



MINUTES
Meeting No. 029
Police and Fire Retirement System Investment Committee
JULY 16, 2018

A meeting of the Investment Committee of the Police and Fire Retirement System of the City of Detroit was held on **Monday, July 16, 2018, via teleconference**, at the Retirement System's office at Ally Detroit Center, 500 Woodward Ave., Suite 3000; Detroit, Michigan. Robert Smith, Chairperson, called the meeting to order at 9:05 a.m. A quorum was present.

ROLL CALL:

Attendance was taken by the Committee's Administrative Support with the following Committee Members present: **(via telephone)** Robert Smith (*Chairperson*), McCullough Williams III (*Vice Chairperson*), Joseph Bogdahn, Jeffrey Pegg, Robert Skandalaris, Gregory Trozak and Woodrow Tyler. ***Committee Member George Orzech was present, but has not been issued the Oath of Office.***

Staff Present: David Cetlinski (*Executive Director*), Ryan Bigelow (*Chief Investment Officer*), Ronald King (*General Counsel – Clark Hill, P.C.*), Kelly Tapper (*Assistant Executive Director*), Kevin Kenneally (*Investment Officer*) and Kristi Grden (*Investment Analyst*).

Committee Members excused: Mark Diaz

Staff Excused: None

Visitors Present: John Naglick (*Finance Director, Police and Fire Trustee*)

Future Agenda Items:

- Possible joint meeting with the General Retirement System Investment Committee. Details forthcoming.
- Discuss Private Equity Benchmark

APPROVAL OF AGENDA

Motion #01: McCullough Williams III moved to approve the agenda dated **Monday, July 16, 2018**. Woodrow Tyler supported. The motion passed unanimously.

Chairperson Robert Smith discussed reviewing the Chief Investment Officer's compensation scale in the near future.

APPROVAL OF MINUTES

Motion #02: Gregory Trozak moved to approve the Minutes of Meeting No. 028, held on **Monday, May 21, 2018**. McCullough Williams III supported. The motion passed by a vote as follows:

Yeas: Bogdahn, Skandalaris, Trozak, Tyler, Williams and Chairperson Smith – 6

Nays: None

Abstain: Pegg - 1

Chairperson Robert Smith welcomed the two new committee members: George Orzech and Jeffrey Pegg.

PRESENTATION:

Gabriel Roeder Smith and Company

Representatives Judith Kermans and Kenneth Alberts discussed the following with the Committee:

- Actuarial Valuation of Component I (Hybrid Plan)
- Actuarial Valuation of Component II (Legacy Plan)

Presentation materials were provided.

PRESENTATION:

Wilshire Consultants

Representatives David Lindberg and Joanna Buick discussed the following with the Committee:

- Case Study/Manager Review (Guggenheim, Mondrian and Northpointe)
- GASB 67/68 Long Term Rate of Return

Presentation materials were provided.

Motion #03: Joseph Bogdahn moved to accept the recommendation of **Wilshire Consultants and Chief Investment Officer, Ryan Bigelow** to terminate Investment Management Agreement with Guggenheim. McCullough Williams supported. The motion passed by a vote as follows:

Yeas: Bogdahn, Skandalaris, Trozak, Tyler, Williams III and Chairperson Smith – 6

Nays: None

Abstain: Pegg - 1

- ***No action needed for Mondrian***
- ***Continue monitoring Northpointe***

Motion #04: Jeffrey Pegg moved to accept and approve the reports submitted by **Gabriel Roeder Smith and Company**. Joseph Bogdahn supported. The motion passed unanimously.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, Ryan Bigelow, provided the following updates and discussion items for approval:

- Component I & II Annual Actuarial Valuation
- GASB Long Term Return Calculation
- High Yield Bonds
- RFP for Real Estate Consultant

Motion #05: Joseph Bogdahn moved to approve GASB Long Term Rate Calculation of 7.19% and methodology of calculating rate. Jeffrey Pegg supported. The motion passed unanimously.

➤ ***Robert Skandalaris left the call at 10:30 a.m.***

GENERAL COUNSEL'S REPORT

General Counsel, Ronald King, provided the following updates and discussion items:

- Sixth Semi-Annual Compliance Report
- Book Cadillac

OLD BUSINESS/NEW BUSINESS

- ***None***

ADJOURNMENT

There being no further business before the Investment Committee, **Chairperson Smith** adjourned the meeting at 11:31 a.m. The Investment Committee's next meeting is scheduled for **Monday, August 27th, 2018**, at 10:00 a.m., in the Retirement Systems' Conference Room, 500 Woodward Avenue, Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



RYAN BIGELOW
CHIEF INVESTMENT OFFICER

Administrative Support: JoAnn Harrison