

MEETING NO. 3263  
JOURNAL OF PROCEEDINGS  
**BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM**  
OF THE CITY OF DETROIT  
HELD **THURSDAY, JUNE 18, 2020**

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

**TRUSTEES PRESENT**

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**

Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Portia Roberson	Ex/Officio/Mayor's Designee

**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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POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NO. 3263 – THURSDAY – JUNE 18, 2020

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

CHAIRPERSON

**Matthew Gnatek**

A verbal Roll Call commenced at 9:09 a.m. and Chairperson Gnatek called the meeting to order.

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

**Re: Approval of June 18, 2020 Agenda**

Trustee Thomas moved to approve the agenda dated Thursday, June 18, 2020 with a slight correction of combining the two presentation(s) of UHY. 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.

NAME, TITLE, DEPARTMENT	Michael T. Dailey – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Vested - New
SERVICE CREDIT-EFFECTIVE DATE	19 00 19 – 06 23 20

NAME, TITLE, DEPARTMENT	Derrick C. Knox – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 02 07 – 05 12 20

NAME, TITLE, DEPARTMENT	Edward Lamb - Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	14 04 21 – 03 17 20

NAME, TITLE, DEPARTMENT	Jamie L. Lewandowski – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	14 03 04 – 03 27 20

NAME, TITLE, DEPARTMENT	Octaveious D. Miles – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Vested - New
SERVICE CREDIT-EFFECTIVE DATE	20 10 19 – 06 23 20

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
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**RECEIPTS:**

The Board acknowledged the following receipts:

<b>Cash Receipts</b>			Cash Account:	HYBLIQRES		
Company:	RSCD-PFRS		Start Date:	5/28/2020		
			End Date:	6/12/2020		

  

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
6/5/2020	GL	011710		After tax annuity contributions 6-5-20		13,272.81
6/5/2020	CA	Cash Entry	001787	Pre tax pension contributions 6-5-20	R/C	328.35
6/5/2020	CA	Cash Entry	001788	Pre tax pension contributions 6-5-20	R/C	292,278.87
6/5/2020	CA	Cash Entry		Pre tax pension and After Tax annuity contributions 6-5-20	R/C	328.35
6/12/2020	CA	Cash Entry		Pre tax pension and After Tax annuity contributions 6-12-20	R/C	15.91
						306,220.09

<b>Cash Receipts</b>			Cash Account:	LIQUID RES		
Company:	RSCD-PFRS		Start Date:	5/28/2020		
			End Date:	6/12/2020		

  

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
6/2/2020	CA	Cash Entry	001786	Loan Deductions 5-29-20	R/C	8,284.02
6/11/2020	CA	Cash Entry		Loan Deductions 6-5-20	R/C	98,613.02
						106,897.04

<b>Total Receipts</b>	<b>413,117.13</b>
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**Re: Approval of Disbursements**

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

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Disbursement Report

Page: 1 of 3  
Date: 6/15/2020 8:27 AM

Account	Payment Method	Currency
LIQUID RES	WIRE	US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
Bridgett Hardy	053120BH	IT Contractual Wages - May 2020	3,190.57
CENTRE LANE CREDIT PARTNERS II LP	061820	Capital Call	385,159.00
HL - Platinum Equity Capital Partners IV, LP Internationa	060820	Capital Call	218,621.00
James R. Hollins	053120JH	IT Contractual Wages - May 2020	4,377.40
Raymond R. Tchou	053120RT	IT Contractual Wages - May 2020	7,936.25
Venkat Rallapalli / Highbrow Systems, Inc.	053120VR	IT Contractual Wages - May 2020	7,036.03
<b>Cash Account/Payment Method Total:</b>		<b>6 Documents</b>	<b>626,320.25</b>

HUNT VEND	ACH	US
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Vendor Name	Invoice Number	Invoice Description	Amount To Pay
500 WEBWARD LLC	1076189	Electrical Billing:4/29/20-5/28/20	380.17
500 WEBWARD LLC	1076188	Electrical Billing:4/29/20-5/28/20	336.12
8x8 INC.	2677953	Phone System Services	2,094.31
ADP, INC	557247904	Check Printing Services	549.00
CDW GOVERNMENT	XPk7935	Computer Equipment	108.97
CDW GOVERNMENT	XPS1367	Computer Equipment	902.38
CLARK HILL, PLC	989765	General Counsel Services for May 2020	26,250.00
CLARK HILL, PLC	989766	Zawislak for May 2020	1,445.00
CLARK HILL, PLC	989767	Raby for May 2020	1,575.05
Cogent Communications, Inc.	060120	Internet Service	525.00
CREATIVE BREAKTHROUGHS INC (CBI)	INV3598	Software Maintenance	11,400.00
GABRIEL, ROEDER, SMITH & CO	455206	EDRO Calculations for Mark Diaz	1,500.00
GABRIEL, ROEDER, SMITH & CO	455235	Actuarial Services for May 2020	9,900.00
GLOBAL GOVERNANCE ADVISORS LLC	956	May Deliverables	2,507.85
NORTHSTAR LIFE SERVICES	INV-0086	Servicing Fee	500.00
PLANTE & MORAN	1859233	GASB 68 Audit for 6/30/19	6,350.00
PROCENTIA, INC.	2360	Procentia Implementation	31,223.69
QUILL CORPORATION	6559328	Office Supplies	29.98
RICOH	5059500320	Printer Maintenance	114.38

UHY Advisors MI, Inc.	1347666	Professional IT Services for May 2020	35,660.63
WILSHIRE ASSOCIATES INCORPORATED	INV00189189	Consulting Services - 3rd Qtr '20	138,733.75
<b>Cash Account/Payment Method Total:</b>		<b>21 Documents</b>	<b>272,086.28</b>

HUNT VEND	CHECK	US
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Vendor Name	Invoice Number	Invoice Description	Amount To Pay
Advantage Consulting, Inc.	D109	Full Functional Capacity Evaluation	1,200.00
Advantage Consulting, Inc.	D110	Full Functional Capacity Evaluation	1,200.00
BAB ASSOCIATES, LLC	2020-047	Public Relations Services for May 2020	2,430.00
CANON SOLUTIONS AMERICA, INC	4032814411	Copier Maintenance	106.29
CINTAS CORPORATION-300	4052889506	Floor Mats	130.65
COMCAST	051720	High Speed Internet	191.15
DIRECTV	37377637947	Service Charges 4/23/20-5/22/20	40.62
DIRECTV	37463547117	Service Charges 5/23/20-6/22/20	7.12
First CHOICE Coffee Services	691622	Equipment Rental	30.00
IRON MOUNTAIN	181406	Data Domain Service	1,294.01
IRON MOUNTAIN	202136564	Storage CDs	1,057.88
Iron Mountain Records Management	CPVC209	Records Storage	1,894.10
KELLEY CAWTHORNE	11381	Lobbyist Services for June 2020	6,750.00
MAD DOG PROFESSIONAL SERVICES	Detroit 122029	Derrick Hunter 5/1/20-5/31/20	6,600.00
Quadient Leasing USA (formerly MailFinance)	N8308496	Mail Machine Lease Payment 6/17/20-9/16/20	545.78
SHRED-IT USA	8129638584	Shredding Service Charges	49.73
TRANSUNION RISK & ALT DATA SOLUTIONS INC (TL	3712221-202005-1	TLOxp Research Services	25.00
VERIZON WIRELESS	9853928704	Wireless Billing 4/5/20-5/4/20	827.78
<b>Cash Account/Payment Method Total:</b>		<b>18 Documents</b>	<b>24,380.11</b>

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**Investment Committee Disbursement Acknowledgements**

HUNT VEND	CHECK and ACH	US			
Vendor Name			Invoice Number	Invoice Description	Amount To Pay
Bodman PLC			710069	IC Legal Fees-May 2020	11,986.20
RIVENOAK LAW GROUP, P.C			12174	IC Interim General Counsel/Retainer Fee May 2020	18,457.00
			<b>Cash Account/Payment Method Total:</b>	<b>2 Documents</b>	<b>30,443.20</b>

\* Payment amount is estimated based on the effective date 6/15/2020

**Re: Approval of Refunds (Accumulated Contributions)**

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

List number 3844 - \$ 71,212.31  
List number 3845 - \$124,964.49

**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 Pegg supported. The motion passed unanimously.

List #1 - \$27,010.00 – 06/11/2020  
List #2 - \$16,575.00 – 06/18/2020

**Re: Approval of Minutes**

Trustee Pegg moved to approve the Minutes of May 21, 2020. Trustee Berent supported. The motion passed unanimously.

**ASSISTANT EXECUTIVE DIRECTOR'S REPORT**

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

- Rules and Order of Business Policy-Electronic Meeting Changes
- Next Board meeting – July 16, 2020
- Trustee Serda Position
- Trustee Portia Roberson continue to fill seat until she is replaced
- Pre-Audit will go on as scheduled and will be done remotely
- Invitation from Seminole regarding a Client Advisory Meeting March 4-7, 2021

- **Trustee Jones joined the meeting at 9:19 a.m.**

**Re: New Language to the Rules and Order of Business regarding Electronic Meetings**

**Policy:** Trustee Pegg moved to adopt the new language in Executive Order 2020-75. “The Board acknowledges that there are certain circumstances where Executive Orders or other directives from local, state and federal authorities which may require the Board to deviate from this policy to accommodate health, safety and other considerations. Under those circumstances, the Board shall adopt a specific, case by case, resolution to comply with such orders and to continue the regular business of the PFRS only until such time as there can be reasonable compliance with the provisions of the policy”. Trustee James supported.

Yeas - Berent, James, McLellan, Moslimani, Naglick, Orzech, Pegg, Serda, Thomas, Trozak, Watson and Chairperson Gnatek – 12

Nays – None

Abstain – Trustee Jones – 1

- Trustee Serda suggested holding Board meetings in-person at other locations.
- Trustee Trozak inquired about a refund from Delta Dental for retirees on their July 1, 2020 pension check.
- **Trustee Pincheck joined the meeting at 9:27 a.m.**

**EXECUTIVE DIRECTOR’S REPORT**

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

- Slowly opening up the office to staff and the public in a couple of weeks
- Interviewers will be moved in larger offices
- Trustee Pegg discussed underpayment or overpayment of mandatory deductions.

**CHIEF INVESTMENT OFFICER’S REPORT**

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

- Wilshire Report
- ORG Report
- Black and Blue dated June 10, 2020
- Schroders Report

## **PUBLIC COMMENT**

- **Louis Sinagra** addressed the Board regarding the public request to continue joining the PFRS meetings telephonically after the expiration of COVID-19 restrictions.
- **Kathleen Colin, President of NASP of Detroit** addressed the Board on the Black Lives Matter Movement and asked the Board continue to be conscious of their Trustee selections and comments regarding diversity. Ms. Colin also indicated that NASP stands ready to assist the Board in anyway regarding diversity.

## **PUBLIC RELATIONS REPORT**

- News Release on new Chairman and Vice Chairman
- PFRS Investment Committee

## **LOBBYIST’S REPORT**

- Increase Diversity across the Board of Trustees
- Reports on daily and weekly basis
- Three Bills
  - House Bill 5837
  - Senate Bill 945
  - Senate Bill 957
  - CARES Act

## **Re: UHY PRESENTATION**

**Cory McNeley, UHY Advisors** discussed the following with the Board of Trustees:

- Budget
- ERP Implementation Schedule
- Payroll Opportunity

**Re: City of Detroit Retirement System Payroll:** Trustee Trozak moved to follow the recommendation of Executive Director, David Cetlinski and approve the contract with Procentia and move forward to switch the Payroll System from Paylocity to Procentia. Trustee Berent supported. The motion passed unanimously.

**GENERAL COUNSEL’S REPORT**

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

- EDRO
- Valerie Brader’s Memorandum
- Process for replacing Independent Investment Committee members
- Eric Raby v City of Detroit
- Norbert Zawislak v City of Detroit

**Re: Gentry Shelby v Wendy Shelby - Case No. 13-107522-DM**  
**Wayne County Circuit Court, Detroit, Michigan**

Motion By: Trustee Pegg – Supported By: Trustee Berent

**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 May 14, 2020, which supplements a Judgment of Divorce entered on July 1, 2014, where Alternate Payee **WENDY SHELBY** is awarded certain rights to the retirement benefits of Participant **GENTRY SHELBY**, a retired employee.

**WHEREAS**, the EDRO provides that the Alternate Payee **WENDY SHELBY** receive a monthly benefit from the retirement allowance portion of the Component I defined benefit plan in the amount of 50% of the marital portion of the participant’s defined benefit plan, including a pro-rata share of any guaranteed automatic pension increases which have accrued as of July 1, 2014;

**WHEREAS**, the EDRO defines “marital portion” as the increase in the accrued benefit from the date of marriage, July 31, 1993 through the division date, July 1, 2014; and

**WHEREAS**, the Alternate Payee **WENDY SHELBY** **IS** entitled to receive a monthly benefit from the retirement allowance portion of the Component I defined benefit plan in the amount of 50% of the marital portion of the participant’s defined benefit plan, including a pro-rata share of any guaranteed automatic pension increases which have accrued from as of July 1, 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 the Alternate Payee **WENDY SHELBY** receive distribution from the participant’s voluntary employee contributions portion of the Component I plan in the amount of 50% of the marital portion of the accumulated balance, including a pro-rata share of any annual adjustments made after July 1, 2014 and before the date of distribution to reflect gains or losses allocated to the participant’s voluntary employee contributions account; and



**WHEREAS**, the Alternate Payee **WENDY SHELBY IS** entitled to receive distribution from the participant's voluntary employee contributions portion of the Component I plan in the amount of 50% of the marital portion of the accumulated balance, including a pro-rata share of any annual adjustments made after July 1, 2014 and before the date of distribution to reflect gains or losses allocated to the participant's 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 provides that the Alternate Payee **WENDY SHELBY** receive a monthly benefit from the pension portion of the participant's Component II pension in the amount of 50% of the marital portion of the participant's pension, including a pro-rata share of any guaranteed automatic pension increases that have accrued as of July 1, 2014; and

**WHEREAS**, the Alternate Payee **WENDY SHELBY IS** entitled to receive a monthly benefit from the pension portion of the participant's Component II pension in the amount of 50% of the marital portion of the participant's pension, including a pro-rata share of any guaranteed automatic pension increases that have accrued as of July 1, 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 the Alternate Payee **WENDY SHELBY** receive a distribution from the Participant's Component II annuity savings fund equal to 50% of the marital portion of the accumulated balance under the plan as of July 1, 2014, including a pro-rata share of any annual adjustments made after July 1, 2014 to reflect gains or losses allocated to the defined contribution plan; and

**WHEREAS**, the Alternate Payee **WENDY SHELBY IS** entitled to receive a distribution from the Participant's Component II annuity savings fund equal to 50% of the marital portion of the accumulated balance under the plan as of July 1, 2014, including a pro-rata share of any annual adjustments made after July 1, 2014 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 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 Wendy Shelby and Participant Gentry Shelby.

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

Nays – None

**Re: NASP-Detroit recommendation for Police and Fire IC Member:** Trustee Pegg moved to nominate Mr. Orim Graves to be considered as a replacement for McCullough Williams on the PFRS Investment Committee. Trustee Jones supported. The motion passed unanimously.

### **NEW BUSINESS/OLD BUSINESS**

None

### **COMMITTEE REPORT**

Trustee Pegg discussed the Committee doing a joint meeting with the General Retirement System Investment Committee. Trustee Pegg also discussed the Investment Committee is considering a RFI instead of a RFP for the outsourced Chief Investment Officer.

Thank Trustee Matthew Gnatek for being the Chairman and guiding the System for the last year.

### **ADJOURNMENT**

Trustee Pegg moved to adjourn meeting #3263; Trustee Thomas supported.

Chairperson Gnatek adjourned the meeting at 10:54 A.M. The Board’s next meeting is scheduled for Thursday, July 16, 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