

MEETING NO. 3179
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, JANUARY 18, 2018

09:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

SHAWN BATTLE	EX/OFFICIO TRUSTEE/FIRE PREVENTION CHIEF/MAYOR'S DESIGNEE
MARK DIAZ	ELECTED TRUSTEE/POLICE
JOSEPH ENGLISH	ELECTED TRUSTEE/FIRE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/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
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/VICE CHAIRMAN
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/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

BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
SEAN P. NEARY	ELECTED TRUSTEE/FIRE

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Sean Gallagher (Via Phone)	For General Counsel
Ronald King (Via Phone)	General Counsel
Bruce Babiarz	Public Relations Consultant
TaKneisha Johnson	Administrative Assistant III

STAFF EXCUSED

None

VICE CHAIRPERSON

Jeffrey Pegg

The Board's Administrative Assistant took a verbal Roll Call at 9:10 a.m. and Vice-Chairperson Pegg called the meeting to order.

Present at Roll Call: Shawn Battle, Joseph English, Matthew Gnatek, Christa Mclellan, Jeffrey Pegg, Gregory Trozak, John Tucker and Steven Watson

Re: Approval of January 18, 2018 Agenda

Motion By: Trustee Tucker – Supported By: Trustee Gnatek

RESOLVED, that today's January 18, 2018 agenda is approved as prepared and submitted by the Board's Recording Secretary with the omission of the legal discussion:

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

Executive Director David Cetlinski introduced his successor, Kelly Tapper, new Assistant Executive Director; Police and Fire. Mr. Cetlinski also discussed personnel concerns.

Re: Hybrid Retirement(s)

Motion By: Trustee Gnatek - Supported By: Trustee Mclellan

RESOLVED, that the application(s) for **HYBRID RETIREMENT** as outlined below be hereby APPROVED:

NAME-TITLE-DEPARTMENT:	JOHN BENNETT – OFFICER - POLICE
RETIREMENT TYPE-PLAN:	HYBRID VESTED PENSION – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE:	02 00 00 – 07 04 16
EFFECTIVE DATE	01-01-18

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

Re: Drop Application(s)

Motion By: Trustee Gnatek - Supported By: Trustee English

RESOLVED, that the application(s) for **DROP PLAN** which is outlined below be hereby APPROVED:

NAME-TITLE-DEPARTMENT: MARC DELUCA – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 19 05 13 – 01 17 18

NAME-TITLE-DEPARTMENT: NATHAN JOHNSON – OFFICER - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 16 08 18 – 12 19 17

NAME-TITLE-DEPARTMENT: STEPHEN GEELHOOD – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 20 00 18 – 12 18 17

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

Re: Service Retirement(s)

Motion By: Trustee Gnatek - Supported By: Trustee English

RESOLVED, that the application(s) for SERVICE RETIREMENT as outlined below be hereby APPROVED:

NAME-TITLE-DEPARTMENT: EDWARD LEAHEY – OFFICER - POLICE
RETIREMENT TYPE-PLAN: SERVICE - NEW
SERVICE CREDIT-EFFECTIVE DATE: 16 08 27 – 11 18 17

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

RECEIPTS: The Board received the following receipts for Acknowledgment:

The Police & Fire Retirement System of the City of Detroit			
Receipts for Acknowledgement			
1/1/18-1/12/18			
Meeting #3179			
January 18, 2018			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
RECEIPTS			
Guggenheim High Yield Fund	01/04/18	Distribution	10,000,000.00
FalconHead Capital Partners II	01/04/18	Distribution	12,796.66
Guggenheim High Yield Fund	01/04/18	Distribution	10,000,000.00
Alex Brown Realty - Beethoven	01/09/18	Distribution	11,577.24
Lighstone Value Plus	01/09/18	Distribution	151,437.66
Analytic	01/10/18	Distribution	7,500,000.00
Mesirow Arbitrage	01/12/18	Distribution	219,292.91
FIRST INDEPENDENCE BANK	01/05/18	Loan Deductions	42,478.12
FIRST INDEPENDENCE BANK	01/09/18	Loan Deductions	129,284.78
CITY OF DETROIT	01/05/18	Weekly Mandatory Employee Contribution	263,404.86
CITY OF DETROIT	01/05/18	Weekly Annuity Contribution	573.94
CITY OF DETROIT	01/12/18	Weekly Mandatory Employee Contribution	89,712.99
CITY OF DETROIT	01/12/18	Weekly Annuity Contribution	226.87
TOTAL RECEIPTS			\$ 28,420,786.03

Prepared by Witt, Ake on 1/10/2018

Page 1 of 1

Re: Disbursements

Resolution Moved By: Trustee Gnatek - Supported By: Trustee English

RESOLVED, that the DISBURSEMENTS which follows be approved:

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
1/1/18-1/12/18			
Meeting #3179			
January 18, 2018			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
Retired Payroll		Direct Deposit for Retirees - 1/1/18	17,371,066.80
Retired Payroll		Checks for Retirees - 1/1/18	6,724,578.68
Annuity Refunds		Refund List #3717	473,517.16
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3178	156,201.00
TOTAL DISBURSEMENTS			\$ 24,725,363.64

Prepared by Witt, Alec on 1/10/2018

Page 1 of 1

Police & Fire Retirement System

Company: RSCD-PFRS

User: awitt

Branch: LEGACY

Account Payment Method

F ACCT PAY ACH

Type	Vendor Ref.	Bill Description	Bill Description	Due Date	To Pay
BILL	99590187	ACP, INC	Check Printing Services	1/14/2018	17,019.23
BILL	3017	HARVEST FUND ADVISORS LLC	Management Fees - 3rd Qtr '17	12/31/2017	144,848.94
BILL	4017	NORTHPOINTE CAPITAL, LLC	Management Fees - 4th Qtr '17	2/7/2018	84,231.16
BILL	4017 Misc	NORTHPOINTE CAPITAL, LLC	Management Fees - 4th Qtr '17 Misc	2/7/2018	35,491.06
BILL	1612-M1117	PAYDEN & RYCEL	Management Fees - November 2017	1/12/2018	7,501.00
BILL	1465535	PLANTE & MORAN	Financial Statement Audit for year-end 6/30/17	1/25/2018	40,525.00
BILL	1466932	PLANTE & MORAN	GASB 88 Schedules Audit for year-end 6/30/16	1/25/2018	13,950.00
BILL	4017	SALENT CAPITAL ADVISORS, LLC	Management Fees - 4th Qtr '17	2/4/2018	130,921.52
BILL	1236916	UHY Advisors MI, Inc.	Professional IT Services for December 2017	1/30/2018	14,812.50
BILL	1236899	UHY Advisors MI, Inc.	Professional IT Services for December 2017	1/30/2018	33,300.00
BILL	1235575	UHY Advisors MI, Inc.	Professional Accounting Services for December 2017	1/30/2018	24,675.00
BILL	86100170730	WILSHIRE ASSOCIATES INCORPORATED	Consulting Services Adjustment - 4th Qtr '17	11/27/2017	2,783.95
Cash Account/Payment Method Total:				10 Documents	550,057.36

F ACCT PAY Check Payment

Type	Vendor Ref.	Bill Description	Bill Description	Due Date	To Pay
BILL	01052016	ALEX BROWN REALTY	Loan Servicing Fees - December 2017	2/4/2018	520.79
BILL	120717	ANGELA JAMES	Trustee Parking	1/6/2018	80.00
BILL	2018-005	BAB ASSOCIATES, LLC	Media Consultant - November and December 2017	2/1/2018	5,635.40
BILL	631062	Bodman PLC	Payroll Contact Review	1/25/2018	1,150.00
BILL	300162392	ONTAS CORPORATION-300	Floor Mats	1/27/2018	79.25
BILL	01012018	Cogent Communications, Inc.	Internet Service	1/31/2018	1,023.00
BILL	121717	COMCAST	High Speed Internet	1/16/2018	171.79
BILL	2548	COURTLAND PARTNERS, LTD.	Management Fees - 4th Qtr '17	1/30/2018	48,927.00
BILL	122617	CRANS DETROIT BUSINESS	2 Year Subscription	1/25/2018	98.00
BILL	011118	CRANS DETROIT BUSINESS	Subscription	2/1/2018	29.50
BILL	1196264	CREATIVE BREAKTHROUGHS INC	IT Security Services	1/30/2018	9,900.00
BILL	861027768	CRESTWOOD ASSOCIATES L.L.C.	Acamatica Subscription Renewal	1/25/2018	11,300.00
BILL	3314776387	DIRECTV	Service Charges	1/23/2018	34.50

Re: Disbursements (Continued)

BILL	160-1399454	EXAMWORKS, INC.	Independent Medical Evaluation	12/15/2017	775.00
BILL	160-1428054	EXAMWORKS, INC.	Independent Medical Evaluation	1/27/2018	910.00
BILL	6-045-51561	FEDEX	FedEx Mailings	2/2/2018	23.98
BILL	435216	GABRIEL, ROEDER, SMITH & CO	Actuarial Services for December 2017	1/31/2018	9,917.00
BILL	120717	GREGORY TROZAK	Trustee Parking	1/6/2018	120.00
BILL	4Q17	GREGORY TROZAK	Trustee Stipend	2/3/2018	572.24
BILL	144987	IRON MOUNTAIN	Data Domain Service	1/30/2018	1,396.85
BILL	201507318	IRON MOUNTAIN	Storage CDs	1/30/2018	694.43
BILL	PRG5514	Iron Mountain Records Management	Records Storage	1/30/2018	1,627.84
BILL	4Q17	JOHN TUCKER	Trustee Stipend	2/8/2018	572.24
BILL	8849	KELLEY CAWTHORNE	Lobbyist Services for January 2018	2/1/2018	7,500.00
BILL	7815260	MICRO CENTER	2 Color Printers	2/4/2018	1,099.98
BILL	010318	NEOFUNDS BY NEOPOST	Postage	2/2/2018	1,036.82
BILL	994250200001	OFFICE DEPOT	Office Supplies	2/3/2018	167.52
BILL	994250201001	OFFICE DEPOT	Office Supplies	2/3/2018	11.40
BILL	994250203001	OFFICE DEPOT	Office Supplies	2/3/2018	26.83
BILL	010418	REGINALD E. ONEAL	Medical Billings 11/28/17-12/11/17	2/3/2018	595.00
BILL	12207	RACINE & ASSOCIATES	DPF v. Paramount - 10/1/17-10/31/17	12/14/2017	12,319.74
BILL	12222	RACINE & ASSOCIATES	DPF v. Paramount - 11/1/17-11/30/17	1/14/2018	2,234.07
BILL	12239	RACINE & ASSOCIATES	DPF v. Paramount - 12/1/17-12/31/17	2/11/2018	2,261.10
BILL	99914182	RICOH	Printer Maintenance	1/30/2018	129.11
BILL	8123782851	SHRED-IT USA	Shredding Service Charges	1/21/2018	48.73
BILL	091729842	XEROX	Printer Maintenance	1/31/2018	11.67
Cash Account/Payment Method Total:				37 Documents	123,060.76

LIQUID RES Wire Transfer

Type	Vendor Ref.	Bill Description	Bill Description	Due Date	To Pay
BILL	652071	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru April 2015	6/18/2015	1,960.00
BILL	673931	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru February 2016	4/10/2016	88.50
BILL	672377	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru January 2016	3/18/2016	1,239.00
BILL	658393	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru July 2015	9/16/2015	1,344.00
BILL	656133	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru June 2015	8/15/2015	700.00
BILL	653770	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru May 2015	7/12/2015	504.00
BILL	723788	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru November 2017	1/11/2018	299.37
BILL	684883	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru October 2015	12/11/2015	812.00
BILL	721751	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru October 2017	12/14/2017	807.50
BILL	683186	ARNALL GOLDEN GREGORY LLP	In re Roy Dixo, Jr. Chapter 11 thru September 2015	11/19/2015	364.20
BILL	123117	Bridgett Hardy	IT Contractual Wages - December 2017	1/30/2018	3,498.37
BILL	10417	GREENFIELD ACQUISITION PARTNERS VII	Capital Call	1/17/2018	2,710,715.00
BILL	123117	James R. Hollins	IT Contractual Wages - December 2017	1/30/2018	4,327.79
BILL	123117	Raymond R. Tchou	IT Contractual Wages - December 2017	1/30/2018	8,505.18
BILL	123117	Scott D. Vrooman	IT Contractual Wages - December 2017	1/30/2018	1,053.00
BILL	123117	Venkat Rallapalli / Highbrow Systems, Inc.	IT Contractual Wages - December 2017	1/30/2018	6,753.91
Cash Account/Payment Method Total:				15 Documents	2,742,971.82

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

Re: Refunds of Accumulated Contributions

Motion 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 the Retirement System Accounting Staff:

LIST NUMBER 3718 - \$367,146.36

LIST NUMBER 3719 - \$264,214.39

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

Re: 1974 Defined Contribution Plan/ Employee Loan Program

Motion By: Trustee Gnatek - Supported By: Trustee Trozak

RESOLVED, that the 1974 Defined Contribution Plan/ Loan Request Lists submitted on this date be hereby **APPROVED** and the requested amounts be disbursed pending audit by Retirement System Accounting Staff:

LIST #1 – \$156,201.00

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

Re: Minutes/Journal No. 3173 – (12/07/17)

Motion By: Trustee Trozak – Supported By: Trustee Gnatek

RESOLVED, that the Minutes/Journal of Proceedings of the Police and Fire Retirement System of the City of Detroit, of Meeting No. 3173, held on December 07, 2017, be hereby **APPROVED** as recorded and submitted.

Yeas – Trustees Battle, English, Gnatek, Mclellan, Pegg, Trozak, Tucker and Watson - 8

Nays – None

- **Chairperson Serda** entered the Boardroom at 09:15 a.m.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Kelly Tapper**, had no formal report.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- Receipts for acknowledgement (found in the agenda)
 - Recommendation to remove report from the agenda. ***The Trustees would like this report to remain in the agenda.***
 - Approval of the Annual Audit Report. *Members will be notified that the Annual Report is available via check stubs for retirees and Group Wise for actives.* Assistant Executive Director Kelly Tapper is also in the process of creating a quarterly informational newsletter; date forthcoming.
 - Detroit Police Benefit and Protective Association request
 - First Independence Payment Issue
 - Personnel Changes

Motion by: Trustee Pegg– Seconded by Trustee Gnatek, motion to acknowledge and approve the Annual Audit report as presented with proposed additions and changes. *The motion passed by a unanimous vote.*

Motion by: Trustee Trozak– Seconded by Trustee Pegg, motion to acknowledge and approve the annual request from the Detroit Police Benefit and Protective Association as presented with use of list only for its requested purpose. *The motion passed by a unanimous vote.*

EXECUTIVE DIRECTOR'S REPORT (Continued)

- Signatory Listing

Motion by: Trustee Gnatek– Seconded by Trustee Pegg, motion to acknowledge and approve the updated signatory list with proposed suggestions from the Executive Director. *The motion passed by a unanimous vote*

- **Oscar King III** entered the Boardroom at 09:27 a.m.
- **Bruce Babiarz** entered the Boardroom at 9:27 a.m.

~Executive Director's Report concludes~

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, discussed the following matters with the Board:

- Summary Asset Allocation Report date ending December 31, 2017 (Black and Blue)
- Seminole Equity /REIT
- **Trustee Portia Roberson** entered the Boardroom at 9:41 a.m.
- **Trustee John Naglick** entered the Boardroom at 9:46 a.m.
- **Trustee Megan Moslimani** entered the Boardroom at 9:51 a.m.
- **Trustee Angela James** entered the Boardroom at 10:10 a.m.

Motion by: Trustee Pegg– Seconded by Trustee Roberson, motion to approve the Seminole Equity REIT First Amendment to the Second Amended and Restated Shareholders Agreement. The Motion passed by a vote as follows:

Yeas: Battle, English, Gnatek, Mclellan, Moslimani, Naglick, Pegg, Roberson, Serda, Trozak, Tucker and Watson – 12

Nays: None

Abstentions: James - 1

- Insight Technology Fund and the Life Assurance Fund updates will come back before the Board at a later date.

~Chief Investment Officer's Report concludes~

Funding Policy Discussion

Trustee Naglick led the discussion for the establishment of the Funding Policy/
Funding Policy Committee.

PUBLIC RELATIONS ADVISOR REPORT

Public Relations Advisor, **Bruce Babiarz**, discussed the following matters with the Board:

- Paramount report will air on WXYZ at 11:00 p.m. on (11/18/2018)
- Consideration of news release regarding Staff changes and other positive information
- Media Training consideration

LOBBYIST'S REPORT

Lobbyist, **Oscar King III**, discussed the following matters with the Board:

- Summary of Legislative Bills

- ***The Board recessed for a brief break at 10:49 a.m. and resumed at 11:02 a.m.***

PRESENTATION:

Re: UHY Consultants

Cory McNeely and Cynthia Hannafey came before the Board of Trustees to discuss the Process and ERP Implementation update.

- ***Trustee Mark Diaz entered the Boardroom at 11:26 a.m.***

NEW BUSINESS/OLD BUSINESS

- *The Legal discussion has been moved to February 1, 2018.*

ADJOURNMENT

There being no further business before the Board, **Chairperson Serda** adjourned the meeting at 12:04 p.m. The Board's next meeting is scheduled for **Thursday, February 01, 2018**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



DAVID CETLINSKI, EXECUTIVE DIRECTOR