storage	1,881.21
KELLEY CAWTHORNE	11083	Lobbyist Services for March 2020	7,500.00
MAD DOG PROFESSIONAL SERVICES	Detroit 122024	Professional Services-Derrick Hunter 2/1/20 - 2/29/20	6,768.00
MELISSA DATA CORP	4860134	Imaging Software License Renewal: 4/5/20-4/3/21	1,442.50
QUALSTAR CORPORATION	176233	Tape Backup Service	3,714.00
RACINE & ASSOCIATES	12656	DPF v. Paramount 11/1/19-11/30/19	1,498.25
RACINE & ASSOCIATES	12696	DPF v. Paramount 1/1/20-1/31/20	4,055.40
RACINE & ASSOCIATES	12703	DPF v. Paramount 2/1/20-2/29/20	2,695.05
Rehmann Technology Solutions LLC (fka Trivalent)	PS91121	Barracuda Essentials Installation	187.50
Revize LLC	9409	Website Design and CMS Annual Tech Support 2/29/20-2/28/21	1,480.00
SHRED-IT USA	8129244724	Shredding Service Charges	49.73
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	103357967	Printer Maintenance	129.11
Cash Account/Payment Method Total: 21 Documents			34,897.86

Investment Committee Disbursement Acknowledgements

HUNT VEND	CHECK	US
Vendor Name	Invoice Number	Invoice Description
RIVENOAK LAW GROUP, P.C	12089	Interim General Counsel February 2020
Cash Account/Payment Method Total: 1 Documents		
25,965.00		

* Payment amount is estimated based on the effective date 3/17/2020

Re: Approval of Refunds (Accumulated Contributions)

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

- List number 3831 - \$314,001.78
- List number 3832 - \$334,553.05

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

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

- List #1 - \$43,216.00 – 03/12/2020
- List #2 - \$44,170.00 – 03/19/2020

Re: Approval of Minutes

Trustee Jones moved to approve the Minutes of February 20, 2020. Trustee Berent supported.

Yeas – Battle, Berent, Jones, Moslimani, Naglick, Orzech, Serda, Trozak, Watson and Chairperson Gnatek – 10

Nays – None

Abstain – Trustee Thomas

- **Trustee James joined the meeting at 9:10 a.m.**

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

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

- Detroit Police Benefit & Protective Association Request
- Doctors appointment for Disability Retirees
- Postponing re-exams for disability retirees who lives out-of-state for a year

Re: Request from Detroit Police Benefit & Protective Association

Resolution Moved By: Trustee Trozak – Supported By Trustee Serda

Resolved, that the Board approve continuously the request from the Detroit Benefit & Protective Association regarding a complete print-out of all officers who are receiving checks. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, David Cetlinski, had no formal report, but discussed the following with the Board of Trustees:

- Memorandum regarding face to face contact with our members due to the coronavirus.

CHIEF INVESTMENT OFFICER'S REPORT

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

- Memorandum regarding COVID-19 Update
- Portfolio Update
- Black & Blue Report

- Trustee Naglick suggested that the CIO talk to PFIC members regarding the retirement payroll.

PUBLIC COMMENT

- **None**

PUBLIC RELATIONS REPORT

- Draft for Direct Deposit
- Heinz Lawsuit
- Chairman send letter to Mayor from the Board to extend their condolences regarding the loss of his father

LOBBYIST'S REPORT

- House Bills:
 - Limitation and restrictions on retirement income deduction for surviving spouse
 - Eliminate requirement that unit pay UAAL associated with employment of retired substitute teacher
 - Include corrections officers in Public Act 312 for local police and firefighters
 - Modify population threshold for qualified city in the Police and Fire Protection Act

GENERAL COUNSEL'S REPORT

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

- EDRO'S
- Update on Chapter 9 Adversary Proceeding
- Update on Eric Raby and Norbert E. Zawislak
- Discussed the State lack of participation during the bankruptcy

EDRO's FOR APPROVAL:

Re: Mark A. Morrow v Khemberly Morrow, Case No. 2018-868774-DM
Oakland County Circuit Court, Pontiac, Michigan

Motion By: Trustee Berent – Supported By: Trustee Thomas

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit (“Board”) is in receipt of an Eligible Domestic Relations Order (“EDRO”) entered on March 4, 2020, which supplements a Judgment of Divorce entered on July 11, 2019, wherein

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Alternate Payee **KHEMBERLY MORROW** is awarded certain rights to the retirement benefits of Participant **MARK A. MORROW**, a retired employee,

WHEREAS, the EDRO provides that the Alternate Payee **KHEMBERLY MORROW** receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 50% of the marital portion of the Participant's Retirement Allowance, including a pro-rata share of any guaranteed automatic pension increases accrued as of July 11, 2019, and

WHEREAS, the Alternate Payee **KHEMBERLY MORROW IS** receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 50% of the marital portion of the Participant's Retirement Allowance, including a pro-rata share of any guaranteed automatic pension increases accrued as of July 11, 2019, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **KHEMBERLY MORROW** a distribution from the Voluntary Employee Contributions of Participant's Component I benefit in an amount equal to 50% of the accumulated balance under the plan as of July 11, 2019, which shall include a pro-rata share of any annual adjustments made after July 11, 2019 and before the date of distribution to reflect gains or losses allocated to the voluntary employee contributions account, and

WHEREAS, the Alternate Payee **KHEMBERLY MORROW IS** entitled to a distribution from the Voluntary Employee Contributions of Participant's Component I benefit in an amount equal to 50% of the accumulated balance under the plan as of July 11, 2019, which shall include a pro-rata share of any annual adjustments made after July 11, 2019 and before the date of distribution to reflect gains or losses allocated to the voluntary employee contributions account, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **KHEMBERLY MORROW** a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 50% of the marital portion of the Participant's retirement pension, including a pro-rata share of any guaranteed automatic pension increases accrued as of July 11, 2019, when the Participant is eligible to receive such benefits, and

WHEREAS, the Alternate Payee **KHEMBERLY MORROW IS** entitled to a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 50% of the marital portion of the Participant's retirement pension, including a pro-rata share of any guaranteed automatic pension increases accrued as of July 11, 2019, when the Participant is eligible to receive such benefits, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **KHEMBERLY MORROW** a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 50% of the

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marital portion of the accumulated balance under the Plan as of July 11, 2019, including a pro-rata share of any annual adjustments made after July 11, 2019 and before the date of distribution to reflect gains or losses allocated to the defined contribution plan, and

WHEREAS, the Alternate Payee **KHEMBERLY MORROW IS** entitled to a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 50% of the marital portion of the accumulated balance under the Plan as of July 11, 2019, including a pro-rata share of any annual adjustments made after July 11, 2019 and before the date of distribution to reflect gains or losses allocated to the defined contribution plan, when the Participant is eligible to receive such benefits and as set forth in the EDRO and **SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME**, and

WHEREAS, the EDRO awards the Alternate Payee **KHEMBERLY MORROW** a distribution from the Participant's Component II DROP account from the date of divorce, July 11, 2019, and **WHEREAS**, the Alternate Payee **KHEMBERLY MORROW IS** entitled to a distribution from the Participant's Component II DROP account from the date of divorce, July 11, 2019, when the DROP is eligible for disbursement at the time the participant terminates employment with the City of Detroit as set forth in the EDRO and **SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME**, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution **SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT**, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Kemberly Morrow and her counsel, Heather A. Hartner, and the participant, Mark A. Morrow.

Yeas: Battle, Berent, James, Jones, Moslimani, Naglick, Orzech, Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 12

Nays: None

Re: Mark Jose Diaz v Julie Lynn Diaz, Case No. 18-865970-DO
Oakland County Circuit Court, Pontiac, Michigan

Motion By: Trustee Berent – Supported By: Trustee Thomas

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit (“Board”) is in receipt of an Eligible Domestic Relations Order (“EDRO”) entered on March 11, 2020, which supplements a Judgment of Divorce entered on July 9, 2019, wherein Alternate Payee **JULIE LYNN DIAZ** is awarded certain rights to the retirement benefits of Participant **MARK JOSE DIAZ**, an active employee in the DROP program, and

WHEREAS, the EDRO provides that the Alternate Payee **JULIE LYNN DIAZ** receive a monthly benefit from the Retirement Allowance portion of Participant’s Component I benefit in the amount of 50% of the marital portion of the Participant’s Retirement Allowance accrued as of the date of division, April 10, 2014, and

WHEREAS, the Alternate Payee **JULIE LYNN DIAZ IS** entitled to receive a monthly benefit from the Retirement Allowance portion of Participant’s Component I benefit in the amount of 50% of the marital portion of the Participant’s Retirement Allowance accrued as of the date of division, April 10, 2014, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **JULIE LYNN DIAZ** a distribution of the Participant’s Retirement Allowance portion of the Participant’s Component II benefit in the amount of 50% of the marital portion of the Participant’s Retirement Allowance accrued as of the date of division, April 10, 2014, and

WHEREAS, the Alternate Payee **JULIE LYNN DIAZ IS** entitled to receive a monthly benefit from the Retirement Allowance portion of Participant’s Component II benefit in the amount of 50% of the marital portion of the Participant’s Retirement Allowance accrued as of the date of division, April 10, 2014, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO provides that it does not assign any portion of the Voluntary Employee Contributions (Component I equivalent of the Annuity Savings Fund) or Annuity Savings Fund (Component II) to the Alternate Payee, and

WHEREAS, the Alternate Payee **JULIE LYNN DIAZ IS NOT** entitled to any portion of the Participant’s Voluntary Employee Contributions (Component I equivalent of the Annuity Savings Fund) or Annuity Savings Fund (Component II), and

WHEREAS, the EDRO awards the Alternate Payee **JULIE LYNN DIAZ** a distribution from the Participant’s DROP proceeds equal to 50% of the Participant’s DROP proceeds as of July 9, 2019, and

WHEREAS, the Alternate Payee **JULIE LYNN DIAZ IS** entitled to a distribution from the Participant's DROP proceeds equal to 50% of the Participant's DROP proceeds as of July 9, 2019, payable when the DROP is eligible for disbursement at the time the Participant terminates employment with the City of Detroit, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution **SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT**, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Julie Lynn Diaz, and Participant Mark Jose Diaz and his attorney, Marc N. Drasnin.

Yeas: Battle, Berent, James, Jones, Moslimani, Naglick, Orzech, Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 12

Nays: None

Re: COMMITTEE REPORT

- None

NEW BUSINESS/OLD BUSINESS

- None

ADJOURNMENT

Trustee Thomas moved to adjourn meeting #3257; Trustee Berent supported. Motion passed unanimously.

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Chairperson Gnatek adjourned the meeting at 10:05 A.M. The Board's next meeting is scheduled for Thursday, April 2, 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

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