

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
AUGUST 30, 2006**

A regular meeting of the Board of Trustees was held on Wednesday, August 30, 2006 in the Shrine Room, Main Level, City Hall, 47450 Woodward Avenue, Pontiac, Michigan 48342, The meeting was called to order at 1:47 p.m.

TRUSTEES PRESENT

Shirley Barnett	Kevin Williams
Raymond Cochran, Secretary	Debra Woods
Charlie Harrison, Chairman	Andrea Wright (<i>arrived at 2:05 p.m.</i>)
Javier Saucedo, Vice Chair	

TRUSTEES ABSENT

Koné Bowman (*absent*)
Robert Giddings (*excused*)
Devin Scott (*excused*)
Mayor, Clarence Phillips (*absent*)

OTHERS PRESENT

Cynthia Billings, Sullivan, Ward, Asher & Patton, PC
Stuart Tompkins, Sullivan, Ward, Asher & Patton, PC
Tom Michaud, VanOverbeke, Michaud & Timmony, PC
Ellen Zimmermann, Retirement Systems Administrator
Jane Arndt, M-Administrative Assistant

APPROVAL OF CONSENT AGENDA

- A. Minutes of Special Meeting: July 25, 2006
- B. Minutes of Regular Meeting July 26, 2006
- C. Communications:
 - 1. Correspondence from Munder Captial Re: Crestview Partners Acquisition
 - 2. Correspondence from Julius Baer Re: Portfolio Commentary
 - 3. Correspondence from MAPERS Re: MAP Program
 - 4. Correspondence from Loomis Sayles Re: June Portfolio Commentary
 - 5. Correspondence from Peritus Re: Portfolio Transition
 - 6. Conference Information:
 - a. Recovering Investor Assets – Bernstein Litowitz – Oct. 5-6, 2006
 - b. 2006 Mellon Client Conference – Mellon Trust – Oct. 4-7, 2007
 - b. Essentials of Public Sector Benefits Administration – Oct. 23-26, 2006
 - c. Public Fund Boards Forum – IIR – Dec. 9-12, 2006
 - d. Public Funds Summit – Opal Financial Group – Jan. 10-12, 2007

D. Financial Reports:

1. Financial Reports – July 2006
2. Commission Recapture – July 2006
3. Securities Lending – June 2006
4. Accounts Payable:
 - a. ADP \$2,282.69
 - b. Comerica (WAM) 5,569.82
 - c. GE Asset Management 37,224.00
 - d. Gray & Co. 8,104.17
 - e. Ikon 198.59
 - f. Kennedy Capital 61,816.00
 - g. Loomis Sayles 44,780.55
 - h. Mellon GSS 48,458.32
 - i. Mesirow Financial 38,259.68
 - j. Munder Capital 72,969.00
 - k. Office Depot 80.01
 - l. Oppenheimer Capital 28,072.67
 - m. Plante Moran 3,185.00
 - n. Seix Advisors 26,975.85
 - o. Sullivan, Ward, Asher & Patton 5,776.00
 - p. Systematic Financial 54,653.63
 - q. Visa 12,923.21
 - r. Due To / Due From 153,995.31

E. Retirements, Refunds, Final Calculations, Re-Examinations

1. Remove from the Rolls:
 - a. Jessie Avant (deceased 08-04-06)
 - b. Josephine Gamester (deceased 07-15-06)
 - c. Kenneth Goit (deceased 07-29-06)
 - d. George Rae (deceased 07-17-06)
 - e. Ruby Staab (deceased 08-08-06)
 - f. Mary Vann (deceased 07-28-06)
2. Application for Service Retirement:
 - a. Eunice Teel – PMEA 20 years, 9 months Age 60
 - b. Kay Workman – NOMC 11 years, 4 months Age 60
 - c. Allan B. Gibson – NOMC 17 years, 4 months Age 60
3. Disability Re-examinations:
 - a. Joseph Babin
4. Final Pension Calculations:
 - a. Celeste Thompson #2277 1,025.66
 - b. Cheryl Everett #2333 737.64
 - c. Eunice Teel #2348 952.47
 - d. Kay Workman #2350 337.43
 - e. Allan Gibson #2351 709.05

Trustee Woods stated that Eunice Teel under the application for service retirement portion of the agenda read that she was a member of PMEA. Trustee Woods said that she would have been a member of MAPE.

RESOLUTION 06-066 By Barnett, Supported by Saucedo
Resolved, That the consent agenda for August 30, 2006 be approved as presented.

Yeas: 6 – Nays: 0

CONSULTANTS

Re: Sullivan, Ward, Asher & Patton – CAPROC Update

RESOLUTION 06-067 By Saucedo, Supported by Cochran
Resolved, That the Board will move to closed session to discuss pending litigation.

Roll Call:

Shirley Barnett	Javier Saucedo
Ray Cochran	Kevin Williams
Charlie Harrison	Debra Woods

The Board moved to closed session at 1: 50p.m

Trustee Wright arrived at 2:05 p.m.

The Board returned from closed session at 2:31 p.m.

Trustee Woods, Ms. Billings and Mr. Tompkins left at 2:31 p.m.

RESOLUTION 06-068 By Cochran, Supported by Saucedo
Resolved, That the Board will approve the closed session minutes from the June 28, 2006 and July 27, 2006 meetings.

Yeas: 6 – Nays: 0

Tuesday Redmond arrived at 2:31 p.m.

The Board concurred that they would convene a special meeting within two weeks to review the proposed agreement.

Mr. Michaud asked the Board if training could be deferred to a future meeting. The Board concurred.

REPORTS

Chairman

Conference Arrangements

Chairman Harrison asked the Board to be mindful of timeframes when deciding whether to attend a conference. He asked that trustees not wait until the last minute to make arrangements. He suggested that when Ms. Arndt brings information on upcoming conferences to the meeting, trustees will have thirty days to determine if they will attend giving Ms. Arndt sufficient time to make travel arrangements. Those trustees making their own travel arrangements should notify Ms. Arndt and provide her with the information.

Secretary - None

Trustees / Committees

Re: Real Estate Committee – None

Re: Personnel Committee - None

RESOLUTION 06–069 By Saucedo, Supported by Williams
Resolved, That the Board will move to closed session to discuss pending litigation.

Roll Call:

Shirley Barnett	Javier Saucedo
Ray Cochran	Kevin Williams
Charlie Harrison	Andrea Wright

The Board moved to closed session at 2:37 p.m.

The Board returned from closed session at 2:47 p.m.

RESOLUTION 06-070 By Cochran, Supported by Saucedo
Resolved, that the Home Depot securities litigation information be received and filed.

Yeas: 6 – Nays; 0

RESOLUTION 06-071 By Cochran, Supported by Saucedo
Resolved, that the Sunterra securities litigation information be received and filed.

Yeas: 6 – Nays; 0

RESOLUTION 06-072 By Cochran, Supported by Saucedo
Resolved, that the Molex securities litigation information be received and filed.

Yeas: 6 – Nays; 0

Administrator

Ms. Zimmermann informed the Board that Ms. Arndt had provided a copy of the PAS Form for Eunice Teel showing her union affiliation as PMEA not MAPE. She asked that the earlier discussed meeting correction be revoked. The Board concurred that it was correct as stated.

Custody RFP

Ms. Zimmermann informed the Board that the system is re-bidding the custodian through Gray and Company. They have selected three firms and expect RFP's the first week in September.

The RFPs will be distributed to the joint committee. At the October 2006 Board Meeting a recommendation will be made. Gray & Company recommends that a selection be made in October to facilitate the transition by January, 2007. She added that there will be a lot of data to review and that it will be summarized and discussed at the September committee meeting.

Website

The website has been updated with current information, for example, list of trustees, subcommittee members, forms, minutes and FAQs. The graphics have been updated by Ken Martin in the IT Department and it looks great.

Retiree Reassurance Letter

Ms. Zimmermann told the Board that the reassurance letter to retirees was sent out. She also told them that the website address was included in the letter.

Trustee Wright asked which committee she was appointed to. Ms. Zimmermann was directed to supply a committee list to the Board members.

Conferences

Ms. Zimmermann requested the Board's approval for her to attend the Recovering Investor Assets Conference in New York, NY on October 5-6, 2006. She said that it would assist her with her job when working with securities litigation issues.

Ms. Zimmermann also requested that Deborah Munson be approved to attend the 2006 Mellon Client Conference in Tucson, Arizona on October 4-7, 2006.

RESOLUTION 06-073 By Barnett, Supported by Wright

Resolved, That the Board will approve Ellen Zimmermann to attend the Recovering Investor Assets Conference in New York, NY on October 5-6, 2006 and for Deborah Munson to attend the 2006 Mellon Client Conference on October 4-7, 2006 in Tucson, AZ.

Yeas: 6 – Nays: 0

Legal - None

Union Representatives – None

UNFINISHED BUSINESS

Re: Ordinance Clean-up – Tabled to Next Meeting

Ms. Zimmermann and Mr. Michaud are working on this and will update the Board.

Re: Service Credit Information to Members – Tabled to next Meeting

Ms. Zimmermann and Mr. Michaud are working on this and will update the Board.

NEW BUSINESS

Re: Signature Authority

RESOLUTION 06-074 By Wright, Supported by Saucedo

Resolved, That the Board of Trustees approve the updated signature authorization.

Yeas: 6 – Nays: 0

Re: Audit Fees – GASB 40

Ms. Zimmermann explained that the audit required additional work not included in the quote due to the poor quality of information available from the custodian bank. She asked the Board for their approval to pay the additional unbilled work estimated at \$4,000.00. This amount would be split between the funds.

RESOLUTION 06-075 By Saucedo, Supported by Barnett

Resolved, That the Board of Trustees approve the payment of the additional audit costs.

Yeas: 6 – Nays: 0

PUBLIC DISCUSSION

Tuesday Redmond – Request for Seniority Information

Ms. Redmond told the Board that she had requested her seniority information from the Retirement Office and that she did not agree with the calculation. She also stated that she had filed a grievance with her union.

She is disputing her seniority date. She said that she started with the City on October 17, 1980. However, the retirement system is only showing her service credit as starting on October 17, 1981.

Ms. Zimmermann explained that seniority and service credit are different. She said that seniority is used for pay and promotional purposes and service credit is the calculation of a member's time for a pension benefit.

Ms. Redmond said that a number of people have told her that when applying for retirement their time under CETA was included in their service credit. Ms. Zimmermann replied that she could

not discuss anyone else's data, but that she would look into the issue. Chairman Harrison said that Ms. Zimmermann would follow up with Ms. Redmond to resolve the issue. The Board will be updated at the next meeting.

Achievement Commendation

Trustee Wright congratulated Ms. Zimmermann on passing the MAPERS Achievement Program with a score of 96%. Mr. Michaud told the Board that she had one of the highest test scores.

Chairman Harrison commended the Board for their training efforts and told them he feels strongly about trustee training.

SCHEDULING OF NEXT MEETING

Regular Meeting: September 27, 2006 at 1:30 p.m. in the Shrine Room of City Hall.

ADJOURNMENT

RESOLUTION 06 -076 By Wright, Supported Saucedo
Resolved, That the meeting be adjourned at 3:13 p.m.

Yeas: 6 – Nays: 0

I certify that the foregoing is true Minutes of
the General Employees Retirement System
held on August 30, 2006.

Raymond Cochran, Secretary
As recorded by Jane Arndt