



**MINUTES**  
**Meeting No. 062**  
**Police and Fire Retirement System Investment Committee**  
**October 18, 2021**

A meeting of the Investment Committee of the Police and Fire Retirement System of the City of Detroit was held on **Monday, October 18, 2021**. In conformance with public health orders from the Director of the Michigan Department of Health and Human Services, the meeting was held electronically, and members of the Committee and the public participated by telephonic and electronic means. Joseph Bogdahn, Chairperson, called the meeting to order at 10:01 a.m.

A quorum was present.

**ROLL CALL:**

Attendance was taken by the Committee's Administrative Assistant with the following Committee Members present Joseph Bogdahn (*Chairperson*) (*Winter Haven, Polk County, FL*), Matthew Gnatek (*Detroit, Wayne County, MI*) Orim Graves (*Philadelphia, Philadelphia County, PA*), Jerry Mingione (*Detroit, Wayne County, MI*), George Orzech (*West Bloomfield, Oakland County, MI*), Jeff Pegg (*Denver, Denver County, CO*), Robert Skandalaris (*Bloomfield Hills, Oakland County, MI*), Gregory Trozak (*Macomb Township, Macomb County, MI*), and Woodrow Tyler (*Dexter Township, Washtenaw County, MI*).

Staff Present: David Cetlinski (*Executive Director*), Kelly Tapper (*Assistant Executive Director*), Ryan Bigelow (*Chief Investment Officer*), and Valerie Brader (*General Counsel – Rivenoak Law Group, P.C.*).

Committee Members Excused: None

Staff Excused: Ryan Bigelow (*Note, Mr. Bigelow was able to join for a portion of the meeting*)

### **Approval of Agenda**

**Motion #01:** Woodrow Tyler moved to approve the agenda dated **Monday, October 18, 2021**. Matthew Gnatek supported. The motion passed unanimously.

### **Approval of Minutes**

**Motion #02:** Orim Graves moved to approve the Minutes of Meetings No. **059**, held on **Monday, June 14, 2021**, No. **060**, held on **Monday, August 9, 2021**, and No. **061**, held on **Wednesday, September 1, 2021**. Woodrow Tyler supported. The motion passed unanimously, with Matthew Gnatek abstaining as to the Minutes of Meeting No. 060.

### **Funding Policy – Stout Risius Ross**

Representative Raymond Roth discussed the following with the Committee:

- Ability to Pay
- Public Protection
- Lower Spending
- Central Government Spending
- Detroit Employee Headcount

Ryan Bigelow joined the meeting at 10:11 am

- Salaries, Wages and Benefits
- 2022 Municipal Income Tax Revenue
- Payroll Jobs
- Municipal Income Tax
- Summary of Opportunities for Cost Savings

### **Presentation materials provided.**

The System Actuary also made a presentation regarding the funding policy.

**Motion #03:** Jeff Pegg moved to approve a resolution setting a 20-year amortization funding policy. Matthew Gnatek supported. The motion passed unanimously.

- **Joseph Bogdahn left the meeting at 10:52 am. Robert Skandalaris assumed the Chair.**

### **Consultant RFP – Status Update/Timeline – North Pier**

Representatives Gregory Metzger and Jim Scheinberg discussed the following with the Committee:

- Investment Program Review
- Organizations Bidding
- Proposal Options
  - Public Markets Only
  - All Asset Classes
- Fee Ranges
- Next Steps
- Finalist Interviews

**Presentation materials provided.**

- **Joseph Bogdahn rejoined the meeting at 11:20 am and resumed as Chair.**

**Investment Committee Topics - Investment Consultant – Wilshire**

Representatives David Lindberg, Calvin Born and Joanna Bewick discussed the following with the Committee:

- **Capital Market Return**
  - Summary Changes
  - Fixed Income
  - Equity Markets
  - Real Assets
- **Capital Market Assumptions**
  - Current Policy
  - Real Assets
- **Monthly Performance Summary – 8/2021**
  - Monthly Dashboard
  - Market Yields & Breakeven Inflation
  - Actual Allocations vs Policy
  - Total Fund Attribution
  - Asset Allocation and Performance
  - Background and Overview
- **Risk Assessment Framework**
  - Why should I care about Inflation
  - Catalysts of Inflation
  - Rationale for Real Assets
  - Correlation to Inflation
  - Midstream Energy Infrastructure
  - Midstream Energy – Merits and Challenges
  - Real Asset Investments

***Presentation materials were provided***

- **Ryan Bigelow left the meeting at 11:59 am**
- **Valerie Brader left the meeting at 12:05 pm**

**General Counsel – Engagement/Review Invoice**

**Motion #04:** Robert Skandalaris moved to extend the contract of Rivenoak Law Group (Valerie Brader) as general counsel for an additional 12 months. Orim Graves supported. The motion passed.

Yeas – Gnatek, Graves, Mingione, Orzech, Skandalaris, Trozak, Tyler, and Chairperson Bogdahn – 6 ½

Nays – Pegg – ½

- **Valerie Brader rejoined the meeting at 12:15 pm**

**Ethics Policy**

The Committee requested that adjustments be made and sent to the Committee and bring back policy at the next meeting.

**Legal Report**

Robert Skandalaris term will be ending early in 2022. He stated he will not be seeking reappointment. The replacement will have to be a resident of the State of Michigan. Committee members were encouraged to offer names of individuals to contact regarding their interest.

**Public/Member Comments**

None

**IC Member Comments**

None

**ADJOURNMENT**

Woodrow Tyler moved to adjourn Meeting #062. Orim Graves supported.

There being no further business before the Investment Committee, the meeting was adjourned at 12:23 p.m. The Investment Committee's next meeting is scheduled for **Monday, December 13, 2021**, at 10:00 a.m.

Minutes – PFRS IC Mtg.  
Meeting No. 062  
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**RESPECTFULLY SUBMITTED,**

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**VALERIE BRADER  
GENERAL COUNSEL**

Administrative Assistant: Marcella Brewer