

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
JUNE 22, 2005**

A regular meeting of the Board of Trustees was held on Wednesday, June 22 2005 at the Shrine Room Main level, City Hall 47450 Woodward Ave., Pontiac, Michigan. The meeting was called to order at 1:35 p.m.

TRUSTEES PRESENT

Eugene White, Chairman
Shirley Barnett
Ed Hannan, Secretary
Charlie Harrison, III
Mayor Willie Payne
Paulette Poehlman

Robert Giddings
Larry Marshall (*arrived at 1:52 p.m.*)
Javier Saucedo
Kevin Williams
Debra Woods

OTHERS PRESENT

Andrea Coffey Stewart, Gray & Co.
Andrew Kelsen, Gray & Co.
Phillip O'Brien, Sullivan, Ward, Asher & Patton, PC
Tom Michaud, VanOverbeke, Michaud & Timmony, PC
Ellen Zimmermann, Retirement Systems Administrator
Theresa Vasquez, M-Administrative Assistant

APPROVAL OF CONSENT AGENDA

Re: Consent Agenda – June 22, 2005

A. APPROVAL OF MINUTES

Minutes of Regular Meeting: May 25, 2005

B. COMMUNICATIONS

1. Correspondence from ADP RE: Price Increase
2. Correspondence from Mayor Payne RE: Board Terms
3. Correspondence from ChrisKen RE: Plan of Liquidation
4. Conferences:
 - a. One Day Seminar Series – MAPERS – July 18, 2005
 - b. Risk Budgeting for Asset Allocation – IPQC – Sept. 13-14, 2005
 - c. 2nd Annual Midwest Public Pension Conference - IPPFA – Oct 12-14, 2005

- d. 24th Annual ISCEBS Employee Benefits Symposium – IFEBP – Sept 25-28, 2005
 - e. Advanced Investments Management – IFEBP – Sept. 12-15, 2005
 - f. Portfolio Management – Chicago GSB – August 22-26, 2005
- A. Financial Reports:
- 1. Financial Reports – May 2005
 - 2. Securities Lending Report – April 2005
 - 3. Commission Recapture Report – April 2005
 - 4. Accounts Payable:

a. ADP	\$1,575.65
b. Berwyn Group	161.00
c. Capital Guardian	31,803.07
d. City of Pontiac	1,674.08
e. Gabriel, Roeder, Smith & Co.	4,200.00
f. Government Finance Ofcra Assn.	94.50
g. Ikon	508.07
h. Julius Baer	79,692.80
i. Mesirov Financial	35,653.45
j. Morris, Nichols, Arsht & Tunnell	9,312.09
k. NEPC	457.43
l. Office Depot	113.64
m. Plante Moran	7,300.00
n. Seix Advisors	27,363.06
o. Slade's Printing	28.00
k. Sullivan, Ward, Asher & Patton	15,578.64
l. Visa	7,156.50
m. Quarterly Due To/Due From	(276.65)
- B. Retirements, Refunds, Final Calculations, Re-Examinations
- 1. Remove from the Rolls:
 - a. Ellenwood Barron (deceased 03-22-05) death audit finding
 - b. Beverly A. Carlisle (deceased 05-31-05)
 - c. Thomas L. Barrett (deceased 05-05-05) : Option II benefit to Ella Barrett in the amount of \$722.79/mo. – death audit finding
 - d. Genevieve Emmons (deceased 03-07-05) death audit finding
 - 2. Application for Service Retirement:

a. Claude Williams – PPMA	31 years, 5 months	Age 56
b. Patrick Rederstorf - SAEA	25 years, 5 months	Age 54
c. Cynthia Smith – PPMA	34 years, 0 months	Age 52
d. Bernard Slumkoski – Local 2002	30 years, 11 months	Age 55
e. Richard Saincome – PPMA	14 years. 6 months	Age 60
f. Gary Webster - Non Union (reciprocal)	11 years, 2 months	Age 60
g. Portia Fields-Anderson - Non Union	21 years, 5 months	Age 58
h. Daniel Rath – Teamsters 214	26 years, 1 month	Age 51
i. Janice Gallipo – SAEA	27 years, 4 months	Age 63
j. Eva Roman – Teamsters 214	31 years, 4 months	Age 52

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|---------------------------------|---------------------|--------|
| k. Nancy McGee – Teamsters 214 | 31 years, 10 months | Age 52 |
| l. Richard Hahn – Teamsters 214 | 26 years, 11 months | Age 54 |
| m. Nora S. Shafer – NOMC | 21 years, 4 months | Age 55 |
| n. Martin Sanchez – Local 2002 | 26 years, 8 months | Age 54 |
- (not 30 days)
3. Final Pension Calculations:

a. Gregory Roberts	#2157	4,998.35
b. Donna Biron	#2220	2,856.45
c. Mattie Lasseigne	#2221	4,208.70
d. Annie Wren	#2223	3,816.98
e. Adrienne Smith (reciprocal)	#2232	368.61
f. Gary Webster (off deferred)	#2283	492.78
g. Nora S. Shafer	#2293	776.12
 4. Request to Change Effective Date of Retirement:
 - a. Claude Williams
 - b. Patrick Rederstorf
 - c. Paulette Poehlman
 - d. Linda Watson
 - e. Johnny Harris, Jr.
 - g. Judy Storum
 - h. Rayfus W. Jones
 - i. Eudoxia G. Carr
 - j. Mark Sharpe
 5. Disability Re-Examinations: none
 6. Re-Deposit of Accumulated Contributions:
 - a. Patrick Rederstorf \$4,459.89
Restored 2 years, 9 months service credit

Item B. 2. n. was separated from the consent agenda for discussion. See New Business.

RESOLUTION 05-094 By Williams, Supported by Barnett

Resolved, That the consent agenda for May 25, 2005 except item B.2.n. be approved as presented.

Yeas: 10 – Nays: 0

RESOLUTION 05-095 By Saucedo, Supported by Barnett

Resolved, That Trustee Woods be approved to attend the MAPERS One Day Seminar on July 18, 2005 with the cost to be paid by the earnings of the Fund.

Yeas: 10 – Nays: 0

CONSULTANTS

Re: NEPC - Flash Report

Ms. Zimmermann distributed the May Flash Report from NEPC.

Re: MBIA Securities Litigation

Mr. Michaud reported the General retirement system incurred an approximate loss of \$32,000 and they are currently investigating violations of the federal securities laws at MBIA. The losses were in the Mesirow account.

RESOLUTION 05-096 By Saucedo, Supported by Payne

Resolved, That the information regarding MBIA securities litigation be received and filed.

Yeas: 10 – Nays: 0

Re: Social Security Number Privacy Protection Act

Mr. Michaud discussed the new law and its impact on the System. The law became effective March 1, 2005.

RESOLUTION 05-097 By Saucedo, Supported by Woods

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Board recognizes the privacy interests of the members, retirees and beneficiaries of the Retirement System consistent with applicable federal and state law, and

WHEREAS, the Board acknowledges that the Michigan legislature has adopted the Social Security Number Privacy Act, Public Act 454 of 2004, effective March 1, 2005, to protect against the disclosure of an individual's social security number, and

WHEREAS, the Board has determined that it is in the best interest of the Retirement System to restate its policy with respect to the Retirement System's use of social security numbers, as well as Retirement System records generally, therefore be it

RESOLVED, that all records of the Retirement System shall be retained to protect the privacy interests of the members, retirees and beneficiaries of the Retirement System, and shall be maintained in accordance with the Board's Record Retention Policy, and the Social Security Number Privacy Act, Public Act 454 of 2004, and further

RESOLVED, that all documents which contain social security numbers and other personal information shall be maintained as confidential by the Retirement System and shall not be publicly disclosed without a signed authorization to disclose by the affected individual, or an order compelling disclosure issued from a court of competent

jurisdiction, and further

RESOLVED, that the social security numbers reflected on any document or record submitted to the Retirement System shall be redacted prior to duplication, display or distribution, and further

RESOLVED, that any documents containing personal and private information shall be maintained, transmitted and disposed of by the Retirement System in a secured manner and in accordance with the Board's Record Retention Policy, and further

RESOLVED, that only individuals authorized by the Board of Trustees of the Retirement System shall have access to personal information, and that such individuals shall be required to maintain the confidentiality of such information, and further

RESOLVED, that the following individuals shall be authorized to review personal information: Trustee(s); Retirement Administrator; Retirement Staff; Actuary; Attorney; Custodian, and other individuals as specifically authorized by the Board, and further

RESOLVED, that any willful violation of this policy may result in such person or persons being subject to civil or criminal penalties as provided in the Social Security Number Privacy Act, together with applicable federal and state law, and further

RESOLVED, that a copy of this policy shall be published and made available to Trustee(s); Retirement Administrator; Retirement Staff; Actuary; Attorney; Custodian, and other individuals as specifically authorized by the Board in written or electronic form.

Yeas: 10 - Nays: 0

Re: CAPROC Update

RESOLUTION 05-098 By Harrison, Supported by Barnett
Resolved, That the Board go into closed session at 1:40 p.m.

White – yea, Giddings – yea, Barnett – yea, Hannan – yea, Saucedo – yea,
Harrison – yea, Williams – yea, Payne – yea, Poehlman – yea, Woods - yea

Trustee Marshall arrived at 1:52 p.m.

The Board came out of closed session at 1:58 p.m. Mr. O'Brien left at 2:00 p.m.

Trustee Harrison requested that the attorneys advise the board as to the collectibility of the case as it proceeds.

RESOLUTION 05-099 By Barnett, Supported by Hannan
Resolved, That the request for a 180 day extension of time to effectuate the buy-out by CAPROC be denied with legal counsel to draft the necessary response.

Yeas: 11 – Nays: 0

REPORTS

Re: Chairman

Letter to Members

Chairman White said he has heard rumors that the Board is giving money to the City for the deficit. He had the administrator draft a letter to be sent to members to dispel the rumors. Discussion followed regarding whether to send it to active and retired members.

Trustee Terms

Chairman White expressed that he is opposed to changing the Ordinance to extend the terms for retiring trustees. He distributed correspondence from Council President Seay and the unions.

RESOLUTION 05-100 By Barnett, Supported by Hannan

Resolved, that the draft letter be amended and sent to all active and retired members of the System from all the Boards of Trustees.

Yeas: 11 – Nays: 0

Trustee Payne left at 2:30 p.m.

Re: Secretary

None.

Re: Trustees/Committees

Real Estate Committee

Trustee Saucedo said CAPROC is trying to sell the Southpoint Building; the CAPROC Board approved the sale, although Pontiac voted no. They recommended no dividend. Trustee Barnett asked how the proceeds would be used and Mr. Capozzoli replied the proceeds would go for tenant improvements and operations. Mr. Capozzoli said things are going well and they are making money; the affordable housing project is doing well. Trustee Saucedo said Mr. Capozzoli and Ms. Burt have an attorney being paid for by Zurich Insurance.

Re: Administrator

Fiduciary Liability Insurance

Ms. Zimmermann reported that she requested a quote for fiduciary liability insurance however Trustee Poehlman sent correspondence indicating that the City's agent is the

agent for the Retirement System. The agent was unable to negotiate a quote without the authority. The Chairman asked that the first quote be brought to the next meeting.

Trustee Poehlman left the meeting at 3:20 p.m.

CAPROC Correspondence

Ms. Zimmermann asked for direction regarding the frequent correspondence regarding the CAPROC investment. The Board directed that all correspondence be provided to trustees as it is received.

Staff Retirement

Ms. Vasquez has decided to retire at the end of the month. Ms. Zimmermann thanked her for her hard work and invited the trustees to attend her retirement tea.

Deferred Retirements – Storum & Salek

Ms. Zimmermann informed the Board that two employees of the Silverdome who are members of GERS applied to retire effective the end of June. They were informed that they would only be eligible if City Council approved them to go under the non-union early retirement provisions. Council is not scheduled to meet until after their effective dates of retirement and she will advise them of this; they may change their dates or withdraw their applications to retire.

UNFINISHED BUSINESS

Re: Ordinance Clean-up

Postponed.

NEW BUSINESS

Re: Employee Trustee Special Election

Pending.

Re: Minute Master Fees

RESOLUTION 05-101 By Saucedo, Supported by Barnett
Resolved, That the fees for the maintenance of the Minute Master books for the actions of 2004 in the amount of \$4,700 be approved.

Yeas: 9 – Nays: 0

Re: Retirements, Changes of Retirement Date

Martin Sanchez Application for Service Retirement

Mr. Sanchez insisted on making application to retire with less than thirty days notice. Retirement Office staff advised him that it was a requirement of the Ordinance but agreed to present his request to the Board of Trustees. Extended discussion followed.

RESOLUTION 05-102 By Marshall, Supported by Woods

Resolved, That the 30 day notice requirement for retirement be waived for Martin Sanchez.

White – nay, Barnett – nay, Giddings – nay, Hannan – yea, Harrison – yea,
Marshall – yea, Saucedo – nay, Williams – nay, Woods – yea

Motion failed.

Requests for Change of Retirement Date

Ms. Zimmermann distributed copies of change of retirement date for Paulette Poehlman, Portia Fields-Anderson and Alvin Love.

RESOLUTION 05-103 By Saucedo, Supported by Barnett

Resolved, that the Request to Change the Date of Retirement for Paulette Poehlman, Portia Fields-Anderson and Alvin Love be approved.

Yeas: 10 – Nays: 0

PUBLIC DISCUSSION

None.

SCHEDULING OF NEXT MEETING

Regular Meeting: July 27, 2005 at 1:30 p.m. in the Shrine Room of City Hall.

ADJOURNMENT

RESOLUTION 05-104 By Saucedo, Supported Woods

Resolved, That the meeting be adjourned at 3:58 p.m.

Yeas: 9 – Nays: 0

I certify that the foregoing is true
Minutes of the General Employees
Retirement System held on June 22,
2005.

Ed Hannan, Secretary

As recorded by Ellen Zimmermann