

MEETING NUMBER 3153

JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT

HELD THURSDAY, JULY 20, 2017

9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

JOSEPH ENGLISH	ELECTED TRUSTEE/FIRE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/HONORABLE MAYOR'S DESIGNEE
CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER
MEGAN S. MOSLIMANI	EX/OFFICIO TRUSTEE/CORPORATION COUNSEL'S ALTERNATE
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/VICE CHAIRMAN
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/HONORABLE MAYOR'S ALTERNATE
JOHN SERDA	ELECTED TRUSTEE/POLICE/CHAIRMAN
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE
STEVEN WATSON	EX/OFFICIO TRUSTEE/DIRECTOR OF SPECIAL PROJECTS-OFFICE OF CHIEF FINANCIAL OFFICER/BUDGET DIRECTOR'S DESIGNEE

TRUSTEES EXCUSED

MARK DIAZ	ELECTED TRUSTEE/POLICE
BRENDA JONES	EX/OFFICIO TRUSTEE/HONORABLE CITY COUNCIL PRESIDENT

TRUSTEES ABSENT

NONE

STAFF PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	CHIEF INVESTMENT OFFICER
RONALD A. KING	GENERAL COUNSEL
JANET S. LENEAR	RECORDING SECRETARY

STAFF EXCUSED

NONE

STAFF ABSENT

NONE

CHAIRMAN

JOHN SERDA

VICE CHAIRMAN

JEFFREY PEGG

FOLLOWING A VERBAL ROLL CALL, CHAIRMAN **SERDA** CALLED THE MEETING TO ORDER AT **9:04 A.M.**

JULY 20, 2013 AGENDA APPROVAL

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT TODAY'S **JULY 20, 2017** AGENDA BE APPROVED AS PREPARED AND PRESENTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, TROZAK, TUCKER AND CHAIRMAN SERDA – 8

NAYS – NONE

TRUSTEE **SEAN P. NEARY** ENTERED THE MEETING AT 9:05 A.M.

HYBRID APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TUCKER

RESOLVED, THAT THE **HYBRID APPLICATIONS** WHICH ARE OUTLINED BELOW BE APPROVED:

HYBRID APPLICATIONS

NAME-TITLE-DEPARTMENT:

GLEND A HEATH – INVESTIGATOR - POLICE

RETIREMENT TYPE-PLAN:

HYBRID DROP – 2014 PLAN

SERVICE CREDIT-EFFECTIVE DATE:

02 11 00 – 05 25 17

HYBRID APPLICATIONS - CONTINUED

HYBRID APPLICATIONS - CONTINUED

NAME-TITLE-DEPARTMENT: STEVEN FORD – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 03 01 00 – 09 10 17

NAME-TITLE-DEPARTMENT: CHARLES ADAMS – OFFICER - POLICE
RETIREMENT TYPE-PLAN: HYBRID SERVICE – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 01 04 00 – 07 03 17

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY,
TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

DROP APPLICATIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT THE **DROP APPLICATIONS** WHICH ARE REFERENCED BELOW
BE APPROVED:

DROP APPLICATIONS

NAME-TITLE-DEPARTMENT: DANIEL BAXENDALE – OFFICER - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 16 10 20 – 08 12 17

NAME-TITLE-DEPARTMENT: KEVIN SESSION – OFFICER - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 16 10 20 – 08 11 17

NAME-TITLE-DEPARTMENT: KEVIN KENDRICK – OFFICER - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 16 11 22 – 07 09 17

NAME-TITLE-DEPARTMENT: STEVEN FORD – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 22 10 16 – 09 10 17

DROP APPLICATIONS - CONTINUED

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY,
 TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

RECEIPTS

THE **RECEIPTS** WHICH FOLLOW WERE ACKNOWLEDGED BY THE BOARD:

RECEIPTS

The Police & Fire Retirement System of the City of Detroit			
Receipts for Acknowledgement			
7/3/17-7/14/17			
Meeting #3153			
July 20, 2017			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
Falconhead Capital Partners II	07/11/17	Distribution	561,159.42
Valstone Opportunity Fund IV	07/13/17	Distribution	551,414.58
Mesirov Arbitrage	07/13/17	Distribution	444,062.85
FIRST INDEPENDENCE BANK	07/07/17	Loan Deductions	42,762.48
FIRST INDEPENDENCE BANK	07/13/17	Loan Deductions	131,478.81
CITY OF DETROIT	07/10/17	Weekly Mandatory Employee Contribution	249,178.28
CITY OF DETROIT	07/10/17	Weekly Annuity Contribution	2,437.88
CITY OF DETROIT	07/14/17	Weekly Mandatory Employee Contribution	81,120.10
CITY OF DETROIT	07/14/17	Weekly Annuity Contribution	514.70
TOTAL RECEIPTS			\$ 2,064,129.10

DISBURSEMENTS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT THE **DISBURSEMENTS** WHICH FOLLOW BE APPROVED:

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3153 – THURSDAY – JULY 20, 2017

DISBURSEMENTS – CONTINUED

DISBURSEMENTS

Police & Fire Retirement System

Company: RSCD-PFRS

User: awitt

Branch: LEGACY

Meeting Date: 7/20/17

Category

Legal Expenses

Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
CHECK	12091	RACINE & ASSOCIATES	DPF v. Paramount: 3/1/17-3/31/17	5/6/2017	3,846.75
CHECK	12101	RACINE & ASSOCIATES	DPF v. Paramount: 4/1/17-4/30/17	6/4/2017	2,011.07
CHECK	12124	RACINE & ASSOCIATES	DPF v. Paramount: 5/1/17-5/31/17	7/13/2017	11,719.71
Category Total:				3 Documents	17,577.53

Investment Expenses

Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
WIRE	6911	American Realty Advisors (ARA)	Investment Advisory Fees - 2nd Qtr '17	8/2/2017	131,817.93
CHECK	20170331-144-147-A	CBRE CLARION SECURITIES	Management Fees - 1st Qtr '17	5/27/2017	80,131.88
WIRE	71117	Hamilton Lane	Capital Call	7/11/2017	2,155,265.00
CHECK	1Q17	KENNEDY CAPITAL MANAGEMENT	Management Fees - 1st Qtr '17	5/21/2017	184,234.00
CHECK	182967	LOOMIS, SAYLES & COMPANY, L.P.	Management Fees - 1st Qtr '17	5/13/2017	62,099.07
CHECK	2Q17 Micro	NORTHPOINTE CAPITAL, LLC	Management Fees - 2nd Qtr '17	8/4/2017	38,004.65
CHECK	2Q17	NORTHPOINTE CAPITAL, LLC	Management Fees - 2nd Qtr '17	8/4/2017	76,699.13
CHECK	1612-M517	PAYDEN & RYGEL	Management Fees - May 2017	7/14/2017	12,765.00
CHECK	11076749	WELLS CAPITAL MANAGEMENT	Management Fees - 1st Qtr '17	5/17/2017	78,687.77
CHECK	11077547	WELLS CAPITAL MANAGEMENT	Management Fees - 1st Qtr '17	5/19/2017	154,096.45
Category Total:				10 Documents	2,973,800.88

Administrative Expenses

Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	To Pay
CHECK	786408	500 WEBWARD LLC	Electrical Billing: 5/30/17-7/3/17, Meter #16055044	8/2/2017	876.52
CHECK	786409	500 WEBWARD LLC	Electrical Billing: 5/30/17-7/3/17, Meter #16055070	8/2/2017	885.81
CHECK	35838	500 WEBWARD LLC	OT HVAC for firework viewing	7/28/2017	225.00
CHECK	355751	500 WEBWARD LLC	Rent - July 2017	7/31/2017	23,765.04
CHECK	060917	BLOOMBERG BUSINESSWEEK	Bloomberg Businessweek Subscription	7/19/2017	15.00
CHECK	300789884	CINTAS CORPORATION-300	Floor Mats	8/11/2017	79.23
WIRE	070217	ConnectPay	Staff Wages: 6/19/17-7/2/17	7/2/2017	14,632.15
CHECK	1197385	CREATIVE BREAKTHROUGHS INC	IT Security Services	7/30/2017	12,400.00

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
MEETING NUMBER 3153 – THURSDAY – JULY 20, 2017

DISBURSEMENTS – CONTINUED

DISBURSEMENTS

CHECK	INV021544	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Implementation	8/5/2017	325.00
CHECK	10161916318	DELL MARKETING, LP	Computer Equipment	5/24/2017	4,385.00
CHECK	5-855-75515	FEDEX	FedEx Mailings	8/4/2017	44.63
CHECK	5-863-03742	FEDEX	FedEx Mailings	8/11/2017	21.28
CHECK	485631	First CHOICE Coffee Services	Coffee Supplies	6/23/2017	18.98
CHECK	490860	First CHOICE Coffee Services	Coffee Supplies	8/4/2017	161.13
CHECK	492737	First CHOICE Coffee Services	Equipment Rental	6/28/2017	8.63
CHECK	431147	GABRIEL, ROEDER, SMITH & CO	Actuarial Services for May 2017	7/14/2017	17,639.00
CHECK	431926	GABRIEL, ROEDER, SMITH & CO	EDRO Calculations for R. DeCrease	7/14/2017	600.00
CHECK	071717	GREGORY TROZAK	Trustee Parking	8/16/2017	120.00
CHECK	137943	IRON MOUNTAIN	Data Domain Services	7/30/2017	967.05
CHECK	201346328	IRON MOUNTAIN	Storage CD's	7/30/2017	674.56
CHECK	NZT3034	Iron Mountain Records Management	Storage Records	6/30/2017	1,656.41
CHECK	71017	J.Wroblewski	Pension Credit Reimbursement	7/10/2017	39.38
CHECK	8344	KELLEY CAWTHORNE	Lobbyist Services - June 2017	8/2/2017	7,500.00
CHECK	070317	NEOFUNDS BY NEOPOST	Postage	8/2/2017	376.34
CHECK	937243877002	OFFICE DEPOT	Office Supplies	8/16/2017	27.14
CHECK	8000820	PLANET TECHNOLOGIES, INC	Azure License: 7/2017-6/2018	8/5/2017	3,240.00
CHECK	7554749	QUILL CORPORATION	Office Supplies	7/15/2017	70.00
CHECK	7560641	QUILL CORPORATION	Office Supplies	7/15/2017	241.89
CHECK	7587623	QUILL CORPORATION	Office Supplies	7/15/2017	311.85
CHECK	7620117	QUILL CORPORATION	Office Supplies	7/15/2017	93.07
CHECK	7939430	QUILL CORPORATION	Office Supplies	7/30/2017	166.60
CHECK	7959119	QUILL CORPORATION	Office Supplies	7/30/2017	7.29
CHECK	7962533	QUILL CORPORATION	Office Supplies	7/30/2017	32.99
CHECK	071017	REGINALD E. ONEAL	Medical Billing: 5/15/17-6/12/17	8/9/2017	1,260.00
CHECK	8122597327	SHRED-IT USA	Shredding Service Charges	7/22/2017	48.73
WIRE	1219612	UHY Advisors MI, Inc. - IT	IT Database Support Services for June 2017	7/30/2017	2,700.00
WIRE	1219614	UHY Advisors MI, Inc. - IT	IT Services for June 2017	7/30/2017	76,837.50
WIRE	1218182	UHY Advisors MI, Inc. - Accounting	Professional Accounting Services for June 2017	7/30/2017	45,412.50
CHECK	9788674206	VERIZON WIRELESS	Wireless Service: 6/5/17-7/4/17	8/3/2017	3,208.51
CHECK	99009841	WELLS FARGO VENDOR FINANCIAL SVCS, LLC	RICOH Color Copier Lease	7/28/2017	129.11
CHECK	35872	WYCOM SYSTEM, INC	Annual Support Contract: 7/15/17-7/15/18	6/9/2017	262.13
CHECK	088953952	XEROX	Printer Maintenance	5/31/2017	3.96
CHECK	089300856	XEROX	Printer Maintenance	7/1/2017	12.42
CHECK	089670382	XEROX	Printer Maintenance	7/31/2017	42.56
Category Total:				44 Documents	221,524.39

DISBURSEMENTS – CONTINUED

DISBURSEMENTS

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
7/3/17-7/14/17			
Meeting #3153			
July 20, 2017			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
Annuity Refunds		Refund List #3692	601,480.12
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3152	55,922.00
TOTAL DISBURSEMENTS			\$ 657,402.12

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY,
 TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TUCKER

RESOLVED, THAT THE CONTRIBUTIONS TO THE **ANNUITY SAVINGS FUND** BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER 3692 - \$678,613.67

LIST NUMBER 3693 - \$734,656.53

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY,
 TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT THE **1974 DEFINED CONTRIBUTION PLAN LOAN REQUEST LISTS** SUBMITTED THIS DATE BE APPROVED AND THE REQUESTED AMOUNTS BE DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST #1 – \$55,992.00

LIST #2 – \$13,519.00

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY,
TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** ENTERED THE MEETING AT 9:08 A.M.

JUNE 15, 2017 MINUTE APPROVAL

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, JUNE 15, 2017** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY,
TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** DISCUSSED THE REQUESTS OF **COHEN MILSTEIN** AND CITY OF DETROIT FINANCE DIRECTOR **JOHN NAGLICK**.

COHEN MILSTEIN

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

WHEREAS, DANIEL S. SOMMERS INFORMED THE BOARD'S GENERAL COUNSEL THAT HE'D LIKE TO APPEAR BEFORE THE BOARD TO MAKE A SECURITIES FRAUD MONITORING AND LITIGATION PRESENTATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF **MR. SOMMERS** BE APPROVED AND A PRESENTATION DATE BE SCHEDULED ON HIS BEHALF SUBJECT TO **MR. SOMMERS** COMPLETING AND RETURNING TO THE BOARD THE BOARD'S NINE-POINT QUESTIONNAIRE:

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, TROZAK, TUCKER AND CHAIRMAN SERDA – 9

NAYS – NONE

TRUSTEE **STEVEN WATSON** ENTERED THE MEETING AT 9:17 A.M.

CITY OF DETROIT HRA OPEB PLAN

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TUCKER

WHEREAS, CITY OF DETROIT FINANCE DIRECTOR **JOHN NAGLICK** HAS PRESENTED THE BOARD WITH A JULY 24, 2017 REQUEST TO HAVE THE BOARD'S ACTUARY, GABRIEL, ROEDER, SMITH & COMPANY, PERFORM AN ACTUARIAL COST STUDY AND FUNDING POLICY REGARDING THE CITY'S DESIRE TO ESTABLISH A HEALTH CARE BENEFIT FOR ACTIVE POLICE PERSONNEL; NOTING THAT THE CITY WILL REIMBURSE THE SYSTEM FOR ANY AND ALL COSTS ASSOCIATED WITH THIS REQUEST, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF FINANCE DIRECTOR **JOHN NAGLICK** BE APPROVED, AND BE IT FURTHER

CITY OF DETROIT HRA OPEB PLAN - CONTINUED

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO FINANCE DIRECTOR **JOHN NAGLICK**, AND THE BOARD'S ACTUARY, GABRIEL, ROEDER, SMITH & COMPANY:

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 10

NAYS – NONE

MR. CETLINSKI ALSO ASKED THE BOARD TO APPROVE THE POSTING OF THE SYSTEM'S ASSISTANT EXECUTIVE DIRECTOR AND RSCD CHIEF ACCOUNTING OFFICER REQUESTS FOR PROPOSALS.

ASSISTANT EXECUTIVE DIRECTOR AND CHIEF ACCOUNTING OFFICER REQUESTS FOR PROPOSALS

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM ASSISTANT EXECUTIVE DIRECTOR AND RSCD CHIEF ACCOUNTING OFFICER REQUESTS FOR PROPOSALS BE POSTED ONLINE AND WITH ALL APPLICABLE MEDIA OUTLETS AND TRADE ASSOCIATIONS:

YEAS – TRUSTEES ENGLISH, GNATEK, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 10

NAYS – NONE

EXECUTIVE DIRECTOR'S REPORT

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** HAD NOTHING TO REPORT.

CHIEF INVESTMENT OFFICER'S REPORT

CHIEF INVESTMENT **OFFICER RYAN C. BIGELOW** HAS NOT YET ATTENDED THE MEETING.

PUBLIC RELATIONS ADVISOR'S REPORT

PUBLIC RELATIONS ADVISOR **BRUCE BABIARZ** IS EXCUSED FROM TODAY'S MEETING.

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** ENTERED THE MEETING AT 9:25 A.M.

LOBBYIST'S REPORT

LOBBYIST **OSCAR W. KING, III** PROVIDED THE BOARD WITH A MICHIGAN LEGISLATIVE UPDATE.

TRUSTEE **PORTIA ROBERSON** ENTERED THE MEETING DURING **MR. KING'S** REPORT (AT 9:26 A.M.). TRUSTEES **ANGELA R. JAMES** AND **JEFFREY PEGG** ALSO ENTERED THE MEETING DURING **MR. KING'S** REPORT (TRUSTEE **JAMES** AT 9:37 A.M., AND TRUSTEE **JEFFREY PEGG** AT 9:40 A.M.).

CHIEF INVESTMENT OFFICER'S REPORT

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** INFORMED THE BOARD THAT POLICE AND FIRE'S INVESTMENT COMMITTEE WILL MEET ON MONDAY, JULY 24, 2017 AT 9:00 A.M. TO INTERVIEW TWO IC SUCCESSOR CANDIDATES AND THE SYSTEM'S JUNE 30, 2016 ANNUAL ACTUARIAL VALUATION OF COMPONENT I.

GABRIEL ROEDER AND WILSHIRE WILL ALSO ATTEND THE MEETING. GABRIEL ROEDER WILL DISCUSS THE SYSTEM'S FUNDING POLICY/TIMING; AND WILSHIRE WILL PROVIDE THE COMMITTEE WITH A MANAGER PERFORMANCE UPDATE.

GENERAL COUNSEL'S REPORT

GENERAL COUNSEL **RONALD A. KING** ASKED THE BOARD TO ENTER INTO CLOSED SESSION TO DISCUSS PENDING LITIGATION.

CLOSED SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TUCKER

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, PEGG, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 13

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **9:43 A.M.**

OPEN SESSION

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, PEGG, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 13

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **10:20 A.M.**

CENTURYLINK SECURITIES

BY TRUSTEE ROBERSON – SUPPORTED BY TRUSTEE NAGLICK

WHEREAS, KIRBY MCINERNEY HAS REPORTED TO THE BOARD'S GENERAL COUNSEL REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST **CENTURYLINK SECURITIES**, AND

WHEREAS, KIRBY MCINERNEY HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT **KIRBY MCINERNEY** IS HEREBY SELECTED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO **KIRBY MCINERNEY**, AND THE BOARD'S GENERAL COUNSEL:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK,
NEARY, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA
– 12

NAYS – TRUSTEE PEGG – 1

RECESS

THE BOARD RECESSED FROM **10:29 A.M.** UNTIL **10:33 A.M.**

UHY

UHY REPRESENTATIVES **CINDY HANNAFEY** AND **COREY MCNEALY** PROVIDED THE BOARD WITH A PHASE III PROCESS AND ERP IMPLEMENTATION UPDATE:

DOCUMENT MANAGEMENT: COMPLETED EXTRACT OF ALL MEMBER DOCUMENTS AND BUSINESS RELATED IMAGES; 90% COMPLETE WITH ALL OTHER DOCUMENTS

INCOME VERIFICATION: TESTING NEW PROCESS THAT WILL ELIMINATE THE NEED FOR DISABLED MEMBERS TO CERTIFY QUARTERLY AND ANNUAL INCOME. MEMBERS WILL BE REQUIRED TO COMPLETE ONE FORM EVERY THREE YEARS. SAID PROCESS WILL ALSO ELIMINATE THE NEED TO MAIL FIVE CORRESPONDENCES TO MEMBERS ANNUALLY

PAYROLL PROCESSING: ISSUED INITIAL RFI (REQUEST FOR INFORMATION) TO IDENTIFY SOLUTION PROVIDERS; FINALIZED RFP (REQUEST FOR PROPOSAL) PUBLISHED WITH OFFICIAL CLOSING SLATED FOR MID-AUGUST. INITIAL SOLUTIONS IDENTIFIED INDICATE AN OVERALL ANNUAL SAVINGS OF \$175,000

CALCULATIONS: FINAL APPROVAL ON LEGACY AND HYBRID CALCULATIONS DOCUMENTS OBTAINED; SUBMITTED CALCULATIONS TO PROCENTIA FOR INITIAL REVIEW

ACCOUNTING SOFTWARE: SOFTWARE TO END USERS TRANSITION COMPLETED; SOFTWARE IMPLEMENTATION FINALIZED AND CLOSED

VOLP: CONFIGURATION AND DEPLOYMENT OF NEW VOLP SOLUTION SUCCESSFUL; CURRENTLY DEVELOPING VOLP PERFORMANCE METRICS

OPEN TEXT CONTRACT: CONTRACT RE-NEGOTIATED WHICH RESULTED IN A 62% REDUCTION IN ANNUAL OPERATING EXPENSE

RACINE & ASSOCIATES

SPECIAL LEGAL COUNSEL **MARIE RACINE** APPEARED BEFORE THE BOARD TO DISCUSS AN ATTORNEY/CLIENT PRIVILEGED MATTER, SO CHAIRMAN **SERDA** ASKED THE BOARD TO ENTER INTO CLOSED SESSION.

CLOSED SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE TROZAK

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING A MATTER INVOLVING ATTORNEY/CLIENT PRIVILEGE:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, PEGG, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 13

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **10:55 A.M.**

OPEN SESSION

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE NEARY

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, PEGG, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 13

NAYS – NONE

OPEN SESSION - CONTINUED

THE BOARD RETURNED TO OPEN SESSION AT **12:38 P.M.**

TRUSTEE **PEGG** EXCUSED HIMSELF AT 12:36 P.M.

REPORT OF SPECIAL LEGAL COUNSEL RACINE & ASSOCIATES

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NAGLICK

WHEREAS, SPECIAL LEGAL COUNSEL IN THIS MATTER, **RACINE & ASSOCIATES**, HAS REPORTED ON THE STATUS OF VARIOUS MATTERS RELATING TO PENDING LITIGATION, AND

WHEREAS, SPECIAL LEGAL COUNSEL HAS PRESENTED THE BOARD WITH INFORMATION RELATING TO THE LITIGATION AND THE BOARD'S RIGHTS IMPACTED THEREIN, INCLUDING AN UPDATE REGARDING THE STATUS OF THE RECEIVERSHIP ESTATE, AND

WHEREAS, THE BOARD HAS DISCUSSED THESE MATTERS, THEREFORE BE IT

RESOLVED, THAT THE BOARD AUTHORIZES SPECIAL LEGAL COUNSEL TO PROCEED WITH THESE MATTERS AS DISCUSSED IN CLOSED SESSION, AND BE IT FURTHER

RESOLVED, THAT SPECIAL LEGAL COUNSEL RETURN AT A FUTURE MEETING, TO BE SCHEDULED, WITH DETAILS REGARDING THE RECEIVERSHIP ESTATE, INCLUDING COMPLETING LIQUIDATION AND THE STATUS OF ANY OTHER MATTERS PENDING WITH REGARD TO THE RECEIVERSHIP ESTATE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE IMMEDIATELY FORWARDED TO **RACINE & ASSOCIATES** (ATTENTION: MARIE T. RACINE), 1001 WOODWARD AVENUE, SUITE 1100, DETROIT, MICHIGAN 48226:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 12

NAYS – NONE

COMMITTEE DISCUSSION

THE BOARD DISCUSSED ITS VARIOUS COMMITTEES, AND THE FOLLOWING TRUSTEES AND GENERAL COUNSEL REQUESTED TO SERVE ON SAID COMMITTEES. ADDITIONALLY, ONE COMMITTEE SEAT WAS VACATED AND ONE WAS DISSOLVED.

BUDGET: TRUSTEE **MCLELLAN** HAS BEEN NAMED TO SERVE ON THIS COMMITTEE

CUSTOMER SERVICE: TRUSTEE **ENGLISH** HAS BEEN NAMED TO SERVE ON THIS COMMITTEE

DISABILITY: TRUSTEES **MOSLIMANI** AND **ENGLISH** AND GENERAL COUNSEL **RONALD A. KING** HAVE BEEN NAMED TO SERVE ON THIS COMMITTEE

DROP (DEFERRED RETIREMENT OPTION PLAN): GENERAL COUNSEL **RONALD A. KING** HAS BEEN NAMED TO SERVE ON THIS COMMITTEE

INFORMATION TECHNOLOGY: TRUSTEES **ENGLISH** AND **TUCKER** HAVE BEEN NAMED TO SERVE ON THIS COMMITTEE

INVESTMENT ROUNDTABLE: TRUSTEES **ROBERSON** AND **MCLELLAN** HAVE BEEN NAMED TO SERVE ON THIS COMMITTEE

LEGAL REVIEW: TRUSTEES **ROBERSON** AND **MCLELLAN** HAVE BEEN NAMED TO SERVE ON THIS COMMITTEE

PUBLIC RELATIONS: TRUSTEE **ENGLISH** HAS BEEN NAMED TO SERVE ON THIS COMMITTEE; AND TRUSTEE **JAMES** VACATED HER SEAT

STAFF: THIS COMMITTEE HAS BEEN DISSOLVED

APPROVAL OF COMMENCEMENT DATE OF DAVID CETLINSKI AS EXECUTIVE DIRECTOR AND EXTENSION OF PERSONAL SERVICES CONTRACT OF CYNTHIA A. THOMAS AS CONSULTING DIRECTOR EFFECTIVE SEPTEMBER 11, 2017

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE ROBERSON

WHEREAS, AT ITS REGULAR MEETING ON THURSDAY, JULY 20, 2017, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (“PFRS”) WAS ADVISED THAT THE JOINT PERSONNEL COMMITTEE (“JPC”) RECOMMENDS THAT THE COMMENCEMENT DATE OF DAVID CETLINSKI AS THE RECENTLY APPOINTED EXECUTIVE DIRECTOR BEGIN ON SEPTEMBER 11, 2017 AND THAT THE CONTRACT OF CYNTHIA A. THOMAS AS CONSULTING DIRECTOR BE EXTENDED FOR SIX (6) MONTHS, BEGINNING ON SEPTEMBER 11, 2017, WITH A REVIEW TO BE CONDUCTED BY THE JPC AFTER THREE (3) MONTHS, AND

WHEREAS, THE BOARD HAS CONSIDERED THIS MATTER IN OPEN SESSION, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES AND ADOPTS THE RECOMMENDATION OF THE JPC AS SET FORTH ABOVE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO DAVID CETLINSKI; CYNTHIA A. THOMAS; AND THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM:

YEAS – TRUSTEES ENGLISH, GNATEK, JAMES, MCLELLAN, MOSLIMANI, NAGLICK, NEARY, ROBERSON, TROZAK, TUCKER, WATSON AND CHAIRMAN SERDA – 12

NAYS – NONE

PUBLIC FORUM

AT **1:00 P.M.**, **CHAIRMAN SERDA** DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, **CHAIRMAN SERDA** ADJOURNED THE MEETING AT **1:03 P.M.** UNTIL **THURSDAY, AUGUST 3, 2017,** AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "David Cetlinski". The signature is written in a cursive, flowing style.

DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR