

MEETING NO. 3271
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **THURSDAY, NOVEMBER 05, 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/Chairperson
Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Matthew Gnatek	Elected Trustee/Police
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
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/Vice-Chairperson
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Deputy Budget Director/Budget Director's Designee

TRUSTEES EXCUSED

Portia Roberson	Ex/Officio/Mayor's 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
Bruce Babiarz	Public Relations Advisor
Dr. Oscar King III	Board Lobbyist

STAFF EXCUSED

None

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
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Meeting is being hosted electronically due to Covid-19 per Senate Bill 1108

CHAIRPERSON

Michael Berent

A verbal Roll Call commenced at 9:10 a.m. and Chairperson Berent called the meeting to order.

Present at Roll Call: Gnatek (Detroit, MI), James(Detroit, MI), McLellan(Detroit, MI), Naglick (Oakland County, MI), Orzech (Oakland County, MI), Pegg(Detroit, MI), Pincheck (Detroit, MI), Serda(Oakland County), Thomas(Detroit, MI), and Trozak (Macomb, MI) and Berent -Chairperson (Detroit, MI).

Re: Approval of November 05, 2020 Agenda

Trustee Gnatek moved to approve the agenda dated Thursday, November 05, 2020. Trustee Thomas supported. The motion passed unanimously.

Trustee Moslimani joined the meeting at 9:15 am (Detroit, MI)

Re: Approval of RETIREMENT Applications

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

NAME, TITLE, DEPARTMENT	David M. Levalley – Deputy Chief – Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	19 00 19 – 08 06 20

NAME, TITLE, DEPARTMENT	Brian M. Mounsey – Police Comm – PCOA - Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	06 01 00 – 08 01 20

NAME, TITLE, DEPARTMENT	Roger M. Salcedo – Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	20 09 01 – 10 10 20

NAME, TITLE, DEPARTMENT	Marian D. Smith – Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 06 10 – 07 01 20

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NAME, TITLE, DEPARTMENT Rickey Townsel, Sr. – Police Officer - Police
 RETIREMENT TYPE-PLAN Drop - New
 SERVICE CREDIT-EFFECTIVE DATE 17 00 05 – 06 26 20

RECEIPTS:

The Board acknowledged the following receipts:

Cash Receipts Cash Account: HYBLIQRES
 Company: RSCD-PFRS Start Date: 10/9/2020
 End Date: 10/30/2020

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
9/24/2020	GL	012599		After tax annuity contributions 9-25-20		15,755.89
10/9/2020	GL	012712		After tax annuity contributions 10-9-20		15,960.54
10/23/2020	GL	012839		After tax annuity contributions 10-23-20		14,557.74
10/23/2020	CA	Cash Entry	001929	Pre tax pension contributions 10-23-20	R/C	408,643.90
10/28/2020	AR	Payment		Employer Match July 1 - September 30, 2020 Police & Fire		5,118,672.37
						5,573,790.44

Cash Receipts Cash Account: LIQUID RES
 Company: RSCD-PFRS Start Date: 10/9/2020
 End Date: 10/30/2020

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
10/16/2020	CA	Cash Entry		Loan Deductions 10-9-20 (\$93,674.62)		93,674.62
10/29/2020	CA	Cash Entry		Loan Deductions 10-23-20 (\$93,470.59)		93,470.59
10/29/2020	CA	Cash Entry		Loan Deductions 10-16-20 (\$1,439.83)		1,439.83
						188,785.04

Total Receipts 5,762,575.48

Re: Approval of Disbursements

Trustee Gnatek moved to approve the Disbursement as outlined below. Trustee Thomas supported. The motion passed unanimously.

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 Date: 11/2/2020 8:42 AM

Disbursement Report

Account	Payment Method	Currency		
LIQUID RES	WIRE	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
AMERICAN SECURITIES PARTNERS VIII, LP	103020	Capital Call	89,303.00	
BNY Mellon	111-2020-0035435	Management Fees - 3rd Qtr '20	59,876.47	
Bridgett Hardy	103120BH	IT Contractual Wages - October 2020	3,775.39	
James R. Hollins	103120JH	IT Contractual Wages - October 2020	3,565.04	
MESIROW FINANCIAL REAL ESTATE VALUE FUND III	103020	Capital Call	219,568.97	
Raymond R. Tchou	103120RT	IT Contractual Wages - October 2020	6,640.99	
ROARK CAPITAL PARTNERS V, L.P.	102320	Capital Call	1,597,907.27	
TT International	20200930-114-A	Management Fees 3rd Qtr '20	96,952.13	
Venkat Rallapalli / Highbrow Systems, Inc.	103120VR	IT Contractual Wages - October 2020	9,002.05	
Cash Account/Payment Method Total:			9 Documents	2,086,591.31
HUNT VEND	ACH	US		
Vendor Name	Invoice Number	Invoice Description	Amount To Pay	
8x8 INC.	2786218	Phone System Services	1,307.33	
ADP, INC	566382136	Check Printing Services	443.95	
ADVENT CAPITAL MANAGEMENT, LLC	3Q20	Management Fees 3rd Qtr '20	97,680.17	
ATIVO CAPITAL	2530	Management Fees 3rd Qtr '20 (Net of 10% Fee Reduction	35,121.53	
BAIRD ADVISORS	BA203Q2314	Management Fees 3rd Qtr '20	47,981.55	
BLOOMBERG FINANCE LP	5605817696	Bloomberg Anywhere 10/21/20-1/20/21	5,910.00	
CDW GOVERNMENT	ZQJ9935	Computer Equipment	947.62	
CDW GOVERNMENT	ZQZ7143	Computer Equipment	947.62	
CDW GOVERNMENT	ZRD7987	Computer Equipment	1,895.24	
CDW GOVERNMENT	2173717	Computer Equipment	644.85	
GABRIEL, ROEDER, SMITH & CO	458168	EDRO Calculations for Mark Solomon	1,500.00	
GABRIEL, ROEDER, SMITH & CO	458217	EDRO Calculations for Jeremy MacNicol	1,500.00	
HARDMAN JOHNSTON GLOBAL ADVISORS	DETPFRE888590920	Management Fees 3rd Qtr '20	101,336.83	
HARVEST FUND ADVISORS LLC	Detroit P&F 2020 Q3	Management Fees 3rd Qtr '20	84,857.20	
KENNEDY CAPITAL MANAGEMENT	3Q20	Management Fees - 3rd Qtr '20	139,144.00	
LOOMIS, SAYLES & COMPANY, L.P.	211335	Management Fees 3rd Qtr '20	67,994.77	
Office of the Chief Financial Officer	1585728	Wages&Benefits CoD Employees FY20-21 1st Qtr	276,427.51	
PARADIGM ASSET MANAGEMENT CO., LLC	3Q20	Management Fees 3rd Qtr '20	62,893.62	

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PAYDEN & RYGEL	1612-M920	Management Fees - September 2020	7,734.00
PENN CAPITAL MANAGEMENT COMPANY, Inc	3Q20	Management Fees 3rd Qtr '20	57,724.06
Premier Parking (fka Ultimate Parking)	209444	Parking - November 2020	132.00
Premier Parking (fka Ultimate Parking)	209643	Parking - November 2020	2,112.00
Premier Parking (fka Ultimate Parking)	210022	Parking Validation Charges - September 2020	155.00
PUGH CAPITAL MANAGEMENT, INC.	3Q20	Management Fees 3rd Qtr '20	56,249.96
QUILL CORPORATION	11243012	Office Supplies	149.99
QUILL CORPORATION	11253484	Office Supplies	12.49
RACINE & ASSOCIATES	12796	DPF v. Paramount 9/1/20-9/30/20	2,090.90
RHUMBLINE ADVISERS	detpol22020Q3	Management Fees 3rd Qtr '20	17,346.00
RICOH	5060114536	Printer Maintenance	41.30
SMARTSHEET INC.	INV257675	Business Plan - Licensed Users + Pro Support	1,271.16
WELLS CAPITAL MANAGEMENT	13074135	Management Fees - 3rd Qtr '20	104,828.38
WELLS CAPITAL MANAGEMENT	13075531	Management Fees - 3rd Qtr '20	117,894.44
Xponance, Inc. (fka Piedmont Invest. Adv.)	INV12501	Management Fees - 3rd Qtr '20	22,137.73
Cash Account/Payment Method Total:		33 Documents	1,318,413.20

HUNT VEND	CHECK	US	Vendor Name	Invoice Number	Invoice Description	Amount To Pay
			ASCENSION MICHIGAN AT WORK	403830	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403829	Disability Initial Exam Fee	550.00
			ASCENSION MICHIGAN AT WORK	403828	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403827	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403151	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403152	Disability Initial Exam Fee	550.00
			ASCENSION MICHIGAN AT WORK	403154	Disability Initial Exam Fee	550.00
			ASCENSION MICHIGAN AT WORK	403149	Medical Record Review	75.00
			ASCENSION MICHIGAN AT WORK	403148	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403147	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403145	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403119	Disability Initial Exam Fee	550.00
			ASCENSION MICHIGAN AT WORK	403113	Disability Re-Exam Fee	275.00
			ASCENSION MICHIGAN AT WORK	403101	Disability Re-Exam Fee	275.00
			COMCAST	101720	High Speed Internet	202.74
			FEDEX	7-150-48336	Mailing	26.40
			FEDEX	7-156-82460	Mailing	26.40
			VERIZON WIRELESS	9864230898	Wireless Billing 9/5/20-10/4/20	782.47
			XEROX	011586199	Printer Maintenance	8.63
Cash Account/Payment Method Total:		19 Documents				5,796.64

* Payment amount is estimated based on the effective date 11/2/2020

Re: Approval of Refunds (Accumulated Contributions)

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

List number 3863 - \$ 243,803.79

List number 3864 - \$ 193,508.75

List number 3865 - \$ 22,811.32

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 Pincheck supported. The motion passed unanimously.

List #1 - \$34,956.00 – 10/22/2020

List #2 - \$50,373.00 – 10/29/2020

Re: Approval of Minutes

Trustee Gnatek moved to approve the Minutes of September 17, 2020. Trustee Trozak supported. The motion passed unanimously.

Yeas –Gnatek, McLellan, Moslimani, Naglick, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak, and Chairperson Berent, – 11

Nays – None

Abstain – James

ASSISTANT EXECUTIVE DIRECTOR’S REPORT

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

- Assets International Contract
- June 30, 2020 GASB 67/68 Comp II Report
- PFRS Budget to Actual September 30, 2020

Trustee Watson joined the meeting at 9:20 am (Detroit, MI)

Trustee Battle joined the meeting at 9:30 am (Detroit, MI)

Re: Assets International Contract

Trustee Gnatek moved to enter a contract with Asset International with a 15 percent fee upon review and approval by General Counsel Ronald King. Trustee Pegg supported. The motion passed unanimously

Re: June 30, 2020 GASB 67/68 Comp II Report (Legacy)

Trustee Gnatek moved to accept the June 30, 2020 GASB 67/68 Comp II Report (Legacy) by Gabriel Roeder, Smith and Company. The report will be forwarded to the City. Trustee Naglick supported. The motion passed unanimously.

EXECUTIVE DIRECTOR’S REPORT

Executive Director, David Cetlinski, had no formal report:

- An update on the Hybrid Loan Program. The Hybrid Loan program is still scheduled to be implemented by Thanksgiving.
- Trustee Pegg would like to discuss returning the staff to work full time.

Chief Investment Officer Report

Chief Investment Officer, Ryan Bigelow, had no formal report:

- The Investment Committee has a meeting scheduled on November 9, 2020 at 10:00 am.

PUBLIC COMMENT

- **Louis Sinagra** asked if the meetings would continue to be held electronically so that the public can continue to call in and listen.
- **Kathleen Colin, President of NASP of Detroit** informed the Board of the upcoming NASP Pension and Financial Services Virtual Conference which will be held December 7 – 10, 2020.

PUBLIC RELATIONS REPORT

- Mr. Babiarz commented that it would be helpful for Trustees to indicate if they are speaking or commenting on various issues in a capacity other than as a Trustee.
- Public comment area of agenda was reviewed.

LOBBYIST’S REPORT

- Schedule of the House and Senate

GENERAL COUNSEL’S REPORT

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

Open Meetings Act Amendments Senate Bill 1108
Greenhill Proposal

Senate Bill 1108

The Senate Bill 1108 was enacted into Law. For the purposes of the Board, it ratified all previously held meetings retroactively to March 18, 2020. It also modified the way meetings are to be held virtually through December 31, 2020. It requires members of a Public Body to state the City, County, or Township and State from where they are physically attending the meeting.

Greenhill Proposal Engagement

Greenhill provided the Board a proposed overview and scope of services.

Following discussion, Trustee Gnatek moved to refer the Greenhill Proposal to the Funding Policy Committee (a joint committee of Investment Committee members and Board Trustees) for review and discussion, and to make a recommendation to the Board. Trustee Pegg supported. The motion passed.

Yeas: Battle, Gnatek, Orzech, Pegg, Pincheck, Serda, Thomas, Trozak and Chairperson Berent-9

Nays: James, Jones, McLellan, Moslimani, Naglick, and Watson - 6

Re: Wilshire Presentation

Joann Bewick, and David Lindberg of Wilshire discussed the following with the Board of Trustees:

- Asset Allocation
- Current Policy
- Economic Factors
- Investors Challenge
 - Gold as an Asset Class
 - Gold vs U.S. Equity Market
 - Midstream Energy Infrastructure
 - Global Low Volatility Equity
- Asset Allocation Inputs and Modeling
 - Capital Market Assumptions
 - Efficient Frontier
 - Alternative Policies
 - Economic Factor Exposures
- Performance Estimate

Trustee Battle left at 10:51 am

Trustee McLellan left the meeting at 11:20 am

Trustee Naglick left the meeting at 11:26 am

Re: Pugh Capital

Marisa Grant, Deanna Hobson and Mary Pugh of Pugh Capital discussed the following with the Board of Trustees:

- Pugh Capital's Themes
- Monetary and Fiscal Stimulus
- Economic Indicators

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- Core PCE Inflation
- Consumer Sentiment
- Confidence Challenges
- Corporate Market
- Relative Value
 - Mortgage Rate and Prepayment Speeds
- Portfolio Positioning
- Fixed Income Market Review
- Performance and Sector Allocations

Trustee Naglick joined the meeting at 11:41 am
Trustee James left at 11:55 am

NEW BUSINESS/OLD BUSINESS

None

COMMITTEE REPORT

Policy Funding Committee Meeting Thursday, November 12, 2020 at 10:00 am.

ADJOURNMENT

Trustee Gnatek moved to adjourn meeting #3271; Trustee Pegg supported.

Chairperson Berent adjourned the meeting at 12:07 P.M. The Board's next meeting is scheduled for Thursday, November 19, 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