

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
March 25, 2009**

A regular meeting of the Board of Trustees was held on Wednesday, March 25, 2009 at the Shrine Room, Main Floor, City Hall, 47450 Woodward Avenue, Pontiac, Michigan 48342. The meeting was called to order at 1:29 p.m.

TRUSTEES PRESENT

Shirley Barnett	Devin Scott
Koné Bowman	Kevin Williams
David Flaisher	Debra Woods
Charlie Harrison, Chairman	Andrea Wright
Javier Saucedo, Vice Chair	

TRUSTEES ABSENT

Mayor, Clarence Phillips (*absent*)

OTHERS PRESENT

Anthony Asher, Sullivan, Ward, Asher & Patton, P.C.
Laurence O. Gray, Gray & Company
Ellen Zimmermann, Retirement Accountant
Jane Arndt, M-Administrative Assistant
Linda Watson, Retiree
Randall Yakey, The Oakland Press
Patrice Waterman, Retiree (*arrived at 1:52 p.m.*)

PUBLIC DISCUSSION

None.

APPROVAL OF CONSENT AGENDA

- A. Minutes of Special Joint Meeting – January 15, 2009
- B. Minutes of Special Meeting – February 24, 2009
- C. Minutes of Special Joint Meeting - February 25, 2009
- D. Minutes of Regular Meeting - February 25, 2009
- E. Communications:
 - 1. Correspondence from Artio Global Re: Fact Sheet Q1 2009
 - 2. Conferences:
 - a. Washington Legislative Update – IFEBP – May 18-20, 2009
 - b. Protecting Shareholder Value – BLBG – October 22-23, 2009
- F. Financial Reports
 - 1. Financial Reports – February 2009
 - 2. Commission Recapture – February 2009
 - 3. Securities Lending – February 2009
 - 4. Securities Lending Deficiencies

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- 5. Accounts Payable
 - a. ADP \$7,500.24
 - b. CBRE (CB Richard Ellis) 3,750.00
 - c. City of Pontiac 3,348.16
 - d. Gray & Co. 8,104.17
 - e. Ikon 259.13
 - f. Munder Capital 69,874.00
 - g. Office Depot 26.01
 - h. Rodwan Consulting 1,400.00
 - i. Scott Harris (CAPROC) 743.75
 - j. Stevens Record Management 333.40
 - r. VISA 3,025.56
- D. Retirements, Refunds, Final Calculations, Re-Examinations
 - 1. Remove from the Rolls:
 - a. Carol Hess (deceased 02-22-09): survivor benefit of \$1,319.08/mo to Ellery Hess
 - b. Josephine Harlan (deceased 02-09-09)
 - c. Anna Hoppe (deceased 02-05-09)
 - d. Mary Leal (deceased 03-03-09)
 - 2. Application for Retirement:
 - a. Larry Kosofsky – PPMA 7 years, 0 months Age 57 (reciprocal)
 - 3. Final Pension Calculations:
 - 4. Application for Refund of Accumulated Contributions
 - 5. Application for Deferred Retirement:
 - 6. Application for Disability Retirement

Trustee Flaisher presented a receipt for reimbursement for attending a CFA Society of Detroit Meeting held on March 10, 2009 in Birmingham, Michigan for \$27.00.

RESOLUTION 09-026 By Woods, Supported by Saucedo
 Resolved, That the reimbursement receipt for Trustee Flaisher’s attendance at the CFA Society be added to the consent agenda for approval.

Yeas: 6 – Nays: 0

Trustee Woods made a request to attend the CAPPP Public Employee Pensions Part II being held on June 11, 2009 and June 12, 2009 in Chicago, Illinois. Trustee Bowman also requested to attend.

Ms. Zimmermann made a request to the Board to attend the Protecting Shareholder Value Conference held by BLBG on October 22, 2009 through October 23, 2009 in New York, New York.

RESOLUTION 09-027 By Saucedo, Supported by Williams

Resolved, That Trustee Woods and Trustee Bowman be approved to attend the CAPPP Employee Pensions Part II Conference June 11, 2009 through June 12, 2009 in Chicago, Illinois and Ms. Zimmermann be approved to attend the Protecting Shareholder Value Conference on October 22, 2009 through October 23, 2009 in New York, New York with the expenses to be paid from the earnings of the System.

Yeas: 9 – Nays: 0

CONSULTANTS

Re: UIM Large Cap Value Transition

Mr. Gray stated that the contracts have been accepted for the Large Cap Value Transition with the exception of one manager.

He reported that the current value of the fund as of March 23, 2009 is \$319.1 million. He said that the amount has increased slightly in the last few days.

Re: Onyx Capital Correspondence

He distributed a letter from Roy Dixon of Onyx Capital Advisors, LLC for the trustees' review.

Resolution 09-028 By Barnett, Supported by Williams

Resolved, That the Board file and receive the correspondence from Onyx Capital Advisors, LLC.

Yeas: 9 – Nays: 0

Mr. Gray asked if the trustees had any questions regarding the portfolio on a macro or micro economic basis.

Trustee Wright asked if the current up performance of the market is due to the stimulus plan. Mr. Gray said that the market bounce surrounds Treasury Secretary Geithner's plan for the economy.

Chairman Harrison commented about the institutions that did not want the TARP money. He said many of these banks have no plans to loan the money and are saving it to give back to the government. He feels that the market will continue an up and down trend during 2009. He thinks it will run either slightly above or below its current level.

Trustee Barnett asked about the Onyx investment in the automotive lending company and how it is doing. Mr. Gray said that according to Roy Dixon it is doing very well because of the current economic environment.

REPORTS

Re: Chairman - None

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Re: Secretary – None

Re: Trustees/Committees - None

Re: Administrator

Disaster Recovery and Backup Copies of Minutes

Ms. Zimmermann said that she is in the process of making backup copies of the minutes from the Midland books and setting up a database to access and organize them for under \$300.00. She said that Gabriel, Roeder & Smith would charge \$30,000.00 to perform the same task.

GRS Software

Because the GRS software is not working, the Retirement Office had a difficult time getting detailed information to the actuary and processing normal work. She is in the process of gathering information and obtaining the costs to replace the GRS system. She has identified four or five companies that seem to service public funds.

Trustee Flaisher asked if Watson Wyatt is on the list of companies. Ms. Zimmermann explained that Wyatt's municipal actuarial practice was merged with Gabriel, Roeder & Smith.

Deceased Member Beneficiary Issue

A member eligible for retirement had requested an estimate of his retirement benefit. The Retirement Office was unable to complete the estimate because they were unable to get information from Human Resources after making several attempts. The member passed away. This issue has been sent for a legal opinion regarding the beneficiary designation.

Closed Session Minutes

Ms. Zimmermann requested that the Board approve the closed session minutes for January 15, 2009 and February 25, 2009.

RESOLUTION 09-029 By Bowman, Supported by Wright

Resolved, That the Board approve the closed session minutes for January 15, 2009 and February 25, 2009.

Yeas: 9 – Nays: 0

Re: Legal

Chairman Harrison said that the Board is pleased to have Anthony Asher from Sullivan Ward Asher & Patton in Ms. Billing's place at today's meeting.

CompuCredit Corp – Mr. Asher reported that the Retirement System had been appointed lead plaintiff on October 22, 2008.

CBS Corporation

Mr. Asher reported that the Motion for Lead Plaintiff was filed based on the Retirement System's losses of \$425,000. On March 5, 2009 the Court denied the system's motion and appointed an investor with larger losses as lead plaintiff. They will continue to monitor the securities litigation on behalf of the system.

Merrill Lynch Bond Litigation

Mr. Asher reported that Merrill Lynch violated the Securities Act by offering preferred stock and bonds pursuant to false and misleading prospectuses and registration statements filed with the Securities and Exchange Commission. On February 19, 2009 the Court said that it would only allow claims to proceed to the extent a named plaintiff bought shares on or traceable to a particular offering. The Retirement System is the only fund that bought shares on or traceable to certain of these securities offerings. If the Retirement System does not assert a claim based on these offerings the claims will go unprosecuted.

Mr. Asher requested that the Board ratify the Secretary's signature on the Certification.

RESOLUTION 09-030 By Bowman, Supported by Wright
Resolved, That the Board ratify Secretary Flaisher's signature on the Merrill Lynch bond litigation Certification.

Yeas: 9 – Nays: 0

Proposed Investment Management Agreement With UIM

Mr. Asher reported that the contract changes were forwarded to UIM. They agreed to the changes and are in the process of finalizing the contract.

Northern Trust – Securities Lending

Mr. Asher reported that Northern Trust has not provided due diligence reports regarding the acquisition of the Lehman securities. He discussed Northern Trust's role as a fiduciary of the System. Chairman Harrison asked about the plan is going forward. Mr. Asher said that they are not prepared to make a recommendation at this time.

Patrice Waterman arrived at 1:52 p.m.

Chairman Harrison asked if they will continue to let it unfold. Mr. Asher said that Northern Trust had no exposure when they used the Retirement System's money but are now holding the system responsible for the losses.

Mr. Gray stated that most of his clients are in custody with Northern Trust.

IRS Determination Letter

Correspondence was received from the IRS acknowledging receipt of the Application for a Determination Letter that was submitted on January 30, 2009.

CAPROC LLC

Due diligence correspondence was received in regard to the funding of the settlement for the Pontiac Retirement Systems.

Revision of PA 314 of 1965

Public Act 314 has been revised and they have included a summary of the changes for the trustees' information.

First Amended Domestic Relations Order – Kervin Joseph Young

Mr. Asher reported that they have reviewed the amended Domestic Relations Order and are recommending acceptance of the Order as qualified.

RESOLUTION 09-031 By Bowman, Supported by Woods

Resolved, That the Board accept the Kervin Joseph Young amended Domestic Relations Order as recommended by legal counsel.

Yeas: 9 – Nays: 0

Willa Hayes Letters of Conservatorship

Mr. Asher reported that they recommend that Ms. Hayes' retirement checks be forwarded to Attorney Jeffrey Fried per the Letter of Conservatorship received on her behalf. The conservatorship will expire on April 9, 2009 and an updated letter will be required.

Rebecca Pesola

Correspondence has been forwarded to Ms. Pesola indicating that she will be eligible to receive her retirement benefit upon reaching age 60 pursuant to the terms of the Retirement Ordinance.

Coughlin Stoia Portfolio Monitoring Report Third Quarter 2008; Bernstein Litowitz Portfolio Monitoring Report fourth Quarter 2008

Mr. Asher reported that the report contains information regarding the system's securities litigation activities for the trustees' information.

Miscellaneous Articles

Mr. Asher referred to articles compiled for the trustees' information.

Union Representatives – None

UNFINISHED BUSINESS

NEW BUSINESS

Re: Ratification of Capital Calls

Ms. Zimmermann requested that the Board ratify the recent capital call from Mesirow Private Equity in the amount of \$100,000.00.

RESOLUTION 09-032 By Saucedo, Supported by Woods

Resolved, That the Board ratify the capital from Mesirow Private Equity in the amount of \$100,000.00.

Yeas: 9 – Nays: 0

SCHEDULING OF NEXT MEETING AND ADJOURNMENT:

Regular Meeting: April 22, 2009 1:30 p.m. - Shrine Room, Main Level, City Hall

ADJOURNMENT

RESOLUTION 09-033 By Woods, Supported by Saucedo

Resolved, That the meeting be adjourned at 2:02 p.m.

Yeas: 9 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees Retirement System held on March 25, 2009

David Flaisher, Secretary
As recorded by Jane Arndt