

MEETING NO. 3260
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, MAY 7, 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
Jeffrey Pegg	Elected Trustee/Fire
Dean Pincheck	Elected 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

Portia Roberson	Ex/Officio/Mayors Designee
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ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Marcella Brewer	Recording Secretary
Ronald King	General Counsel
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor
Mark Solomon	Visitor
Carlos Collins	Visitor

STAFF EXCUSED

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NO. 3260 – THURSDAY – MAY 7, 2020

Meeting is being hosted electronically due to Covid-19 per Executive Order 2020-15

CHAIRPERSON

Matthew Gnatek

A verbal Roll Call commenced at 9:05 a.m. and Chairperson Gnatek called the meeting to order.

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

Re: Approval of May 7, 2020 Agenda

Trustee Thomas moved to approve the agenda dated Thursday, May 7, 2020. Trustee Serda supported. The motion passed unanimously.

Re: Approval of RETIREMENT Applications

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

RETIREMENT APPLICATIONS

RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	Mathew D. Rietz - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 01 00 – 05 31 20

NAME, TITLE, DEPARTMENT	Vicki L. Yost – Deputy Chief of Police - Police
RETIREMENT TYPE-PLAN	Vested - New
SERVICE CREDIT-EFFECTIVE DATE	18 09 08 – 06 12 20

RECEIPTS:

The Board acknowledged the following receipts:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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 Date: 5/4/2020 9:30 AM

Disbursement Report

Account	Payment Method	Currency			
LIQUID RES	WIRE	US			
Vendor Name	Invoice Number	Invoice Description			Amount To Pay
BENEFIT STREET PARTNERS DEBT FUND IV LP	033020	Capital Call			1,167,983.00
BENEFIT STREET PARTNERS DEBT FUND IV LP	040220	Capital Call			1,751,975.00
BLACKSTONE	040620	Capital Call			859,721.16
CASTLELAKE V LP	040820	Capital Call			816,993.00
CENTRE LANE CREDIT PARTNERS II LP	041520	Capital Call			130,719.00
CENTRE LANE CREDIT PARTNERS II LP	050620	Capital Call			359,477.00
COMVEST CREDIT PARTNERS V LP	042120	Capital Call			1,000,000.00
CRESCENT DIRECT LENDING LEVERED FUND II LP	032320	Capital Call			1,405,830.00
CRESCENT DIRECT LENDING LEVERED FUND II LP	041520	Capital Call			2,682,863.00
CRESCENT EUROPEAN SPECIALTY LENDING FUND	041720	Capital Call			952,968.00
HL GRIDIRON CAPTIAL FUND IV, L.P	050620	Capital Call			1,930,137.00
KELSO INVESTMENT ASSOCIATES X, L.P	050120	Capital Call			64,611.00
PLATINUM EQUITY CAPITAL PARTNERS V, LP	032020	Capital Call			217,620.00
PLATINUM EQUITY CAPITAL PARTNERS V, LP	050420	Capital Call			6,073.00
PLATINUM EQUITY SMALL CAP FUND LP - HAMILTO	050420	Capital Call			68,159.00
RAVEN ASSET BASED OPPORTUNITY FUND IV, LP	050720	Capital Call			271,862.26
ROARK CAPITAL PARTNERS V, L.P. - HAMILTON LA	032720	Capital Call			64,971.79
ROARK CAPITAL PARTNERS V, L.P. - HAMILTON LA	050620	Capital Call			679,349.23
Talwind Capital Partners (ERISA), LP	050620	Capital Call			257,558.00
THL CREDIT SELECT SERIES CLO EQUITY FUND	040620	Capital Call			524,871.62
THOMA BRAVO	041420	Capital Call			559,535.00
VALSTONE OPPORTUNITY FUND VI AM I, LLC	033120	Capital Call			4,192,439.86
WARBURG PINCUS FINANCIAL SECTOR, LP	040820	Capital Call			945,000.00
Bridgett Hardy	043020BH	IT Contractual Wages - April 2020			2,251.78
James R. Hollins	043020JH	IT Contractual Wages - April 2020			1,574.43
Raymond R. Tchou	043020RT	IT Contractual Wages - April 2020			7,351.66
Venkat Rallapalli / Highbrow Systems, Inc.	043020VR	IT Contractual Wages - April 2020			6,877.34
TT International	20200331-114-A	Management Fees 1st Qtr '20			107,098.19
Cash Account/Payment Method Total:			28 Documents		21,035,890.32

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POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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Vendor Name	Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC	106596	April 2020 Rent	26,050.95
500 WEBWARD LLC	108845	May 2020 Rent	26,050.95
ADVENT CAPITAL MANAGEMENT, LLC	1Q20	Management Fees 1st Qtr '20	86,034.46
ATIVO CAPITAL	2440	Management Fees 1st Qtr '20	37,085.01
BAIRD ADVISORS	BA201Q2314	Management Fees 1st Qtr '20	51,924.11
BLOOMBERG FINANCE LP	5605506156	Bloomberg Anywhere 4/21/20-7/20/20	5,910.00
FRANK RUSSELL COMPANY	1652024042	Russell Indexes Standard 1/1/20-3/31/20	125.00
GLOBAL GOVERNANCE ADVISORS LLC	953	April Deliverables	3,204.31
Hamilton Lane Advisors, LLC (HL)	03619	Management Fees 2nd Qtr '20	244,603.00
HARDMAN JOHNSTON GLOBAL ADVISORS	DETPFRE888590320	Management Fees 1st Qtr '20	133,512.74
HARVEST FUND ADVISORS LLC	Detroit P&F 2020 Q1	Management Fees 1st Qtr '20	98,803.83
INCOME RESEARCH + MANAGEMENT INC.	32784	Management Fees 1st Qtr '20	53,902.13
KENNEDY CAPITAL MANAGEMENT	1Q20	Management Fees - 1st Qtr '20	113,509.00
LOOMIS, SAYLES & COMPANY, L.P.	207460	Management Fees 1st Qtr '20	63,809.62
NORTHSTAR LIFE SERVICES	INV-0055	Servicing Fee	500.00
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Office of the Chief Financial Officer	1314724	Wages&Benefits CoO Employees FY19-20 3rd Qtr	377,822.46
PARADIGM ASSET MANAGEMENT CO., LLC	1Q20	Management Fees 1st Qtr '20	67,388.56
PENN CAPITAL MANAGEMENT COMPANY, Inc	1Q20	Management Fees 1st Qtr '20	51,870.42
Premier Parking (fka Ultimate Parking)	202242	Validation Charges - March 2020	205.00
Premier Parking (fka Ultimate Parking)	202565	Premier Parking - May 2020	2,112.00
Premier Parking (fka Ultimate Parking)	202566	Premier Parking- May 2020	132.00
PROCENTIA, INC.	2353	Procentia Implementation	44,644.19
PUGH CAPITAL MANAGEMENT, INC.	1Q20	Management Fees 1st Qtr '20	53,653.29
RHUMBLINE ADVISERS	detpol2020Q1	Management Fees 1st Qtr '20	16,197.00
SALIENT CAPITAL ADVISORS, LLC	1Q20	Management Fees 1st Qtr '20	72,449.79
UHY Advisors MI, Inc.	1337370	Professional IT Services for March 2020	59,775.00
Xponance, Inc. (fka Piedmont Invest. Adv.)	INV12382	Management Fees - 1st Qtr '20	21,118.40
Cash Account/Payment Method Total:			28 Documents 1,712,893.22

HUNT VEND CHECK US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
BAB ASSOCIATES, LLC	2020-029	Public Relations Services for February 2020	2,912.00
BAB ASSOCIATES, LLC	2020-039	Public Relations Services for April 2020	2,100.00
CINTAS CORPORATION-300	4048165342	Floor Mats	130.65
DEROY & DEVEREAUX	1Q20	Management Fees - 1st Qtr '20	45,303.00
First CHOICE Coffee Services	686137	Coffee Supplies	30.00
KELLEY CAWTHORNE	11276	Lobbyist Services for May 2020	7,500.00
MAD DOG PROFESSIONAL SERVICES	Detroit 122026	Derrick Hunter 4/1/20-4/30/20	6,096.00
METCOM	112434	Office Supplies	114.04
NASDAQ CORPORATION SOLUTIONS, LLC	0520NOC5205910	Boardvantage User Licenses 4/22/20-4/21/21	8,135.33
PENSION BENEFIT INFORMATION LLC (PBI)	INV031648	CertDeath Advanced Death Audit - 1-Year	6,150.00
PENSIONS & INVESTMENTS	042720	Classified Advertising	1,430.00
RACINE & ASSOCIATES	12723	DPF v. Paramount 3/1/20-3/31/20	2,174.00
TRANSUNION RISK & ALT DATA SOLUTIONS INC (TL 3712221-202004-1		TLOxp Research Services (Account ID #3712221)	25.00
Cash Account/Payment Method Total:			13 Documents 82,100.02

Investment Committee Disbursement Acknowledgements

HUNT VEND CHECK US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
Bodman PLC	705666	IC Legal Fees-March 2020	16,840.90
RIVENOAK LAW GROUP, P.C	033120	IC Interim General Counsel March 2020	9,531.50
Cash Account/Payment Method Total:			2 Documents 26,372.40

* Payment amount is estimated based on the effective date 5/4/2020

Re: Approval of Refunds (Accumulated Contributions)

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

List number 3837 - \$269,126.43

List number 3838 - \$171,719.97

List number 3839 - \$ 67,716.35

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 - \$17,684.00 – 04/23/2020

List #2 - \$16,571.00 – 04/30/2020

List #3 - \$ 9,786.00 - 05/07/2020

Re: Approval of Minutes

Trustee Jones moved to approve the Minutes of March 19, 2020. Trustee Thomas supported.

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

Nays – None

Abstain – McLellan, Pegg, Pincheck

- Trustee Watson entered the meeting at 9:10 am

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, Kelly Tapper, had not formal report, but discussed the following with the Board of Trustees:

- HEROS/CARES/SECURE ACT
- Solomon Disability Earnings Offset Appeal (memo provided)
- Collins Disability Earnings Offset Appeal (memo provided)

Trustee Thomas moved to implement the mandatory portions of the HEROS/CARES/SECURE ACT as mandated by legislation which could be applicable to the Retirement System. Trustee Berent supported. The motion passed unanimously.

Mark Solomon and Carlos Collins both disabled members, made an appeal to the Board to have their Disability Earnings Offset deduction reduced and to be placed on a payment plan. Employees off on disability can earn a certain percentage of their pay. Anything over that percentage, per the Plan of Adjustment must be recouped through deductions in the present fiscal year. Both members would like to have their payments amounts lowered because the current deduction is taking their entire check. The Board discussed and took no action

EXECUTIVE DIRECTOR'S REP ORT

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

- Sent a memo of the reductions via furlough for the Retirement System. The staff will be participating in the Workshare Program. In this program, the staff will be required to take a day off once a week and receive payment for underemployment through the CARES ACT. The Administrative Staff will take a 5% reduction in pay. The staff will participate in the workshare program through July 31, 2020.
- Plante Moran and Procentia have agreed to take reduction in fees per the request of the Board at its meeting on April 16, 2020.
- Hybrid Annuity Loan Program- working with the Bank to get it programmed.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, had no formal report, but discussed the following with the Board of Trustees:

- Vendor reduction in fees
- Working with Gail and Chanda on the annual PA 314 Disclosure Response
- Working on Fiscal Year in Audit
- Special IC Meeting, Wednesday, May 13, 2020 to discuss PF Litigation, Investment Items, and TALF Loan Program.
-

Trustee Naglick asked if the Interim Certification for the Foundation for Detroit Future will appear on the Agenda for the Investment Committee Meeting. The City needs to file a report May 15, 2020 in order to receive 18.3 Million into the system by June 30, 2020.

PUBLIC COMMENT

Public asked if we would continue to host meetings electronically so they can continue to call in and listen.

PUBLIC RELATIONS REPORT

- Newsletter
- Intercept pay to play article

LOBBYIST'S REPORT

- Legislative Report.
- House and Senate have a Bill to increase tax deduction for First Responders
- Bill from the Senate to extend the Worker's Compensation for First Responders
- Meeting May 15, 2020 a Revenue Estimating Conference in Lansing to discuss Remainder of the Budget for Fiscal Year 2020 and make projections for 2021.

Gabriel Roeder

Representative David Kausch, Kenneth Alberts and Judith Kermans joined the meeting at 10:15 am and presented to the Board the following:

- Vendor reduction request
- Trustee McLellan exits the meeting for the day at 10:27 am
- Actuarial Valuation of Component I, June 30, 2019
- Actuarial Valuation of Comp II, June 30, 2019

Trustee Naglick asked if Gabriel Roeder could possibly get the Actuarial Valuations done sooner in the year so the Budget Department can use the data for forecasting.

Trustee Pegg moved to approve as submitted the Gabriel Roeder Annual Actuarial Valuation of Component I and Component II Reports as of June 30, 2019. Trustee Pincheck supported. Motion passed unanimously.

Trustee Pegg moved to approve the 1% VPIF for Component I. Trustee Thomas supported.

Yeas – Battle, Berent, Jones Orzech, Pegg, Pincheck Serda, Thomas, Trozak, and Chairperson Gnatek – 10

Nays – James, Moslimani, Naglick, Watson

GENERAL COUNSEL’S REPORT

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

- NiSource, Inc. – Derivative Litigation

Trustee Serda moved to ratify direction by the Board to proceed with the Derivate Case as Plaintiff against NiSource, Inc. Trustee Trozak supported. Motion passed unanimously

Yeas – Battle, Berent James, Jones Moslimani, Naglick Orzech, Pincheck Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 13

Nays –, Pegg. This action brings no money into the system.

Re: Entering into Closed Session

Resolution Moved By Trustee Jones– Supported by Trustee Thomas

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 entered 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, Jones, Moslimani, Naglick, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 14

Nays – None

Board entered into closed Session at 11:57 am

Board exited closed session at 12:47 pm.

Due to technical difficulties, the Board was unable to return to open session.

ADJOURNMENT

The meeting was adjourned due to a lack of quorum at 12:48pm as they were unable to reconnect to the open session due to technical difficulties.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NO. 3260 – THURSDAY – MAY 7, 2020

The Board's next meeting is scheduled for Thursday, May 21, 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

DRAFT