

**CITY OF PONTIAC, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
JANUARY 11, 2012**

SPECIAL MEETING

Trustees Present

Leon Jukowski, Mayor
John Naglick, Secretary
Matthew Nye

Trustees Absent

Brian Lee, Vice Chair (*excused*)
Craig Storum, Chairman (*excused*)

Others Present

Matthew Henzi, Sullivan, Ward, Asher & Patton
Ellen Zimmermann, Ret Administrator
Jane Arndt, M-Administrative Assistant

The meeting was called to order at 1:04 p.m.

PURCHASE AGREEMENT BALDWIN ROAD PROPERTY

Trustee Nye asked if there is an agreement for the purchase of the property.

Trustee Naglick asked if Mr. Henzi could provide a recap of the process.

Mr. Henzi stated that he asked for a special meeting to be held to review the purchase agreement. The buyer is offering \$366,000.00 in cash for the building. He indicated that the inspection will take approximately fifteen days. The auction is still scheduled for February 15, 2012. The inspection could be approved next week. He would like to speed up the process to avoid going to auction so the Board can accept the cash offer.

Trustee Nye asked who is buying the building.

Mr. Henzi stated that the building is being purchased by Fram Holdings owned by a Mr. Fram.

Trustee Jukowski asked if we know what they intend to do with the building.

Mr. Henzi believes they are planning to lease the building and they will not be the end user. They will market the building to call centers and similar types of businesses.

Trustee Naglick asked what the last offering amount was for the building.

Mr. Henzi stated that the last selling price was \$575 million.

Trustee Naglick asked how much the building was originally valued.

Mr. Henzi said that the original value was \$2 million.

Trustee Jukowski asked if the value was amortized.

Mr. Henzi said it was amortized at \$1 million plus.

The Board was content with the purchase agreement.

Ms. Zimmermann indicated that the building had been leased to the State of Michigan for several years and the Fund was receiving a monthly payment during that time.

Mr. Henzi said that the building was originally offered for \$975 million with the priced being dropped in intervals. The last price offering was \$575 million. At the last meeting the Board authorized the funds to pay taxes and expenses for the building.

Trustee Naglick felt that this is a good resolution and will result in recouping the funds allocated for the expenses and taxes.

Trustee Nye commented it would be back on the tax rolls.

Mr. Henzi asked the Board for a resolution approving the purchase agreement and to designate a party to authorize the purchase agreement.

RESOLUTION 12-001 By Jukowski, Supported by Nye
Resolved, That the Board approve the purchase agreement for the Baldwin Road Property and designate Trustee Naglick to authorize the paperwork.

Yeas: 3 – Nays: 0

ADJOURNMENT

RESOLUTION 12-002 By Jukowski, Supported by Nye
Further Resolved, That the meeting be adjourned at 1:18 p.m.

Yeas: 3 – Nays: 0

I certify that the foregoing are the true minutes of the
Police & Fire Retirement System Special Meeting on
January 11, 2012.

John Naglick, Secretary
As recorded by Jane Arndt