

MEETING NO. 3205
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, JULY 19, 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
MICHAEL F. BERENT	ELECTED TRUSTEE/FIRE
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYOR'S DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
MEGAN S. MOSLIMANI	EX/OFFICIO TRUSTEE/CORPORATION COUNSEL /VICE-CHARPERSON
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
GEORGE ORZECH	ELECTED RETIRANT TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/MAYOR'S ALTERNATE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
STEVEN WATSON	EX/OFFICIO TRUSTEE/DIRECTOR OF FORECASTING AND ECONOMIC ANALYSIS- BUDGET DEPARTMENT/BUDGET DIRECTOR'S DESIGNEE

TRUSTEES EXCUSED

CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER
JOHN SERDA	ELECTED TRUSTEE/POLICE

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Kevin Kenneally	Investment Officer
Sean Gallagher	General Counsel
Dr. Oscar King III	Board Lobbyist
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

None

CHAIRPERSON

Jeffrey Pegg

The Board's Administrative Assistant took a verbal Roll Call at 09:15 a.m. and Chairperson Pegg called the meeting to order.

Present at Roll Call: Shawn Battle, Michael F. Berent, Matthew Gnatek, John Naglick, George Orzech, Gregory Trozak, Steven Watson and Jeffrey Pegg

Re: Approval of July 19, 2018 Agenda

Matthew Gnatek moved to approve the agenda dated **Thursday, July 19, 2018** and **Pass for the** day the legal discussion. John Naglick supported. The motion passed unanimously.

Re: Approval of DROP Retirement Applications

Matthew Gnatek moved to approve the **DROP Retirements** as listed below. Gregory Trozak supported. The motion passed unanimously.

NAME-TITLE-DEPARTMENT: MICHELLE L BAKER– POLICE INVESTIGATOR - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 19 00 09 – 06 27 18

NAME-TITLE-DEPARTMENT: SHAWANA BROWN– POLICE OFFICER 2/20/95 - POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 15 11 25 – 08 06 18

NAME-TITLE-DEPARTMENT: VERONICA D DONALDSON – OFFICER 2/20/95- POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 15 11 18 – 07 13 18

NAME-TITLE-DEPARTMENT: CYPRIAN C FREEMAN – OFFICER 2/20/95- POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 15 11 24 – 07 09 18

NAME-TITLE-DEPARTMENT: KENNETH C HAMPTON – OFFICER 2/20/95- POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 18 00 07 – 06 24 18

NAME-TITLE-DEPARTMENT: MICHAEL E RUSSELL – SERGEANT- POLICE
RETIREMENT TYPE-PLAN: DROP - NEW
SERVICE CREDIT-EFFECTIVE DATE: 22 05 14– 06 19 18

Re: Approval of HYBRID Retirement Applications

Matthew Gnatek moved to approve the **HYBRID Retirements** as listed below.
Michael Berent supported. The motion passed unanimously.

NAME-TITLE-DEPARTMENT: GARVIN DAVIS – FIRE ENGINE OPERATOR - FIRE
RETIREMENT TYPE-PLAN: HYBRID SERVICE – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 04 00 00 – 06 20 18

NAME-TITLE-DEPARTMENT: KENNETH C HAMPTON – POL OFF CORPORAL - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 04 00 00 – 06 24 18

NAME-TITLE-DEPARTMENT: MICHAEL E RUSSELL – SERGEANT - POLICE
RETIREMENT TYPE-PLAN: HYBRID DROP – 2014 PLAN
SERVICE CREDIT-EFFECTIVE DATE: 04 00 00 – 06 19 18

Re: Approval of RETIREMENT Applications

Gregory Trozak moved to approve the **Retirements** as listed below. Matthew Gnatek supported. The motion passed unanimously.

NAME-TITLE-DEPARTMENT: GARVIN DAVIS – FIRE ENGINE DRIVER - FIRE
RETIREMENT TYPE-PLAN: SERVICE - NEW
SERVICE CREDIT-EFFECTIVE DATE: 19 10 23 – 06 20 18

NAME-TITLE-DEPARTMENT: ANTHONY L MASON – FIRE CAPTAIN - FIRE
RETIREMENT TYPE-PLAN: SERVICE - NEW
SERVICE CREDIT-EFFECTIVE DATE: 28 04 28 – 06 20 18

NAME-TITLE-DEPARTMENT: SCOTT PENGELLY – OFFICER 2/20/95 - POLICE
RETIREMENT TYPE-PLAN: SERVICE - NEW
SERVICE CREDIT-EFFECTIVE DATE: 15 11 25 – 07 07 18

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts			HYBLIQRES			
RSCD-PFRS	Start Date:		6/18/2018			
	End Date:		7/13/2018			

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
6/22/2018	CA	Cash Entry	000707	Employee Pretax Contributions 6/22/18	R/C	259,924.44
6/29/2018	CA	Cash Entry	000727	Employee Mandatory Contributions 6/29/18	R/C	94,192.40
7/6/2018	CA	Cash Entry	000736	Employee Mandatory Pension Pre-Tax 7/6/18	R/C	258,482.31
7/12/2018	CA	Cash Entry	000736	Employee Mandatory Pension Pre-Tax 7/13/18	R/C	95,760.38
						708,359.53

Cash Receipts			LIQUID RES			
RSCD-PFRS	Start Date:		6/18/2018			
	End Date:		7/13/2018			

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
6/21/2018	CA	Cash Entry	000708	Employee Loan Deduction 6/15/15 (45,670.64)	R/C	45,670.64
6/27/2018	CA	Cash Entry	000726	Loan Deductions 6/22/18 (\$128,684.05)	R/C	128,684.05
6/30/2018	GL	GL Entry	004930	Annual POA Payment (Employer Contribution)	R/C	18,300,000.00
7/5/2018	CA	Cash Entry	000735	Loan Deductions 6/29/18 (\$41,795.37)	R/C	41,795.37
7/12/2018	CA	Cash Entry	000735	Loan Deductions 7/06/18 (\$129,943.05)	R/C	129,943.05
						18,646,093.11

Total Receipts	19,354,452.64
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Re: Approval of Disbursements

Matthew Gnatek moved to approve the **Disbursement List** as outlined below. Michael Berent supported. The motion passed unanimously.

Disbursements

Page: 1 of 4
Date: 7/16/2018 7:52 AM

Account	Payment Method	Currency		
F ACCT PAY	ACH	US		
Vendor Name	Invoice Number	Invoice Description		Amount To Pay
500 WEBWARD LLC	57970	Rent - July 2018		24,998.49
500 WEBWARD LLC	885400	Electrical Billing: 5/31/18-6/28/18, Meter #16055044		656.45
500 WEBWARD LLC	885401	Electrical Billing: 5/31/18-6/28/18, Meter #16055070		769.80
8x8 INC.	2195644	Phone System Services		1,350.18
ADP, INC	516068608	Check Printing Services		695.50
ARA - American Strategic Value Realty Fund, LP	062718	Capital Contribution Request		510,000.00
AVENUE ASIA SPECIAL SITUATIONS FUND V LP	072518	Capital Call #1		1,157,434.00
AVISTA CAPITAL PARTNERS IV LP - HL	071218	Capital Call #2		1,884,297.00
CLARK HILL, PLC	782879	Onyx Capital Litigation for April 2018		3,437.61
CLARK HILL, PLC	782881	Gregory Davis for April 2018		2,713.07
CLARK HILL, PLC	782882	North Point Advisors/Adrian Anderson for April 2018		4,389.40
CLARK HILL, PLC	782886	Mesirow Financial Real Estate for April 2018		180.20
CLARK HILL, PLC	782887	Linda Stirling for April 2018		8,949.65
CLARK HILL, PLC	782897	General Counsel Services for April 2018		26,278.00
CLARK HILL, PLC	782901	CTPF Book Cadillac for April 2018		19,906.15
CLARK HILL, PLC	782902	Combined Plan for April 2018		2,764.20
CLARK HILL, PLC	789682	Onyx Capital Litigation for May 2018		491.09
CLARK HILL, PLC	789683	General Counsel Services for May 2018		26,271.00
CLARK HILL, PLC	789686	Gregory Davis for May 2018		7,518.45
CLARK HILL, PLC	789689	Mesirow Financial Real Estate for May 2018		630.70
CLARK HILL, PLC	789690	Linda Stirling for May 2018		121.12
Cogent Communications, Inc.	070118	Internet Service		1,023.00
COMVEST CAPITAL IV LP	071318	Capital Call #3		556,943.00
Crain Communications Inc	100135843	New Job Posting		657.00
DRA Growth and Income Fund IX, LLC	062518	Capital Call #5		733,567.00
FRANK RUSSELL COMPANY	1652001037	Russell Indexes Standard Service 1/1/18-3/31/18		125.00
Hamilton Lane Advisors, LLC (HL)	DETROIT0418	Management Fees - 2nd Qtr '18		546,250.00
HL - Gridiron Capital Fund III, LP	070218	Capital Call #3		133,502.00
HL - Platinum Equity Capital Partners IV, LP Int'l	072318	Capital Call #20		314,770.00
NORTHPOINTE CAPITAL, LLC	2Q18	Management Fees 2nd Qtr '18		74,737.18

Re: Approval of Disbursements -Continued

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
NORTHPOINTE CAPITAL, LLC	2Q18 Micro	Management Fees 2nd Qtr '18	36,411.78
PAYDEN & RYGEL	1612-M518	Management Fees - May 2018	11,015.00
PLANET TECHNOLOGIES, INC	120331	Computer Services	262.50
PLANET TECHNOLOGIES, INC	I001303	ShrdSvr License 7/2018-6/2019	3,608.88
PLANTE & MORAN	1564226	Financial Statement Audit for year ended 6/30/18	3,362.50
PLANTE & MORAN	1564227	GASB 68 Schedules Audit for year-end 6/30/17	3,925.00
PROCENTIA, INC.	2280.	Procentia Implementation	56,109.38
RHUMBLINE ADVISERS	g13mpfrsd2018Q2	Management Fees 2nd Qtr '18	9,229.00
SMARTSHEET INC.	PO 000026/28	Business Plan - Licensed Users + Pro Support	191.59
THL CREDIT SELECT SERIES CLO EQUITY FUND	071118	Capital Call	3,555,584.59
UHY Advisors MI, Inc.	1259762	Professional IT Services for June 2018	9,600.00
UHY Advisors MI, Inc.	1259763	Professional IT Services for June 2018	69,075.00
WELLS CAPITAL MANAGEMENT	11701569	Management Fees 1st Qtr '18	89,659.99
WELLS CAPITAL MANAGEMENT	11704975	Management Fees 1st Qtr '18	185,038.01
Bridgett Hardy	062918BH	IT Contractual Wages - June 2018	4,390.99
James R. Hollins	062918JH	IT Contractual Wages - June 2018	3,689.06
Raymond R. Tchou	062918RT	IT Contractual Wages - June 2018	7,466.29
Scott D. Vrooman	062918SV	IT Contractual Wages - June 2018	2,369.25
GREAT LAKES ELECTRONICS CORPORATION	R20536	Scrap Computer Equipment Removal	637.16
Venkat Rallapalli / Highbrow Systems, Inc.	062918VR	IT Contractual Wages - June 2018	5,184.62
Cash Account/Payment Method Total:		50 Documents	10,102,236.83

F	ACCT PAY	CHECK	US	Vendor Name	Invoice Number	Invoice Description	Amount To Pay
				AMERICAN ARBITRATION ASSOCIATION	12209621-22	Trustees AAA Election Services	4,922.35
				ANGELA JAMES	060718AJ	Trustee Parking	95.00
				ASYSCO	2018N026147	AMT Software License Renewal 8/1/18-7/31/19	16,730.36
				BIDNET	IN00000002684.	Press Release Reimbursement	97.50
				Bodman PLC	646815	Paylocity Contract Review	64.50
				CHRYSALIS CONSULTING, LLC	20144	Consulting Services 4/1/18-5/31/18	2,293.75
				CHRYSALIS CONSULTING, LLC	21124	Consulting Services 6/1/18-6/30/18	98.13
				CINTAS CORPORATION-300	300278545	Floor Mats	110.01
				COMCAST	061718	High Speed Internet	178.02
				CREATIVE BREAKTHROUGHS INC	INV0078	SSL Certificate Purchase - Billable Expenses	64.99
				CREATIVE BREAKTHROUGHS INC	INV0185	Software Maintenance	11,900.00
				DIRECTV	34496270397	Service Charges 6/23/18-7/22/18	35.50

Re: Approval of Disbursements -Continued

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
ELECTRONIC SECURITY SYSTEMS, INC	SI-061318	CCURE 9000 SSA agreement - 6/1/18-5/31/20	615.00
FEDEX	6-183-32055	FedEx Mailing	24.15
FEDEX	6-197-56750	FedEx Mailing	24.20
FEDEX	6-204-06742	FedEx Mailing	24.32
FEDEX	6-211-38454	FedEx Mailing	34.24
FEDEX	6-218-78965	FedEx Mailing	24.20
FEDEX	6-227-14157	FedEx Mailing	24.15
FEDEX	6-233-75179	FedEx Mailing	24.15
First CHOICE Coffee Services	556306	Coffee Supplies	148.75
First CHOICE Coffee Services	559531	Equipment Rental	30.00
GABRIEL, ROEDER, SMITH & CO	439621.	Actuarial Services for June 2018	9,917.00
GABRIEL, ROEDER, SMITH & CO	439759	EDRO Calculations for Anthony Tucker Sr.	1,000.00
GABRIEL, ROEDER, SMITH & CO	439772	EDRO Calculations for Sylvester Hewston	1,200.00
HARLAND TECHNOLOGY SERVICE	14292185	Toner Supplies	664.75
IRON MOUNTAIN	152169	Data Domain Service	1,673.15
IRON MOUNTAIN	201644835	Storage CDs	735.91
Iron Mountain Records Management	ACVU967	Records Storage	1,658.02
KELLEY CAWTHORNE	9319	Lobbyist Services for July 2018	7,500.00
METCOM	103448	Business Cards	34.55
METCOM	104609	Business Cards	35.41
MICRO CENTER	8618381	Computer Equipment	934.98
PROCENTIA, INC.	2273	Procentia Implementation	223,998.07
PROCENTIA, INC.	2276	Procentia Implementation	117,215.09
PROVIDENCE OCCUPATIONAL HEALTH PRTRNS	319500	Disability Re-Exam Fee	450.00
PROVIDENCE OCCUPATIONAL HEALTH PRTRNS	319502	Consultation Fee	75.00
QUILL CORPORATION	7606112	Office Supplies	145.88
QUILL CORPORATION	7714189	Office Supplies	35.00
QUILL CORPORATION	8115700	Office Supplies	298.95
QUILL CORPORATION	8164980	Office Supplies	14.99
QUILL CORPORATION	8220067	Office Supplies	11.74
QUILL CORPORATION	8311267	Office Supplies	11.99
SHRED-IT USA	8125008707	Shredding Service Charges	49.73
VERIZON WIRELESS	9808463781	Wireless Billing 5/5/18-6/4/18	911.14
WELLS FARGO VENDOR FIN'L SVCS, LLC	100747981	Printer Maintenance	264.67
XEROX	093685370	Printer Maintenance	6.34
Cash Account/Payment Method Total:		47 Documents	406,405.63

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
F MSTR ACH US			
PLATINUM EQUITY SMALL CAP FUND LP - HAMILTON	062718	Capital Call #1	615,600.00
Cash Account/Payment Method Total:		1 Documents	615,600.00

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
LIQUID RES ACH US			
CRESCENT DIRECT LENDING LEVERED FUND II LP	062218	Capital Call #2	1,579,135.00
OWL ROCK CAPITAL CORPORATION - HAMILTON LA	062718	Capital Call #3	577,387.32
OWL ROCK CAPITAL CORPORATION - HAMILTON LA	072318	Capital Call #4	444,591.46
Cash Account/Payment Method Total:		3 Documents	2,601,113.78

* Payment amount is estimated based on the effective date 7/16/2018

Re: Approval of Refunds (Accumulated Contributions)

Matthew Gnatek moved to approve the **Refunds/Accumulated Contributions** as outlined below. Michael Berent supported. The motion passed unanimously.

LIST NUMBER 3742 - \$130,293.22

LIST NUMBER 3743 - \$370,831.24

LIST NUMBER 3744 - \$115,579.69

LIST NUMBER 3745 - \$195,057.48

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

Matthew Gnatek moved to approve the **Frozen Defined Contribution Plan/ Employee Loan Program** as outlined below. Michael Berent supported. The motion passed unanimously.

LIST #1 6/28/2018 – \$85,728.00

LIST #2 7/12/2018 – \$91,135.00

LIST #3 7/19/2018 – \$136,614.00

- ***Trustee Portia Roberson entered the Boardroom at 9:33 a.m.***
- ***Trustee Angela James entered the Boardroom at 9:39 a.m.***

Re: Approval of Minutes/Journal of Proceedings No. 3199 – (06/07/18)

Matthew Gnatek moved to approve the **Minutes/Journal of Proceedings No. 3199 (06/07/2018)** Gregory Trozak supported. The motion passed by vote as follows:

Yeas – Battle, Gnatek, James, Naglick, Roberson, Trozak, Watson
and Chairperson Pegg - 8

Nays – None

Abstentions: Berent and Orzech

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

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

- Request for information from BENESYS Health Care Trust
- Retirement System preliminary 2018-19 Budget has been provided via e-mail
 - Chief Accounting Officer Ramzee Jackson will present the Budget at the August 16th, 2018 meeting
- Gabriel Roeder Smith and Company has provided two dates for the Education Session: August 9th or 10th, 2018.

Re: Request for Information: BENESYS Health Care Trust

Gregory Trozak moved to approve the request from BENESYS Health Care Trust to provide requested information. Portia Roberson supported. The motion passed unanimously.

Re: 2018-19 Budget Approval

Matthew Gnatek moved to approve the 2018-19 Budget as submitted. Gregory Trozak supported.

- ***The Board of Trustees tabled the motion until the System's Chief Accounting Officer can come before the Board to present the 2018-19 Budget; tentatively August 16th, 2018 meeting.***

EXECUTIVE DIRECTOR'S REPORT

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

- COLA or Cost of Living Adjustment has been processed and will be on the **August 1, 2018** pension check. (This is for Hybrid, Legacy and pre-69 plan). The Board engaged in discussion regarding this matter.
- Mr. Cetlinski will be out of town and not present for the August 2, 2018 meeting.

➤ ***Trustee Brenda Jones entered the Boardroom at 10:07 a.m.***

➤ ***Trustee Megan Moslimani entered the Boardroom at 10:15 a.m.***

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow**, in addition to his formal report, discussed the following with the Board:

- All materials from the July 16th, 2018 Investment Committee meeting has been forwarded and approval for said materials is requested at the August 2nd, 2018 meeting.
 - GASB Long Term Rate Calculation
 - Wilshire Consulting Monthly Performance Report- May 31st, 2018
 - Wilshire Consulting Investment Committee materials
 - Investment Committee meeting re-cap
 - Wilshire is tentatively scheduled to come before the Board on **August 2nd, 2018**
 - Mondrian has been scheduled to come before the Board on **August 16th, 2018**.
- ***Trustee John Naglick excused himself from the Boardroom at 10:28 a.m.***
- ***Chairperson Pegg introduced Captain Dean Penchek to the Board of Trustees. Captain Penchek is in the running for the vacant Board seat.***

Re: Entering Into Closed Session

Resolution Moved By: Trustee Jones – Supported By: Trustee Gnatek

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 enters into Closed Session for the purpose of discussing Attorney-Client Privileged matters regarding Medical re-examinations.

A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, Gnatek, James, Jones, Moslimani, Orzech, Roberson, Trozak, Watson and Chairperson Pegg - 11

Nays – None

The Board entered into **Closed Session** at 10:31 a.m.

Re: Open Session

Resolution Moved By: Trustee Jones – Supported By: Trustee Gnatek

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 10:48 a.m.

Re: Annual Re-examinations

Resolution Moved By: Trustee Gnatek Supported By: Trustee Jones

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability Retirement Payroll with **re-exams in one year**:

Montica Craighead

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability Retirement Payroll with no **further re-exams necessary**:

**Mohammad El-haouli
Willie King**

Yeas – Battle, Berent, Gnatek, James, Jones, Moslimani, Orzech, Roberson, Trozak, Watson and Chairperson Pegg - 11

Nays – None

Re: Return to Work

Resolution Moved By: Trustee Gnatek Supported By: Trustee Jones

RESOLVED, that in accordance with the recommendation of the Medical Director, the following individuals be scheduled for the **Functional Capacity Evaluation** before they are returned to work:

**Eldred Brown
Shannon Ferguson**

Yeas – Battle, Berent, Gnatek, James, Jones, Moslimani, Orzech, Roberson, Trozak, Watson and Chairperson Pegg - 11

Nays – None

PUBLIC RELATIONS ADVISOR REPORT

Public Relations Advisor, **Bruce Babiarz**, was not present but did relay the following to the Board's Chairperson:

- The City's Fifth Year Bankruptcy Anniversary comments from Trustees:
 - Chairperson Pegg's concern is if/or when a different Administration forms, will that Administration be as dedicated to funding the Retirement Fund as the current Administration is?

LOBBYIST'S REPORT

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

- The legislature is currently in recess but will meet once in July and August.
 - State Supreme Court updates
 - Re-districting
 - All seats in the House and Senate are up for re-election
- ***The Board recessed for a brief break at 10:53 a.m. and resumed at 11:04 a.m.***
- ***Trustee Mark Diaz entered the Boardroom at 11:04 a.m.***
- ***Trustee Portia Roberson excused herself from the Boardroom at 11:05 a.m.***

GENERAL COUNSEL'S REPORT

Sean Gallagher, in addition to his formal legal report discussed the following matters with the Board:

- EDROS for approval
 - **Re: Dagmar Avolio (k/n/a Dagmar Tonn) v. Ralph Michael Avolio, Case No.: 16-110420-DO Wayne County Circuit for the State of Michigan, Detroit, Michigan**
 - **Re: David Andrews v. Ruth M. Ramsey, Case No.: 10-769348-DM Oakland County Circuit for the State of Michigan, Pontiac, Michigan**
- PFRS/Gordon Davis
- Chapter 9 Compliance
- PFRS Investment Committee Legal Report Index

Re: Dagmar Avolio (k/n/a Dagmar Tonn) v. Ralph Michael Avolio, Case No.: 16-110420-DO Wayne County Circuit for the State of Michigan, Detroit, Michigan

Motion By: Trustee Gnatek Supported By: Trustee Diaz

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of a Domestic Relations Order dated February 20, 2018 ("DRO"), which supplements a Judgment of Divorce entered on March 22, 2017, wherein Alternate Payee **RALPH MICHAEL AVOLIO** is awarded certain rights to the Pension benefits of Participant **DAGMAR AVOLIO (k/n/a DAGMAR TONN)**, who is a retired employee, and

WHEREAS, the Board has been informed that Participant **DAGMAR AVOLIO (k/n/a DAGMAR TONN)** is a retired employee and is receiving retirement benefits, and

WHEREAS, Participant has attained 28 years of service credit, and

WHEREAS, because the Participant **DAGMAR AVOLIO (k/n/a DAGMAR TONN)** retired prior to the establishment of the Police and Fire Retirement System's Component I plan effective July 1, 2014, no Component I benefits are available to the Alternate Payee, and

WHEREAS, the DRO awards the Alternate Payee **RALPH MICHAEL AVOLIO** a portion of the Participant's Component II Pension, and

WHEREAS, the Alternate Payee **RALPH MICHAEL AVOLIO** **IS** entitled to claim a portion of the Participant's Component II Pension as set forth in the DRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the court order provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Plan Administrator's information, located on page 2 of the DRO, is noted to be out of date, with the correct address being Police and Fire Retirement System of the City of Detroit, Attn: Executive Director, 500 Woodward Avenue, Suite 3000, Detroit, Michigan 48226, and

GENERAL COUNSEL'S REPORT- Continued

**Re: Dagmar Avolio (k/n/a Dagmar Tonn) v. Ralph Michael Avolio, Case No.: 16-110420-DO
Wayne County Circuit for the State of Michigan, Detroit, Michigan**

WHEREAS, the Board has been advised by General Counsel that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCLA 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 said court order 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 Alternate Payee, 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 Ralph Michael Avolio, Alternate Payee's legal counsel, Johanna L. Kononen, Participant Dagmar Avolio (k/n/a Dagmar Tonn), and Participant's legal counsel, Audrey Stroia, by mail and facsimile at (734) 283-2637.

Yeas – Battle, Berent, Diaz, Gnatek, James, Jones, Moslimani, Orzech, Trozak, Watson and Chairperson Pegg - 11

Nays – None

GENERAL COUNSEL'S REPORT- Continued

**Re: David Andrews v. Ruth M. Ramsey, Case No.: 10-769348-DM
Oakland County Circuit for the State of Michigan, Pontiac, Michigan**

Motion By: Trustee Gnatek Supported By: Trustee Diaz

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of a First Amended Eligible Domestic Relations Order ("First Amended EDRO") entered on June 22, 2018, which supplements a Judgment of Divorce entered on August 2, 2010 and supersedes the Eligible Domestic Relations Order entered on November 7, 2012, wherein Alternate Payee **RUTH M. RAMSEY** is awarded certain rights to the retirement benefits of Participant **DAVID ANDREWS**, who is an active employee, and

WHEREAS, the Board has been informed that Participant **DAVID ANDREWS** is an active employee and is not receiving retirement benefits, and

WHEREAS, Participant has attained 22 years of service credit, and

WHEREAS, because the division date of August 2, 2010, precedes the establishment of the Police and Fire Retirement System's Component I plan effective July 1, 2014, no Component I benefits are available to the Alternate Payee, and

WHEREAS, the First Amended EDRO awards the Alternate Payee **RUTH M. RAMSEY** a portion of the Participant's Component II Pension, and

WHEREAS, the Alternate Payee **RUTH M. RAMSEY** **IS** entitled to claim a portion of the Participant's Component II Pension when the Participant **DAVID ANDREWS** is eligible to receive such benefits, as set forth in the First Amended EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the First Amended EDRO awards the Alternate Payee **RUTH M. RAMSEY** a distribution of a portion of the Participant's Component II Annuity Savings Fund, and

WHEREAS, the Alternate Payee **RUTH M. RAMSEY** **IS** entitled to claim a distribution of a portion of the Participant's Component II Annuity Savings Fund, when the Participant is eligible to receive such benefits, as set forth in the First Amended EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

Re: David Andrews v. Ruth M. Ramsey, Case No.: 10-769348-DM
Oakland County Circuit for the State of Michigan, Pontiac, Michigan

WHEREAS, the court order 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 said court order 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 said court order 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 Ruth M. Ramsey, Alternate Payee's legal counsel, R. Jean Ramsey, and Participant David Andrews, *In Pro Per.*

Yeas – Battle, Berent, Diaz, Gnatek, James, Jones, Moslimani, Orzech, Trozak, Watson and Chairperson Pegg - 11

Nays – None

GENERAL COUNSEL'S REPORT- Continued

- ***General Counsel Ronald King phoned in to take part of the closed session discussion.***

Re: Entering Into Closed Session

Resolution Moved By: Trustee Jones – Supported By: Trustee Gnatek

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 enters into Closed Session for the purpose of discussing Attorney-Client Privileged matters regarding Book Cadillac Settlement discussion.
A Roll Call Vote was taken as follows:

Yeas – Battle, Berent, Diaz, Gnatek, James, Jones, Moslimani, Orzech, Trozak, Watson and Chairperson Pegg - 11

Nays – None

The Board entered into **Closed Session** at 11:17 a.m.

- ***Trustee Portia Roberson returned to the Boardroom at 11:21 a.m.***

Re: Open Session

Resolution Moved By: Trustee Gnatek – Supported By: Trustee Jones

RESOLVED, that the Board come out of Closed Session.

The Board returned to **Open Session** at 12:05 p.m.

Re: Approval of Book Cadillac Litigation Settlement

Resolution Moved by: Trustee Gnatek – Supported by: Trustee Diaz

WHEREAS, the Board held discussion in Closed Session and was advised by General Counsel Ronald King, who participated by telephone, and Sean Gallagher, present, regarding settlement of the Book Cadillac litigation, including legal fees, and

WHEREAS, the Board finds the settlement terms as presented in Closed Session and to be reflected in the settlement documents, including a contingent legal fee of \$3.95 million, to be reasonable, and

THEREFORE BE IT RESOLVED, that the Board approves the **litigation settlement as discussed in closed session and directs commence with payment on legal fees as discussed.**

Yeas – Battle, Diaz, Gnatek, James, Orzech, Trozak and Watson - 7

Nays – Jones, Moslimani, Roberson and Chairperson Pegg - 4

Abstentions: Berent- 1

Re: Execution of final documents/ Book Cadillac Litigation

Resolution Moved by: Trustee Gnatek – Supported by: Trustee Diaz

WHEREAS, the Board has approved settlement of the above-referenced litigation, and

WHEREAS, the final documentation of the settlement has been prepared by Special Counsel Couzens Lansky for execution, and

THEREFORE BE IT RESOLVED that the Board approves execution by an authorized signer of all documents necessary to finalize agreement of the settlement discussed in Closed Session and on which the Board has earlier taken separate action.

Yeas – Battle, Berent, Diaz, Gnatek, James, Jones, Moslimani, Orzech, Roberson, Trozak, Watson and Chairperson Pegg - 12

Nays – None

NEW BUSINESS/OLD BUSINESS

None

ADJOURNMENT

Chairperson Pegg adjourned the meeting at 12:10 p.m. The Board's next meeting is scheduled for **Thursday, August 2nd, 2018**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script, appearing to read "Kelly Tapper", written in black ink. The signature is positioned above a horizontal line.

Kelly Tapper, Assistant Executive Director