

**MEETING NO. 3261**  
**JOURNAL OF PROCEEDINGS**  
**BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM**  
**OF THE CITY OF DETROIT**  
**HELD THURSDAY, MAY 21, 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 |
|-----------------|----------------------------|

**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     |

**STAFF EXCUSED**

None

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NO. 3261 – THURSDAY – MAY 21, 2020

Meeting is being hosted electronically due to Covid-19 per Executive Order 2020-75

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, James, McLellan, Moslimani, Naglick, Orzech, Pegg, Pincheck, Thomas, Trozak and Watson.**

**Re: Approval of May 21, 2020 Agenda**

Trustee Thomas moved to approve the agenda dated Thursday, May 21, 2020. Trustee Trozak 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.

|                               |   |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT       | Ryan J. Lovier - Police Sergeant - Police |
| RETIREMENT TYPE-PLAN          | Vested - New                              |
| SERVICE CREDIT-EFFECTIVE DATE | 19 06 29 – 11 28 19                       |



POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
 MEETING NO. 3261 – THURSDAY – MAY 21, 2020

Page: 1 of 2  
 Date: 5/18/2020 12:32 PM

Disbursement Report

| Account    | Payment Method | Currency |
|------------|----------------|----------|
| LIQUID RES | WIRE           | US       |

| Vendor Name                               | Invoice Number   | Invoice Description           | Amount To Pay       |
|---|------------------|-------------------------------|---------------------|
| BNY Mellon                                | 111-2020-0014958 | Management Fees - 1st Qtr '20 | 53,287.86           |
| HAMILTON LANE SECONDARY FUND IV, LP       | 051320           | Capital Call                  | 1,212,232.00        |
| HAMILTON LANE SECONDARY FUND V LP         | 052120           | Capital Call                  | 975,000.00          |
| MESIROW FINANCIAL REAL ESTATE VALUE FUND  | 1052020          | Capital Call                  | 221,553.03          |
| PLATINUM EQUITY CAPITAL PARTNERS V, LP    | 052220 Cayman    | Capital Call                  | 234.00              |
| PLATINUM EQUITY CAPITAL PARTNERS V, LP    | 052220           | Capital Call                  | 5,362.00            |
| THL CREDIT SELECT SERIES CLO EQUITY FUND  | 051120           | Capital Call                  | 2,820,016.05        |
| TT International                          | 20200331-114-A   | Management Fees 1st Qtr '20   | 107,098.19          |
| <b>Cash Account/Payment Method Total:</b> |                  | <b>8 Documents</b>            | <b>5,394,783.13</b> |

| HUNT VEND | ACH | US |
|-----------|-----|----|
|-----------|-----|----|

| Vendor Name                            | Invoice Number | Invoice Description                             | Amount To Pay |
|--|----------------|---|---------------|
| 500 WEBWARD LLC                        | 1071840        | Electrical Billing:3/30/20-4/29/20 #16055044    | 246.55        |
| 500 WEBWARD LLC                        | 1071841        | Electrical Billing:3/30/20-4/29/20 #16055070    | 277.63        |
| 8x8 INC.                               | 2653335        | Phone System Services                           | 1,345.69      |
| ADP, INC                               | 554080266      | Check Printing Services                         | 693.70        |
| CLARK HILL, PLC                        | 983911         | General Counsel Services for April 2020         | 26,250.00     |
| CLARK HILL, PLC                        | 983912         | Zawislak for April 2020                         | 1,464.55      |
| CLARK HILL, PLC                        | 983913         | Raby for April 2020                             | 1,273.30      |
| Cogent Communications, Inc.            | 050120         | Internet Service                                | 525.00        |
| COUZENS, LANSKY, FEALK, ELLIS P.C.     | 132940         | Legal Fees thru 4/30/20                         | 37,861.50     |
| CREATIVE BREAKTHROUGHS INC (CBI)       | INV3495        | Software Maintenance                            | 12,400.00     |
| GABRIEL, ROEDER, SMITH & CO            | 454752         | Actuarial Services for April 2020               | 9,900.00      |
| Open Text, Inc.                        | RC500151       | Imaging Software Support Renewal 7/1/20-6/30/21 | 12,721.67     |
| PLANTE & MORAN                         | 1839073        | GASB 68 Audit for 6/30/19                       | 6,125.00      |
| Premier Parking (fka Ultimate Parking) | 203574         | Validation Charges - April 2020                 | 90.00         |
| PROCENTIA, INC.                        | 2355           | Procentia Implementation                        | 31,317.35     |
| QUILL CORPORATION                      | 5390359        | Office Supplies                                 | 296.63        |
| QUILL CORPORATION                      | 5467021        | Office Supplies                                 | 33.00         |



POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NO. 3261 – THURSDAY – MAY 21, 2020

|   |          |   |                   |
|---|----------|---|-------------------|
| QUILL CORPORATION                         | 5671296  | Office Supplies                         | 89.96             |
| QUILL CORPORATION                         | 5987951  | Office Supplies                         | 207.98            |
| UHY Advisors MI, Inc.                     | 1343987  | Professional IT Services for April 2020 | 52,297.50         |
| WELLS CAPITAL MANAGEMENT                  | 12823073 | Management Fees - 1st Qtr '20           | 85,916.54         |
| WELLS CAPITAL MANAGEMENT                  | 12824034 | Management Fees - 1st Qtr '20           | 119,907.03        |
| <b>Cash Account/Payment Method Total:</b> |          | <b>22 Documents</b>                     | <b>401,240.58</b> |

| HUNT VEND                                 | CHECK          | US   |                  |  |
|---|----------------|--|------------------|--|
| Vendor Name                               | Invoice Number | Invoice Description                                | Amount To Pay    |  |
| ALLEGRA                                   | 73298011       | Office Supplies                                    | 659.04           |  |
| CINTAS CORPORATION-300                    | 4050459236     | Floor Mats   | 130.65           |  |
| COMCAST                                   | 031720         | High Speed Internet                                | 181.33           |  |
| COMCAST                                   | 041720         | High Speed Internet                                | 181.21           |  |
| DIRECTV                                   | 37291189147    | Service Charges 3/23/20-4/22/20                    | 40.62            |  |
| First CHOICE Coffee Services              | 680651         | Equipment Rental                                   | 30.00            |  |
| IRON MOUNTAIN                             | 202121772      | Storage CDs  | 1,077.65         |  |
| IRON MOUNTAIN                             | 180293         | Data Domain Service                                | 1,263.31         |  |
| Iron Mountain Records Management          | CNGS247        | Records Storage                                    | 1,908.69         |  |
| METCOM                                    | 112328         | Office Supplies                                    | 360.33           |  |
| OFFICE DEPOT                              | 455820984001   | Office Supplies                                    | 60.84            |  |
| OFFICE DEPOT                              | 471247683001   | Office Supplies                                    | 67.99            |  |
| RACINE & ASSOCIATES                       | 12735          | DPF v. Paramount 4/1/20-4/30/20                    | 3,683.20         |  |
| SHRED-IT USA                              | 8129455238     | Shredding Service Charges                          | 49.73            |  |
| THE HARTFORD                              | 050820         | Business Owners Policy Renewal (6/1/20 thru 6/1/21 | 1,199.00         |  |
| VERIZON WIRELESS                          | 9851869542     | Wireless Billing 3/5/20-4/4/20                     | 849.76           |  |
| WELLS FARGO VENDOR FINANCIAL SVCS, LLC    | 103473877      | Printer Maintenance                                | 129.11           |  |
| WELLS FARGO VENDOR FINANCIAL SVCS, LLC    | 103595523      | Printer Maintenance                                | 129.11           |  |
| XEROX                                     | 099990893      | Printer Maintenance                                | 28.93            |  |
| XEROX                                     | 010164125      | Printer Maintenance                                | 8.82             |  |
| <b>Cash Account/Payment Method Total:</b> |                | <b>20 Documents</b>                                | <b>12,039.32</b> |  |

\* Payment amount is estimated based on the effective date 5/18/2020

➤ **Trustee Serda joined the meeting at 9:12 am**

**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 3840 - \$ 5,000.00

List number 3841 - \$ 44,671.77

**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 - \$ 4,277.00 – 05/14/2020

List #2 - \$30,000.00 – 05/21/2020

**Re: Approval of Minutes**

Trustee Trozak moved to approve the Minutes of April 16, 2020. Trustee Thomas supported.

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NO. 3261 – THURSDAY – MAY 21, 2020

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

Nays – None

Abstain – Serda

### **ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

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

- DPD DROP Data Request
- Finance Committee
- Global Governance Survey

Trustee Pegg moved to approve a list to be sent to the Detroit Police Department of all employees in the DROP Program (DPD Employees Only). Trustee Berent supported. The motion passed unanimously.

- There was a discussion regarding possible topics and agenda for the Finance Committee Meeting. Trustee McLellan suggested that the Finance/Audit Committee and the Auditor should have a kick-off meeting prior to the start of the Audit. Trustee McLellan was asked if she wanted to join the committee and Chairperson Gnatek requested to be removed.
- There are some Board Members that have not activated their Global Governance portal. Everyone is required to activate their email and password, so that an account can be set up and the survey can be sent to Trustees. Assistant Director, Kelly Tapper will resend the email to the members that have not signed up for their passwords.

### **EXECUTIVE DIRECTOR'S REP ORT**

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

- Plante Moran Audit Contract approval.

Trustee Berent moved to execute the Plante Moran Audit Contract. Trustee Pegg supported. The motion passed unanimously.

The Board requested that an RFP be done for the audit contract in 2021

- Trustee Jones joined the meeting at 9:25 am

## **CHIEF INVESTMENT OFFICER’S REPORT**

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

- Wilshire May 2020 Report
- Black and Blue April 30, 2020
- Black and Blue May 15, 2020
- TALF Loan Program
- Penn Capital Mandate Expansion

Trustee Pegg moved to approve the recommendation from the Investment Committee to the Board of Trustees and CIO Ryan Bigelow, to extend the contract of Hamilton Lane for one additional year. Trustee Berent supported. The motion passed unanimously.

Trustee Pegg moved to approve the recommendation from the Investment Committee to the Board of Trustees and CIO Ryan Bigelow with respect to the expansion of the Penn Capital mandate as discussed by CIO Ryan Bigelow. Trustee Berent supported. The motion passed unanimously.

Trustee Orzech asked if there could be a discussion about the motion that was made by the Investment Committee to put out an RFP for an External Chief Investment Officer at its last meeting. Additional discussion occurred regarding action of the IC at its May 13, 2020 meeting to: 1) terminate the KJK Consulting contract; and 2) to issue an RFP for the CIO function.

## **PUBLIC COMMENT**

None

## **PUBLIC RELATIONS REPORT**

- Wallstreet Journal Article
- News Release of Settlement

## **LOBBYIST’S REPORT**

- Legislative Law.
- Notes from State Budget Director

Trustee Pegg inquired about the CARES ACT and Hazard Pay for front line workers and Public Safety.

## **Bank of New York Mellon Presentation – Investment Performance Reporting**

Representatives Jim Nevola and David Blakeley presented to the Board the following:

- Performance Measurement
- Performance Attribution
- Peer Groups
- Asset Strategy
- Analytics
- State of Kentucky case study

The Board asked Assistant Executive Director Kelly Tapper to follow up on proposed costs and report back.

## **GENERAL COUNSEL’S REPORT**

General Counsel Ronald King, as part of his legal report, discussed the following matters with the Board:

- Termination of KJK Contract
- Certification from the Investment Committee for Compliance to the Foundation of Detroit
- Tesla, Inc. – Derivative Litigation
- Report from Marie Racine regarding Paramount Properties Liquidating Trust
- Investigation of the Office of Inspector General

Trustee Berent moved to ratify direction by the Board to proceed with the Derivate Case as Plaintiff against Tesla, Inc. Trustee Thomas supported. Motion passed unanimously

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

Nays –Pegg.

A disbursement from the Paramount Liquidating Trust in the amount of \$20,000 to the system. Year to date, the Liquidating Trust has paid the Board \$58,000 and \$12,700 to Marie Racine.

Additional matters were discussed in Closed Session. See minutes below.

## **John Gaul Return to Work Appeal**

Assistant Executive Director Kelly Tapper introduced member John Gaul and recommended since personal medical information may be discussed that the Board enter closed session.



**Re: Entering into Closed Session**

Resolution Moved By Trustee Thomas– 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 entered into Closed Session for the purpose of discussing Attorney/Client privileged matters regarding the following: Discussion regarding Pending Litigation and medical subject to Physician Patient Privilege.

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, James, McLellan, Moslimani, Naglick, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 14

Nays – None

Board entered into closed Session at 11:01 am

**Re: Open Session**

The Board returned to **Open Session** at 12:00 pm.

Trustee Pegg moved to send Police Officer for Independent Medical Examination by a third-party doctor. Trustee Thomas supported. The motion passed unanimously.

Trustee Orzech moved to dismiss without prejudice the adversary proceeding filed in the Bankruptcy Court against the PFRS Investment Committee as recommended by General Counsel, Ron King. Trustee Pincheck supported. The motion passed unanimously.

Inspector General investigation being addressed, we are requesting a subpoena or warrant for the member file.

**Re: Committee Report**

None

**NEW BUSINESS/OLD BUSINESS**

- Trustee Pegg asked about active healthcare for duty death family members

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NO. 3261 – THURSDAY – MAY 21, 2020

- Trustee Pincheck asked about a non-duty death while still an active member
- Trustee Naglick disclosed the VEBA audits are complete
- Trustee Orzech asked about the 2021 City Budget and Funding

**ADJOURNMENT**

Trustee Pegg moved to adjourn meeting #3261; Trustee Thomas supported.

Chairperson Gnatek adjourned the meeting at 12:16 P.M. The Board's next meeting is scheduled for Thursday, June 4, 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