

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
Minutes of October 29, 2008**

A regular meeting of the Board of Trustees was held on Wednesday, October 29, 2008 at the Lion's Den, Main Floor, City Hall, 47450 Woodward Avenue, Pontiac, Michigan 48342. The meeting was called to order at 1:35 p.m.

TRUSTEES PRESENT

Shirley Barnett	Javier Saucedo, Vice Chair
Koné Bowman	Kevin Williams
Ray Cochran, Secretary	Debra Woods
Charlie Harrison, Chairman	Andrea Wright

TRUSTEES ABSENT

Mayor, Clarence Phillips (*absent*)
Devin Scott (*excused*)

OTHERS PRESENT

Larry Gray, Gray & Company
Cynthia Billings, Sullivan, Ward, Asher & Patton, P.C.
Tom Michaud, VanOverbeke, Michaud & Timmony, P.C.
David Smith, The Northern Trust Company
Nancy Giraldi, The Northern Trust Company
David Bergman, Global Transition Solutions, L.L.C.
Stephen Malinowski, Global Transition Solutions, L.L.C.
Deborah Munson, Retirement Accountant
Jane Arndt, M-Administrative Assistant
Linda Watson, Retiree

PUBLIC DISCUSSION

Chairman Harrison asked if there were any comments or public discussion.

APPROVAL OF CONSENT AGENDA

- A. Minutes of Special Meeting: August 26, 2008
- B. Minutes of Regular Meeting: September 24, 2008
- C. Communications
 - 1. Correspondence from Gray & Co. – Re: Economic Stabilization Plan
 - 2. Correspondence from Artio Global Investors Re: Investment Update
 - 3. Correspondence from Sullivan Ward Re: CAPROC Promissory Note
 - 4. Correspondence from Munder Capital Re: Market Snapshot
 - 5. Correspondence from Northern Trust Re: Market Turmoil
 - 6. Correspondence from Invesco Re: Market Commentary
 - 7. Correspondence from Kennedy Capital Re: Update

General Employees Retirement
Regular Meeting,
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D. Financial Reports:

1. Financial Reports – September 2008
2. Commission Recapture – September 2008
3. Securities Lending – September 2008
4. Accounts Payable:

a. ADP	\$2,811.07
b. City of Pontiac	6,696.32
c. Coffee Break	19.25
d. Gray & Co.	8,104.17
e. Ikon	198.59
f. International Foundation	845.00
g. Loomis Sayles	39,316.83
h. Northern Trust	40,193.38
i. Office Depot	250.34
j. Peritus Asset Management	82,284.82
k. Rodwan Consulting	3,200.00
l. Slade's Printing	65.00
m. Sullivan, Ward, Asher & Patton	10,651.93
n. Systematic Financial	56,020.78
n. United Investment Managers (UIM)	71,330.09
o. Visa	6,529.09
p. Due to/Due from Q3	(266.31)

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

1. Remove from the Rolls:
 - a. Sherlda Jenkins (deceased 09-24-08)
 - b. Dorothy Gidcumb (deceased 09-14-08)
 - c. Shirley Smith (deceased 08-27-08)
2. Application for Retirement:
 - a. Pablo Cruz - PPMA 27 years, 3 months Age 50
 - b. Daniel Rhodes - PPMA 27 years, 2 months Age 50
3. Final Pension Calculations:
 - a. Sandra J. Hughes - NOMC #2461 \$ 121.00

Trustee Barnett noted that the last paragraph on page seven of the September 24, 2008 regular meeting that referred to the hospital retiree life insurance was recorded in the minutes as more than five years ago when it should have stated less than five years ago.

RESOLUTION 08-072 By Bowman, Supported by Woods

Resolved, That the consent agenda for October 29, 2008 be approved as amended.

Yeas: 8 – Nays: 0

Tom Michaud greeted the Board and distributed a letter regarding the Sunterra Corporation Securities Litigation. He gave a brief update of the securities litigation stating that it is currently in mediation. It is his opinion that it is advantageous for the fund to settle. He has spoken with

Chairman Harrison regarding this issue. The letter recommends that, based on the losses and damages the fund has sustained, it would be in the best interest of the fund to recover as much as they can from this class action litigation. He asked that the Board make a motion to receive, file and approve the recommended course of action.

Mr. Michaud stated that the settlement is \$8 million and that the MBIA securities litigation is currently on appeal with developments pending. Chairman Harrison asked if the \$8 million settlement is for the entire class and what portion of the settlement would the fund receive. Mr. Michaud said that the fund sustained losses of \$36,000 and is co-lead plaintiff with the City of Livonia Employees Retirement System. He said that there are thousands of class participants. Ms. Billings said that the settlement is based on the number of participants that file a proof of claim.

RESOLUTION 08-073 By Wright, Supported by Saucedo
Resolved, that the Board ratify the settlement of the Sunterra Corporation Securities Litigation.

Yeas: 8 – Nays: 0

Mr. Michaud left at 1:43 p.m.

CONSULTANTS

Re: Sullivan, Ward, Asher & Patton – CAPROC

Stuart Tompkins provided a current update of the CAPROC settlement and reviewed the history of the settlement with the Board. The fund receives monthly interest payments in accord with the settlement. The General Employees Retirement System entered into a settlement agreement with CAPROC in May, 2007 for \$12.4 million less \$1.775 million that was paid at the closing with the remainder of the principal with interest to be paid out over a thirty-six month period. As part of the settlement, the system receives quarterly interest payments on the outstanding amount. He explained that the monthly interest payments have been paid on time.

Since October, 2007 there have been two property sales and the GERS and PFRS systems received 60% of the proceeds. The remainder was withheld for capital improvements. The One Michigan property was part of the settlement. The property was sold for less money than agreed to in the original settlement. Initially, the system received \$113,787 from the sale to be allocated against the principle owed with a promissory note being entered into between CAPROC and the purchaser for the remainder. The purchaser was unable to pay the full amount of the promissory note which was renegotiated for \$350,000 and approved by the fund.

In accordance with the settlement agreement, the first principal payment is due eighteen months after approval of the original agreement on October 31, 2008 plus interest. The total amount due is \$2,467,000 less the previous principal payments from the sale of One Michigan and Crosspointe. This leaves a total amount due of approximately \$1.7 million plus an additional interest only payment of \$220,000.

Under the terms of the settlement agreement CAPROC can pay the system from cash on hand or through the sale of property. Currently, CAPROC is negotiating a deal with the City of Detroit GERS to refinance the Northern Trust/Merrill Lynch building in Florida. CAPROC has given notice that the sale of the property will not close prior to October 31, 2008. According to the settlement agreement, they can request a ninety day extension as long as they have a binding, good faith offer. The refinancing agreement provides for the lesser of \$15.8 million or 80% of the AIA appraisal from the City of Detroit GERS with a portion of the refinancing being used to refinance the existing mortgage and pay on the principal amount due under the terms of the settlement agreement that was due on October 30, 2008.

CAPROC has a valid, binding, good faith commitment and has asked for a ninety day extension of the principal payment. CAPROC believes they will close before the 90 days expires, but this does require the Board's permission. Interest will continue to accrue with the system receiving approximately \$85,000 to be paid on or about January 20, 2009.

Sullivan Ward has previously performed due diligence on the property. Mr. Tompkins said that he can provide a copy of the forty page refinancing agreement to the Board. He said he would send a copy of the document to Ms. Zimmermann and an electronic copy to Mr. Gray. He requested the Board's authorization to extend the principal payment deadline for a ninety day period.

RESOLUTION 08-074 By Barnett, Supported by Williams

Resolved, that the Board authorize a ninety-day extension of the CAPROC principal payment due October 31, 2008 per the settlement agreement.

Yeas: 8 – Nays: 0

Mr. Tompkins left at 1:50 p.m.

Mr. Bergman and Mr. Malinowski arrived at 1:52 p.m.

Re: Global Transition Solutions

Mr. Bergman said that Global Transition Solutions is a brokerage and transition consultant group. They insure that brokers comply with professional ethics and their fiduciary responsibilities. He said that \$.72 out of every dollar in transition costs goes to the broker. That is three times the typical investment management fee. There is a lot of leakage involved. His firm attempts to bring transparency to all brokerage costs.

They work with representative funds from the ten largest cities in the country. They work with a custodian like Northern Trust analyzing trade data and performance analysis by manager to determine which brokers to utilize. They bring full transparency for brokerage expenses. They do not have the opportunity to monitor brokerage costs on a daily basis but they do try to plug the holes. During a transition event of more than \$5 million or thirty bonds they could save the system 20% to 60% in brokerage fees.

He said that the first step is to find the best broker. They look for a broker similar to the way the system's investment consultant looks for an investment manager. They review the performance and perform due diligence on a qualitative basis before the broker is selected. He said that the largest asset managers like CALPERS and CALSTERS never look at brokerage performance. There is \$1.2 trillion in real time trade data. They look for the broker who is doing the best job in a particular asset class.

There is a huge difference when trading is done by a top broker versus the tenth best broker. In large cap it could be 110% versus small cap at 220%.

Using multiple trading desks can cause problems and conflicts. They perform real-time oversight of the system's trades watching every tick. They make sure that brokers do not play games like a lot of them do. Their firm provides in depth reporting and does not allow self reporting from brokers.

They would provide a stress test on the fund's fixed income. He commented that valuations at the custodian are rather stale. When there is a broker event like a rebalancing or a manager move they are there in advance to cut off any timing loss. They will administer the entire process and provide a pre-trade transaction cost analysis to the consultant and let the system know what the cost will be. He said that this analysis is a value-added service. For transition events greater than \$5 million and thirty securities their commission fee is .015%.

He discussed how they are cutting execution costs by 20 basis points and 10% of the commission on the trade. He said that some brokers are not getting the best prices for stocks and bonds. He said that they have the same fiduciary obligation as a consultant.

Chairman Harrison asked if they could provide data that would demonstrate their ability to reduce costs. Mr. Bergman said that a number of their clients ran the numbers before and after they came in. Their process is an art not a science. He said that the data does not reveal when a trade happens. The turnover could be 100% to 200% per year. You should start seeing cost savings the next year. There is a significance difference using a bottom-ranked broker versus a 3rd or 4th ranked broker. He said that they can include local and minority-owned brokers in their analytics.

Ms. Billings asked why a manager would not use the best broker on their own. Mr. Bergman said that less than one-third of managers use trade cost analytics so they do not know how they are doing. He said that this is where he normally asks the Board to make a motion to retain the services of his company.

Mr. Bergman and Mr. Malinowski left at 2:12 p.m.

Mr. Gray indicated that he will be conducting an on-site visit to GTS. He asked if the trustees have any questions.

Chairman Harrison stated that he is concerned that GTS could not provide any empirical data about their performance. Mr. Bergman said that it is an art not a science. Without proven data he was also concerned that the system's emerging brokers could not compete and would not be utilized.

Trustee Williams said he does not feel there is a need for this service. Trustee Wright questioned how GTS gets paid and if it is from the money they save their clients.

Trustee Cochran said that he is concerned about abuses in dividends reinvested in securities.

Ms. Munson asked about the statement that the evaluation data from Northern Trust is stale. Mr. Gray said that Northern Trust's data comes post trading. He questioned how GTS can automatically claim there is a savings due to market variability. Ms. Munson said that they get the market data and trading data the same day at the same time. She asked how they determine if it was a good versus bad manager trade.

Mr. Gray said that the explicit cost is that GTS would charge \$.015 cents per share. Gray & Company has negotiated the cost down to \$.006 to \$.007 per share. He said they will obtain two years of GTS data and perform an analysis.

Mr. Gray said that he likes the concept of using the best of breed brokers. Chairman Harrison said he feels that any costs savings would be absorbed by their fees. He directed Mr. Gray to report back after performing his due diligence.

Re: Northern Trust – Securities Lending Deficiency

Ms. Billings reported to the Board that she, Ms. Zimmermann and Mr. Kuhn took part in a conference call with Northern Trust to discuss the securities lending issue. There are currently two securities lending lawsuits filed against Northern Trust which Sullivan Ward litigators are currently reviewing. She said that Northern Trust is a fiduciary of the system. They are looking at what due diligence was performed in the Core USA Collateral Pool.

Mr. Gray said that most clients signed up for the securities lending program with the notion that the securities being loaned out were legitimate securities like treasuries or a credit worthy industry. He reviewed the premise of securities lending. The program loans securities to highly-rated firms and receives 102% for domestic securities and 105% for international securities. Historically the collateral pool was comprised of safe, short-term securities with Lehman Brothers being a major holding across all collateral pools. When Lehman Brothers filed for bankruptcy their securities were frozen including mortgage-backed securities which caused a collateral deficiency within the portfolio. He said that Northern Trust injected \$150 million of their own money into the collateral pool to alleviate a small portion of their clients' losses. Trustees in Chicago expected Northern Trust to reach into their pockets and return more cash.

Chairman Harrison asked if the goal is to be made whole. He asked Mr. Gray what would be satisfactory. If the Board is not satisfied, what are their options? He asked if there is concern going forward.

Mr. Gray said that Northern Trust is in the middle of a huge corporate issue. There are limits as to what David Smith and his associate can say. The question is whether the Board is happy with the way Northern Trust is handling this issue.

Chairman Harrison said that he relies on Ms. Zimmermann and Ms. Munson whether Northern Trust is meeting their needs. The Board felt it was a good move at the time.

Mr. Smith & Ms. Giraldi arrived at 2:35 p.m.

Chairman Harrison thanked David Smith and Nancy Giraldi from Northern Trust for their presence at the meeting.

Mr. Smith presented an overview of economy and the status of the markets. He stated that the Board is well aware of the economic issues that face both the U.S. and the global markets. These are unusual times in U.S. trading similar those of the 1920's and 1930's. The U.S. TARP (Troubled Asset Relief Program) will provide some assistance but money market funds have been under a lot of pressure.

He said that Ms. Billings submitted a number of questions in writing regarding the collateral deficiency and the financial impact to the system. He said that they will address these questions verbally at today's meeting and will provide a written response as requested by Ms. Billings.

He reviewed the securities lending process. There is currently \$400 billion in lendable securities with a distribution network of 40 approved brokers like Goldman Sachs. Twenty percent of these securities are loaned to these brokers who loan these shares to hedge fund clients and others. In turn the system receives collateral of 102% for domestic shares and 105% for international shares which is invested and managed jointly in the Northern Trust Short Duration Fixed Income Division. The CORE USA is an unregistered commingled fund and not a money market fund. Some of the notes contained in the fund are floating rate notes. This allows investors to obtain almost risk-free returns.

The current earnings split with the system is 65%/35% with an overall split of 70%/30%. In 2007 Northern Trust's clients earned \$700 million with Northern Trust earning \$200 million. Since joining the securities lending program in March, 2007 the system has earned \$560,255.

Mr. Smith stated that Lehman Brothers was the only impaired asset in the portfolio. He said that the day before the bankruptcy, Richard Fuld the CEO of Lehman Brothers misled investors that they were solvent. He said that credit rating agencies also played a role.

Chairman Harrison asked if Northern Trust has a fiduciary role in respect to Lehman Brothers. He asked if there is a flaw in the way things are done. He said that it was the assumption and expectation of the system that Northern Trust acting as a fiduciary of the system would know what was going on. They should have had access to Board Meetings and Lehman Brother's data. He asked as a fiduciary what is Northern Trust's responsibility.

Mr. Smith told the Board that Chairman Harrison makes a great point. He said that Northern Trust is an active portfolio manager in the securities lending program. He said that Lehman Brothers had reported that they were to receive money from North Korea. Ms. Giraldi stated that there are many committees and persons involved in the facilitation of the program.

Trustee Barnett asked how much money the system lost. Mr. Smith said that on September 19, 2008 Northern Trust declared a collateral deficiency. To fulfill their contractual obligation each investor received a pro rata collateral deficiency. He said that the system's unrealized loss is \$1.1 million. Northern Trust will contribute \$131,522 toward the system's deficiency.

He said that Lehman Brothers is responsible for 11% of the collateral deficiency in the portfolio. Ms. Billings asked what caused the other 89% of the collateral deficiency. Mr. Smith said that it was due to the lack of liquidity. As the markets recover the value can be reclaimed.

Ms. Billings asked if there are any other problems in the collateral pool. Chairman Harrison asked if they have holdings in one of the big three automotive companies. Mr. Smith said that he was not sure.

Ms. Giraldi said that Ms. Zimmermann and Mr. Gray are provided a report on a weekly basis with the collateral holdings. This report can also be viewed on their website.

Ms. Billings confirmed if the market comes back around to a normal value the portfolio would still be down 11%. Mr. Smith said that their analysts believe that after Lehman Brothers goes through the bankruptcy proceedings their shares will be worth 50¢ on the dollar.

Mr. Gray discussed the option of the system pulling out of the securities lending program. He asked if the system would lose \$543,000 if they abandon the program. He also asked about the positions in the portfolio whose duration is to 2043.

Trustee Cochran asked if they have estimated how long it will take to offset the collateral deficiency.

Ms. Munson questioned if the system withdrew from the program today would they lose \$1.1 million. Mr. Smith confirmed that the system would lose \$1.1 million. Ms. Giraldi said that future earnings would offset that deficiency.

Mr. Smith said that there still is a viable need for securities lending. The planned earned \$35,000 in October and it is a good source of revenue.

Trustee Cochran asked if there has been an effort to segregate into government securities. Mr. Smith said that there has been an effort to add more liquidity to the portfolio.

Ms. Billings asked if they could provide a written report on the due diligence performed that would explain why they purchased Lehman Brothers. She also asked if they were planning to shorten the duration in the portfolio.

Trustee Bowman left at 3:12 p.m.

Chairman Harrison thanked Mr. Smith and Ms. Giraldi for the update and a better understanding of what transpired and what lies ahead. Going forward the Board will rely on Ms. Billings and Mr. Gray to keep them informed.

Mr. Smith and Ms. Giraldi left at 3:13 p.m.

Meeting Break at 3:13 p.m.

Re: Gray & Company

Performance Update

Mr. Gray reviewed the total plan assets as of September 30, 2008 with total plan value of \$407 million. He said this has not been a great period on any level with every asset class returning negative numbers including fixed income which was thought to be safe. He reported quarter-to-date performance at -8.45%, year-to-date performance at -13.8% and two-year performance at -0.28%. Since inception the plan performance is 7.7%. There is a bright lining with the actuary reporting that from a funding ratio the system could sustain a number of bad years.

Domestic equity year-to-date performance was -17.35%. International equity year-to-date performance was hit much harder returning performance of -31.06%. He said that you know it has been challenging times when you lose money in the fixed income portfolio reporting quarter-to-date performance of -3.42%.

He said it is too early to measure the performance of Sawgrass and UIM.

Munder took it on the chin with quarter-to-date performance of -16.05%.

Loomis is still doing a great job for the long-term buying fundamentally good companies with good cash flow. He said a lot of good companies are currently being devalued. These will be the first companies to rebound.

Trustee Cochran commented on the year-to-date performance of Artio Global Investors at -31.06%. He said that the emerging market exposure caused more negativity this period but that this manager has only had one or two down quarters in the portfolio over the ten-year period. Mr. Gray stated that their process has not changed. He indicated that the Police & Fire Retirement System has the number one international equity manager in their portfolio. This manager took it on the chin losing 18% and returned the worse international market performance for the period.

In fixed income Munder and Oppenheimer have relatively high quality portfolios. Currently there is very little liquidity in the market.

Peritus stated during their presentation that these are exciting times and what they have been waiting for. We will wait and see how they bounce back.

Munder took advantage of the distressed mortgage fund part of the market.

Mr. Gray said that he has spoken with some of his mentors in the investment business. They do not feel this is similar to what happened in 1929.

Trustee Williams asked why Onyx is reporting positive year-to-date performance of 10.91%. Mr. Gray said that these are the numbers Onyx provided to Northern Trust. The first audited report is due in February, 2009. In the private equity space the Board should expect negative numbers.

There was a question regarding the negative reporting number in the cash account. Mr. Gray said that the cash account numbers are reported by Northern Trust with the other investments.

Chairman Harrison left at 3:41 p.m.

Ms. Billings asked if the market has turned around with buyers feeling securities have fallen too far. Mr. Gray said that this is a key time in the market and the best time to buy quality companies at a good price.

He said that the fund is invested for the long haul adding that we have not seen the worse with the default in consumer debt. He asked if the Board had any other questions.

Trustee Williams asked about the Peritus performance. Mr. Gray said that Peritus's performance is inline with the stock managers. He said that high yield performance is measured differently than distressed debt. When liquidity returns to the market they should make money.

Chairman Harrison returned at 3:43 p.m.

Capital Guardian

Mr. Gray reported that the Capital Guardian international fixed income investment has a minimum billing rate. He reminded the Board that the fund has been drawing down that investment for some time. They would like the Board's permission to fully liquidate the Capital Guardian investment.

RESOLUTION 08-075 By Woods, Supported by Saucedo
Resolved, That the Board will fully liquidate the Capital Guardian International Fixed Income Composite investment.

Yeas: 7 – Nays: 0

Mesirow

Mr. Gray told the Board that Mesirow was hired in August, 2004. Their quarter-to-date performance of -5.24% showed a glimmer of hope. Since inception they have had more underperforming quarters than outperforming quarters with performance of 2.65% versus the benchmark at 4.30%. Chairman Harrison asked if they are on par with the benchmark or their peers. Mr. Gray said that they are at the 80th percentile versus their peers quarter-to-date. As of June 30, 2008 they were at the 79th percentile, year-to-date in the 73rd percentile and ranked in the 81st percentile for the one-year period. He said that they should be able to find a manager performing in the upper quartile.

Trustee Woods left at 3:53 p.m.

The trustees and Mr. Gray discussed the performance of Mesirow and the alternatives available to the System. Mr. Gray said that the System should maintain their allocation to the large cap value asset class. Trustee Barnett asked if this is a good time to move. Mr. Gray said that the Board may want to wait for the markets to normalize before initiating a search. Chairman Harrison said that no action was necessary today, however, he would be curious about investment managers with a local presence. Mr. Gray stated that there are a number of good firms in the state and he could include them when the time comes. He further indicated that he would like managers that will fully participate on the upside as the equity market rebounds in the future.

Trustee Woods returned at 4:00 p.m.

Trustee Cochran left at 4:00 p.m.

Chairman Harrison asked Ms. Billings if there could be an issue when trustees are coming and going during the process of a meeting which results in a lack of quorum. Ms. Billings stated that the meeting can continue and close without a quorum.

Trustee Cochran returned at 4:01 p.m.

Northern Trust Update – Refer to Northern Trust – Securities Lending Deficiency (Under Consultants)

CAPROC – Refer to Sullivan, Ward, Asher & Patton (Under Consultants)

Fixed Income / Core Plus

Mr. Gray said that it would be better to change the portfolio to core plus. He was asked to review and determine which fixed income manager would provide more performance to the fund. He requested that the discussion regarding core plus be deferred to the next meeting.

REPORTS

Re: Chairman - None

General Employees Retirement
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Re: Secretary – None

Re: Trustees/Committees

Trustee Wright informed the Board that she passed the Level 1 MAPERS test. Chairman Harrison congratulated Trustee Wright on behalf of the Board and expressed the importance of trustee education.

Re: Administrator - None

Re: Legal

CAPROC (Refer to Consultants)

CompuCredit Corporation Litigation

Ms. Billings reported that on October 22, 2008 the judge awarded lead plaintiff status to the City of Pontiac General Employees Retirement System based on their losses of \$236,000.

Northern Trust – Securities Lending (Refer to Consultants)

Ms. Billings reported that under Exhibit C the trustees will find a list of the questions sent to Northern Trust in anticipation of their presentation report.

This concluded Ms. Billings's legal report.

Union Representatives – None

UNFINISHED BUSINESS

Re: Hospital Deferred Trustee – Deferred To Next Meeting

Re: Defined Benefit to Defined Contribution Election

Trustee Cochran stated that two individuals were advised that they must make an election whether they will stay in the defined benefit plan or enroll in the defined contribution plan by October 6, 2008 in writing. He said that one employee accepted the option and the other declined.

Re: Securities Lending – Refer to Consultants

Re: NOMC Retiree Life Insurance

Chairman Harrison asked the status of the NOMC retiree life insurance. Trustee Cochran said that they met several times with Trustee Bowman taking the lead on this issue. The City submitted the census data to the carrier however no one wants to take a pool of retirees. There must be an active component in the poll as well to stabilize premiums. Chairman Harrison asked if the premium would increase. Trustee Cochran said that premiums would increase eight fold

for retirees. There is the possibility that they could organize as a separate group that the City would administer. They are currently waiting for more information.

Ms. Billings stated that she looked into whether COBRA would be an option for the hospital retirees. Since all the health plans have terminated COBRA is also terminated. If there is a buyer, she will look into whether the buyer would have to implement COBRA if they provide insurance for their current employees. She will revisit the issue if a buyer comes forward.

Chairman Harrison thanked Trustee Cochran and Ms. Billings for their efforts.

Re: Document Storage

Chairman Harrison stated that Ms. Zimmermann is working toward implementation. Plans are in place for the physical moving of records.

NEW BUSINESS

Re: Fiduciary Liability Insurance Renewal

Chairman Harrison stated that Steve Fladger is in the process of providing updated numbers.

Re: Credit Union CD Renewal

Ms. Munson informed the Board that the certificate of deposit at the Credit Union is up for renewal on October 31, 2008. She stated that in the past the Board has taken the interest in cash and reinvested the principal amount of \$100,000.

She told the Board that the rate for a one year renewal will be 2.6%. She also indicated that the interest to be taken in cash totaled \$3,500.00. She requested that the Board provide direction for the reinvestment of the certificate of deposit.

RESOLUTION 08-076 By Wright, Supported by Saucedo

Resolved, That the Board renew the Certificate of Deposit in the amount of \$100,000 for a one-year period at Municipal & Health Services Credit Union.

Yeas: 7 – Nays: 0

**Re: Ratification of Capital Calls
Invesco Partnership Fund V
Nexos Private Equity
Onyx Capital**

Ms. Munson requested that the Board approve the ratification of the October capital calls.

RESOLUTION 08-077 By Wright, Supported by Williams

Resolved, That the Board ratify the Nexos Private Equity initial capital call in the amount of \$125,000.00;

The Invesco Partnership Fund V, LP capital calls for the amounts of (\$55,758.74) and \$29,682.04 and;

The Onyx Capital capital call in the amount of \$603,900.

Yeas: 7 – Nays: 0

SCHEDULING OF NEXT MEETING

Regular Meeting: November 26, 2008 at 1:30 p.m. – Shrine Room, Main Level, City Hall.

ADJOURNMENT

RESOLUTION 08-078 By Barnett, Supported by Saucedo

Resolved, That the meeting be adjourned at 4:16 p.m.

Yeas: 7 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees Retirement System held on October 29, 2008.

Raymond Cochran, Secretary

As recorded by Ellen Zimmermann