

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
APRIL 27, 2005**

A regular meeting of the Board of Trustees was held on Wednesday, April 27, 2005 at the Shrine Room Main Level, City Hall, 47450 Woodward Ave., Pontiac, Michigan. The meeting was called to order at 1:33 p.m.

TRUSTEES PRESENT

Eugene White, Chairman
Shirley Barnett
Robert Giddings
Ed Hannan, Secretary

Paulette Poehlman
Javier Saucedo
Debra Woods
Charlie Harrison, III

TRUSTEES EXCUSED

Kevin Williams
Larry Marshall
Mayor Willie Payne

OTHERS PRESENT

Tom Michaud, VanOverbeke, Michaud & Timmony, PC
Philip O'Brien, Sullivan, Ward, Asher & Patton, PC
Ellen Zimmermann, Retirement Systems Administrator
Theresa Vasquez, M-Administrative Assistant

APPROVAL OF CONSENT AGENDA

Re: Consent Agenda – April 27, 2005

A. APPROVAL OF MINUTES

Minutes of Regular Meeting: March 23, 2005

B. COMMUNICATIONS

1. Correspondence from Capital Guardian RE: Bob Kirby
2. Correspondence from Capital Guardian RE: American Funds Regulatory Matters
3. Correspondence from NEPC RE: SEC Examination Results
4. Correspondence from Sullivan Ward to CAPROC RE: Meeting Tape

5. Correspondence from Julius Baer RE: 1st Quarter Market Commentary Conferences:
 - a. Portfolio Concepts & Management – IFEBP – May 10 –13, 2005
 - b. Mellon Trust University – Mellon Trust o- June 27-30m 2005
 - c. Institutional Client Conference – GE Asset Management – June 8-9, 2005
 - d. Trustees & Administrators Institute – IFEBP – June 13 – 15, 2005
 - e. Benefits conference for Public Employees – IFEBP – July 11 – 13, 2005
 - f. Advanced investment Institute – IFEBP – Sept. 12-1, 2005
- C. FINANCIAL REPORTS
 1. Financial Reports – March 2005
 2. Securities Lending Report – February 2005
 3. Commission Recapture Report – March 2005
 4. Accounts Payable:
 - a. ADP \$1,875.02
 - b. City of Pontiac 1,674.08
 - c. Crain Communication 988.00
 - d. Ikon 211.81
 - e. Loomis Sayles 36,290.63
 - f. Morris, Nichols, Arsht & Tunnell 12,089.07
 - g. NEPC 25,979.07
 - J. VISA 1,686.70
- E. RETIREMENTS, FINAL CALCULATIONS, REFUNDS, RE-EXAMINATIONS
 1. Remove from the Rolls: none
 2. Application for Service Retirement:
 - a. Laura Kenney – NOMC 16 years, 7 months Age 55
 - b. San Juana Lopez - Non- Union 30 years, 7 months Age 53
 - c. Michael Chapman – Local 2002 27 years, 2 months Age 53
 - d. Wayne W. Belback – Non-Union 27 years, 8 months Age 61
 - e. Meguel Contrearas – Local 2002 28 years, 8 months Age 53
 - f. Kerry Reid – SAEA 35 years, 2 months Age 53
 - g. Sandra Elliott – NOMC 3 years, 5 months Age 60
 - h. Linda Watson 29 years, 0 months Age 54
 3. Final Pension Calculations:
 - a. Carol Czechowski – NOMC #1591 (pop-up) \$707.33
 - b. Sandra Elliot #2254 181.23
 - c. Earl Haas #2206 (revised) 1,989.86
 - d. Laura Kenney #2247 845.46
 - e. Lucia Lang #2243 (revised) 469.43
 - f. Terrie Smades #2217 2,290.49
 3. Disability Re-Examinations:
 - a. Willie Keller – Continues to be disabled

RESOLUTION 05 – 081 By Saucedo, Supported by Barnett
 Resolved, That the consent agenda for April 27, 2005 be approved as presented.

Yeas: 8 – Nays: 0

Mellon Conference

Ms. Zimmermann asked for approval for Ms. Munson to attend the May 22 –25, 2005 Mellon conference.

RESOLUTION 05 – 083 By Saucedo, Supported by Barnett

Resolved, That Ms. Munson be authorized to attend the Mellon conference with the costs to be paid from the earnings of the fund.

Yeas: 8 – Nays: 0

CONSULTANTS

Re: Sullivan, Ward, Asher & Patton, PC

CAPROC Litigation Update

RESOLUTION 05 – 084 By Harrison, Supported by Saucedo

Whereas, The Retirement System is a defendant in the matter of CAPROC, LLC and CAPROC manager, Inc. V. MayfieldGentry, LLC, the General Employees’ Retirement System of the City of Pontiac and the Policemen’s and Firemen’s Retirement System of the City of Pontiac, in the Court of Chancery in the State of Delaware in and for New Castle County, Case No. 1059-N,

Whereas, The board of Trustees for the Retirement System desired to meet in closed session to consult with its attorney regarding trial and settlement strategy in connection with this specific pending litigation matter; and

Whereas, The Board of Trustees finds that such consultation with its attorney in an open meeting would have a detrimental financial effect on the litigation and settlement position of the Retirement System in this case;

Resolved, That the Board of Trustees forthwith meet in a closed session pursuant to section 8(e) of the open meetings act to consult with its attorney regarding trial and settlement strategy in connections with the specific pending litigation of CAPROC, LLC and CAPROC Manager, Inc. v. MayfieldGentry, LLC, the General employees’ Retirement System of the City of Pontiac and the Policemen’s and Firemen’s Retirement System of the City of Pontiac, in the Court of Chancery in the State of Delaware in and for New Castle County, Case No. 1059-N.

Yeas: 8 – Nays: 0

Motion Carried. The Board went into closed session at 1:40 p.m.
The Board re-convened the regular meeting at 2:05 p.m.

Mr. O'Brien left at 2:06 p.m.

RESOLUTION 05 –085 By Harrison, Supported by Saucedo
Resolved, That the Board of Trustees declines payment of the costs invoiced by
CAPROC LLC for the services of Stout, Resius, Ross' September 30, 2004 valuation and
directs legal counsel to notify CAPROC LLC.

Yeas: 8 – Nays: 0

Re: NEPC

Ms. Zimmermann distributed information sent by Ms. Ewing. Ms. Zimmermann reported Mr. Gary Campbell, President and Chief Investment Officer of Kennedy Capital Management would be leaving the firm on May 6, 2005 and Ms. Ewing said this would not affect the portfolio. The Flash Report was distributed to the Board.

REPORTS

Re: Chairman

None.

Re: Secretary

None.

Re: Trustees/Committees

Real Estate Committee

Trustee Saucedo reported the CAPROC Board Directors voted no to the dividend. He stated it was a majority vote.

RFP Committee

Ms. Zimmermann reported the committee met and an advertisement was placed in Pensions & Investments magazine. She reported 17 firms submitted a letter of intent. There were 16 RFP proposals submitted. The committee would be picking up their proposals next Wednesday and meet later in the month of May to discuss the candidates

and the scores. Ms. Zimmermann indicated one firm submitted a proposal and did not submit a letter of intent.

Re: Administrator

Plante Moran

Ms. Zimmermann reported the auditors were in the Retirement Office and it appeared to be going well.

Sullivan, Ward, Asher & Patton, PC

Ms. Zimmerman reviewed the retention letter from Sullivan, Ward, Asher & Patton, and P.C. concerning legal fees.

RESOLUTION 05 – 086 By Barnett, Supported by Harrison

Resolved, That the General Employees Retirement Board of Trustees approve for the Administrator to sign the letter of agreement and accept the fee schedule of Sullivan, Ward, Asher & Patton, PC.

Yeas: 8 – Nays: 0

Fiduciary Liability

Mr. Michaud discussed the fiduciary liability insurance with the Board. Trustee Poehlman said she would follow up and verify if Trustees are covered under the City's policy. She will obtain bids for coverage.

Re: Legal

None.

Trustee Woods left at 2:31 p.m. and returned at 2:35 p.m.

NEW BUSINESS

Arbitration Award – Local 2002

Ms. Zimmermann reported that no contract violation was found by the arbitrator and the grievance was denied.

RESOLUTION 05-087 By Saucedo, Supported by Harrison

Resolved, That the arbitration award for Local 2002 be received and placed on file.

Yeas 8 – Nays: 0

ADJOURNMENT

RESOLUTION 05 – 088 By Saucedo, Supported by Harrison
Resolved, That the meeting be adjourned at 2:36 p.m.

Yeas: 8 – Nays: 0

I certify that the foregoing is true
Minutes of the General Employees
Retirement System held on April 27,
2005.

Ed Hannan, Secretary
As recorded by Theresa Vasquez