

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
January 15, 2009**

JOINT SPECIAL MEETING

A special meeting of the Board of Trustees was held on Thursday, January 15, 2009 in the Shrine Room, Main Level, City Hall, 47450 Woodward Ave., Pontiac, Michigan 48342. The meeting was called to order at 9:09 a.m.

GENERS TRUSTEES PRESENT

Kone Bowman
Charlie Harrison, Chairman
Javier Saucedo
Devin Scott (arrived 9:36 a.m.)
Sheryl Stubblefield, Secretary
Kevin Williams
Andrea Wright

TRUSTEES ABSENT

Shirley Barnett – excused
Mayor Clarence Phillips
Debra Woods – excused
Thomas Miller - excused

PFRS TRUSTEES PRESENT

Brian Lee
Craig Storum, Chairman
Sheryl Stubblefield, Secretary

OTHERS PRESENT

Stuart Tompkins, Sullivan, Ward, Asher & Patton
Chris Kuhn, Gray & Company
Ellen Zimmermann, Retirement Systems Administrator

Re: CAPROC Litigation

Resolution 09-001 By Lee, Supported by Stubblefield

Resolved, to go into closed session for the purpose of discussing litigation settlement.

Yeas: 3 – Nays: 0

Resolution 09-001 By Williams, Supported by Saucedo

Resolved, to go into closed session for the purpose of discussing litigation settlement.

Yeas: 6 – Nays: 0

Boards of Trustees reconvened at 10:04 a.m.

Resolution 09-002 By Lee, Supported by Stubblefield

Resolved, that legal counsel is authorized to complete the necessary due diligence on the proposal from CAPROC dated January 14, 2009 to include but not be limited to obtaining appraisals, and with the concurrence of CAPROC, will forestall enforcement of their rights under the settlement agreement until the completion of the due diligence, and further,

Resolved, that if CAPROC objects, the Board of Trustees authorizes legal counsel to proceed under the terms of the settlement agreement.

Yeas: 3 – Nays: 0

Resolution 09-002 By Saucedo, Supported by Bowman

Resolved, that legal counsel is authorized to complete the necessary due diligence on the proposal from CAPROC dated January 14, 2009 to include but not be limited to obtaining appraisals, and with the concurrence of CAPROC, will forestall enforcement of their rights under the settlement agreement until the completion of the due diligence, and further,

Resolved, that if CAPROC objects, the Board of Trustees authorizes legal counsel to proceed under the terms of the settlement agreement.

Yeas: 7 – Nays: 0

Resolution 09-003 By Saucedo, Supported by Bowman

Resolved, that the GERS Board meeting be adjourned at 10:05 a.m.

Yeas: 7 – Nays: 0

Re: CAP Mortgage

Mr. Tompkins discussed the remaining mortgage being held by PFRS for the property on Baldwin Road. The lessee owes \$2.3 million at an interest rate of 7.625%. They have reported that they have made timely payments for the past ten years. The sole tenant is the State of Michigan that occupies 100% of the 40,000 square foot facility. The lessee, Joju Rimal, asked the Board to re-finance the building through the pension fund. The Board declined. In the current economic situation, they are unable to refinance.

The lessee is now asking to continue the lease for one year. To analyze the proposal it is recommended that an appraisal be completed. Mr. Tompkins feels the appraisal is necessary to

the Board's due diligence process and indicated the lessee will pay for this, including the legal fees.

Resolution 09-003 By Lee, Supported by Stubblefield

Resolved, that the Board of Trustees, subject to due diligence, agrees to extend the mortgage with Joju Rimal for one year with the costs to be paid by the borrower.

Yeas: 3 – Nays: 0

Resolution 09-004 By Lee, Supported by Stubblefield

Resolved, that the PFRS meeting be adjourned at 10:14 a.m.

As recorded by E. Zimmermann

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