

MEETING NO. 3262
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, JUNE 4, 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
Marcella Brewer	Recording Secretary
Ronald King	General Counsel
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor

STAFF EXCUSED

Ryan Bigelow	Chief Investment Officer
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Meeting is being hosted electronically due to Covid-19 per Executive Order 2020-75

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: Berent, James, Jones, McLellan, Moslimani, Naglick, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak and Watson.

Re: Approval of June 4, 2020 Agenda

Trustee Pegg moved to approve the agenda dated Thursday, June 4, 2020. Trustee Pincheck 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.

NAME, TITLE, DEPARTMENT	James L. Quinn-Johnson – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 01 00 – 05 31 20

NAME, TITLE, DEPARTMENT	Dennis Dooley – Police Officer -Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	

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Date: 6/1/2020 8:28 AM

Disbursement Report

Account	Payment Method	Currency			
LIQUID RES	WIRE	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
AVENUE ASIA SPECIAL SITUATIONS FUND V LP			060420	Capital Call	894,504.00
HL - Platinum Equity Capital Partners IV, LP International			060820	Capital Call	218,621.00
PLATINUM EQUITY CAPITAL PARTNERS V, LP			052720	Capital Call	45,338.00
PLATINUM EQUITY SMALL CAP FUND LP - HAMILTON LANE			052920	Capital Call	16,925.00
PLATINUM EQUITY SMALL CAP FUND LP - HAMILTON LANE			052920 Cayman	Capital Call	33,921.00
Cash Account/Payment Method Total:			5	Documents	1,209,309.00
HUNT VEND	ACH	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC			111005	June 2020 Rent	26,050.95
ADP, INC			555717613	Check Printing Services	429.50
AMERICAN ARBITRATION ASSOCIATION			01-19-0002-6328-1-JH	AAA Trustee Election Services	6,485.84
CDW GOVERNMENT			XQB7149	Computer Equipment	96.65
CDW GOVERNMENT			XQW7550	Computer Equipment	2,488.44
CREATIVE BREAKTHROUGHS INC (CBI)			INV3575	Software Maintenance	354.00
CREATIVE BREAKTHROUGHS INC (CBI)			INV3470	Software Maintenance	48.40
Premier Parking (fka Ultimate Parking)			203740	Parking - June 2020	2,112.00
Premier Parking (fka Ultimate Parking)			203827	Parking - June 2020	132.00
Cash Account/Payment Method Total:			9	Documents	38,197.78
HUNT VEND	CHECK	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
Advantage Consulting, Inc.			D108	Full Functional Capacity Evaluation	1,200.00
LAFORCE, INC (fka Electronic Security Systems, Inc.)			1133079	CCURE 9000 SSA Agreement	525.00
Cash Account/Payment Method Total:			2	Documents	1,725.00

Investment Committee Disbursement Acknowledgements

HUNT VEND	CHECK & ACH	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
Bodman PLC			708206	Bodman PLC - IC Legal Fees-April 2020	21,047.45
RIVENOAK LAW GROUP, P.C			12149	Rivenoak Law Group - IC Interim General Cc	3,789.50
RIVENOAK LAW GROUP, P.C			043020	Rivenoak Law Group - IC Retainer Fee	15,000.00
Cash Account/Payment Method Total:			3	Documents	39,836.95

* Payment amount is estimated based on the effective date 6/1/2020

Re: Approval of Refunds (Accumulated Contributions)

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

List number 3842 - \$ 49,534.78

List number 3843 - \$ 85,596.01

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

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

List #1 - \$15,000.00 – 05/28/2020

List #2 - \$15,000.00 – 06/04/2020

Re: Approval of Minutes

Trustee Thomas moved to approve the Minutes of May 7, 2020. Trustee Berent supported. The motion passed unanimously.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, Kelly Tapper, had no formal report, but discussed the following with the Board of Trustees:

- RFP DROP Update- No Responses to RFP, recommend waiting for outcome with RFP for External CIO by PFRS IC before issuing again BNY Mellon Performance Pricing
- Discussed the possibility of bringing BNY Mellon back in 2 months to discuss examples of custom reports and the entire portfolio.
- Trustee Battle joined the meeting at 9:17 am

EXECUTIVE DIRECTOR'S REPORT

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

- John Chapman, IT Professional, Contract
- RSCD Expense Reduction Memo

Trustee Pegg moved to approve the Contract for John Chapman, Client Services Manager. Trustee Trozak supported. The motion passed unanimously.

An Expense Reduction Memo was provided to the Board. General City Trustees asked for a breakdown of the Expense Reductions to be taken in the Retirement System.

Executive Director to reach out to building Authority about a reduction in rent space for the office due to COVID 19.

Police and Fire Investment Committee Meeting is scheduled for June 15, 2020.

CHIEF INVESTMENT OFFICER’S REPORT

Chief Investment Officer, Ryan Bigelow, had no formal report

PUBLIC COMMENT

None

PUBLIC RELATIONS REPORT

- News Release of Settlement has not been released

LOBBYIST’S REPORT

- No Legislative Action
- COVID Budgetary effects for the State may roll down to City level
- Continue to send daily updates

GENERAL COUNSEL’S REPORT

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

- EDRO
- Semi-Annual Compliance Report
- Order Dismissing Adversary Proceeding of PFRS vs. PFRS IC without Prejudice

Re: Steven R. Riley v Mary Riley, Case No. 18-864579-DM Oakland County Circuit Court, Pontiac, Michigan

Motion By: Trustee Pegg - 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 7, 2020, which supplements a Judgment of Divorce entered on March 3, 2019, and, wherein Alternate Payee **MARY RILEY** is awarded certain rights to the retirement benefits of Participant **STEVEN R. RILEY**, a retired employee.

WHEREAS, the EDRO provides that the Alternate Payee **MARY RILEY** receive a monthly benefit from the retirement allowance portion of the Component I defined benefit plan in the amount of 50%, including a pro-rata share of any guaranteed automatic pension increases which have accrued from November 30, 2012 to March 7, 2019;

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WHEREAS, the Alternate Payee **MARY RILEY IS** entitled to receive a monthly benefit from the retirement allowance portion of the Component I defined benefit plan in the amount of 50%, including a pro-rata share of any guaranteed automatic pension increases which have accrued from November 30, 2012 to March 7, 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 provides that the Alternate Payee **MARY RILEY** receive a monthly benefit from the retirement allowance portion of the Component II pension in the amount of 50%, including a pro-rata share of any guaranteed automatic pension increases which have accrued from November 30, 2012 to March 7, 2019;

WHEREAS, the Alternate Payee **MARY RILEY IS** entitled to receive a monthly benefit from the retirement allowance portion of the Component II pension in the amount of 50%, including a pro-rata share of any guaranteed automatic pension increases which have accrued from November 30, 2012 to March 7, 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 provides that the Alternate Payee **MARY RILEY** receive a distribution from the participant's Voluntary Employee Contributions and/or Annuity Savings Fund portion of the plan in the amount of \$24,000.00. The award shall first be satisfied from the participant's benefits under Component II. If there are insufficient funds under Component II, the amount of the insufficiency shall be awarded from Component I. If the combined values of Component I and Component II on the date of segregation is less than \$24,000.00, the Alternate Payee shall be assigned 100% of each Component; and

WHEREAS, the Alternate Payee **MARY RILEY IS** entitled to receive a distribution from the participant's Voluntary Employee Contributions and/or Annuity Savings Fund portion of the plan in the amount of \$24,000.00. The award shall first be satisfied from the participant's benefits under Component II. If there are insufficient funds under Component II, the amount of the insufficiency shall be awarded from Component I. If the combined values of Component I and Component II on the date of segregation is less than \$24,000.00, the Alternate Payee shall be assigned 100% of each Component, 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 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

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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 Mary Riley and her counsel, David L. Harrison, and to Participant Steven R. Riley.

Yeas: Battle, Berent, James, Jones, McLellan, Moslimani, Naglick, Orzech, Pegg, Pincheck Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 15

Nays: None

Re: Chairperson Nomination

Trustee Pegg moved to Nominate Trustee Berent as Chairperson. No other nominations were made. Trustee Trozak supported. The motion passed unanimously.

Re: Vice Chairperson

Trustee Pegg moved to Nominate Trustee Thomas as Vice- Chairperson. No other nominations were made. Trustee Trozak supported. The motion passed unanimously.

Bruce Babiarz to provide a News release of the nominations.

Re: Budget Presentation

Ramzee Jackson presented to the Board, the Fiscal Year 2020-2021 Proposed Budget

Trustee Pegg moved to approve the Fiscal Year 2020-2021 Proposed Budget with amended changes. Trustee Naglick supported. The motion passed unanimously.

Re: Committee Report

Monthly email from Ramzee Jackson will be sent to members of the Finance Committee with Audit Progress

NEW BUSINESS/OLD BUSINESS

Assistant Executive Director Kelly Tapper was asked to produce newsletters for Active and Retired members on the health of the plan.

The Board intends to enter into closed session and when closed sessions concludes adjourn the meeting with no further motions made or business discussed.

Re: Entering into Closed Session

Resolution Moved By Trustee Orzech– 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.

A Roll Call Vote was taken as follows:

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

Nays – None

Board entered into closed Session at 10:58 am

Re: Open Session

The Board returned to **Open Session** at 11:19 am.

ADJOURNMENT

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

Chairperson Gnatek adjourned the meeting at 11:19 A.M. The Board's next meeting is scheduled for Thursday, June 18, 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