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**JOURNAL OF PROCEEDINGS - BOARD OF TRUSTEES -
POLICEMEN & FIREMEN RETIREMENT SYSTEM - CITY OF DETROIT**

**PROCEEDINGS HELD THURSDAY, JANUARY 27, 2005 - 9:00 A.M.
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226**

PRESENT

Marty Bandemer	Trustee
Roger Cheek	Ex/Officio Trustee
Gary Christian	Ex/Officio Trustee
Frank English	Trustee
William L. Fairweather	Trustee
Laura Isom	Trustee & Vice Chairperson
Sharon McPhail	Ex/Officio Trustee & City Council Member
George Orzech	Trustee & Chairperson
Paul Stewart	Elected Trustee
Tyrone Scott	Ex/Officio Trustee & Fire Commissioner
Clarence Williams	Ex/Officio Trustee & Treasurer
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

None

ABSENT

None

CHAIRPERSON

George Orzech

VICE CHAIRPERSON

Laura Isom

■ **TRUSTEE BILL FAIRWEATHER TEMPORARILY EXCUSED HIMSELF.**

■ **TRUSTEE FRANK ENGLISH TEMPORARILY EXCUSED HIMSELF.**

THE TIME BEING 9:00 A.M. AND A QUORUM BEING PRESENT, TRUSTEE STEWART MADE THE MOTION WHICH FOLLOWS:

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE POLICEMEN AND FIREMEN RETIREMENT SYSTEM BOARD MEETING OF THIS DATE CONVENE:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 6

NAYS - NONE

■ **TRUSTEE BILL FAIRWEATHER RE-JOINED THE MEETING, AS DID TRUSTEE FRANK ENGLISH.**

CHAIRMAN ORZECH IMMEDIATELY INFORMED THE BOARD THAT HE WAS RESIGNING HIS POSITION AS CHAIRMAN. TRUSTEE FAIRWEATHER WAS THEN ASKED IF HE WOULD SERVE AS ACTING CHAIRMAN SO THAT THE MEETING COULD CONTINUE AND HE OBLIGED.

JUNE 30, 2004 SIXTY-THIRD ANNUAL ACTUARIAL VALUATION

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD'S MOTION REGARDING THE BOARD'S JUNE 30, 2004 SIXTY-THIRD ANNUAL ACTUARIAL VALUATION, WHICH WAS TABLED JANUARY 13, 2005 BE REMOVED FROM THE TABLE:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, EX/OFFICIO TRUSTEE WILLIAMS MADE THE MOTION WHICH FOLLOWS:

BY MR. WILLIAMS

RESOLVED, THAT THE FOREGOING MOTION BE TABLED FOR ONE WEEK:

TRUSTEE WILLIAMS' MOTION RECEIVED NO SUPPORT.

■ TRUSTEE LAURA ISOM ENTERED THE MEETING AND ACTING CHAIRPERSON FAIRWEATHER RELINQUISHED THE CHAIR TO HER.

VICE CHAIRPERSON ISOM THEN CALLED A FIVE-MINUTE RECESS AND SHE AND CHAIRPERSON ORZECH EXCUSED THEMSELVES.

VICE CHAIRPERSON ISOM AND CHAIRPERSON ORZECH RE-JOINED THE MEETING AND VICE CHAIRPERSON ISOM RELINQUISHED THE CHAIR TO CHAIRPERSON ORZECH.

TRUSTEE STEWART'S MOTION WAS THEN BROUGHT FORWARD FOR A VOTE:

JUNE 30, 2004 SIXTY-THIRD ANNUAL ACTUARIAL VALUATION

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD'S MOTION REGARDING THE BOARD'S JUNE 30, 2004 SIXTY-THIRD ANNUAL ACTUARIAL VALUATION, WHICH WAS TABLED JANUARY 13, 2005 BE REMOVED FROM THE TABLED:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH, FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 9

NAYS - NONE

FOLLOWING IS THE BOARD'S MOTION REGARDING THE BOARD'S JUNE 30, 2004 SIXTY-THIRD ANNUAL ACTUARIAL VALUATION WHICH WAS TABLED JANUARY 13, 2005:

JUNE 30, 2004 SIXTY-THIRD ANNUAL ACTUARIAL VALUATION

BY MR. BANDEMER - SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD HAS RECEIVED ITS 63RD ANNUAL ACTUARIAL VALUATION, THEREFORE BE IT

RESOLVED, THAT THE EMPLOYER CONTRIBUTION RATE FOR THE 2005-2006 FISCAL YEAR BE SET AT THE EMPLOYER NORMAL COST OF 24.80%, WITH AN AMORTIZATION PERIOD OF 13 YEARS:

YEAS - TRUSTEES BANDEMER, ENGLISH, FAIRWEATHER, STEWART AND CHAIRMAN ORZECH - 5

NAYS - TRUSTEES CHEEK, CHRISTIAN, ISOM AND WILLIAMS - 4

PRIOR TO CONTINUING THE MEETING, CHAIRMAN ORZECH INFORMED THE BOARD THAT HE HAD JUST BEEN INFORMED THAT TRUSTEE CHEEK LOST HIS FATHER WEDNESDAY, JANUARY 26, 2005. THE BOARD EXTENDED ITS CONDOLENCES TO TRUSTEE CHEEK AND REMAINED SILENT FOR SEVERAL MOMENTS.

TRUSTEE CHEEK TOOK TIME TO SPEAK OPENLY AND WARMLY OF HIS FATHER, AND THEN CHAIRPERSON ORZECH DIRECTED THAT THE MEETING CONTINUE.

CATHERINE MORTIERE LITIGATION

THE BOARD CONTACTED SPECIAL COUNSEL JACK TIMMONY VIA SPEAKERPHONE TO DISCUSS THE ABOVE-CAPTIONED LITIGATION.

CLOSED SESSION

By Mr. Williams - Supported by Mr. English

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH, FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 9

NAYS - NONE

CLOSED SESSION

The Board entered into Closed Session at 9:32 A.M.

OPEN SESSION

By Mr. Christian - Supported by Mr. Fairweather

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIR-
MAN ORZECH - 9**

NAYS - NONE

The Board returned to Open Session at 9:58 A.M.

Credit Suisse

Richard Lundquist, Mike Duggan and James McMillan appeared before the Board, discussed performance, Credit Suisse's team overview, investment philosophy and process, portfolio analysis, the 2004 high-yield market and the 2005 high-yield market outlook.

The Board then excused Messrs. Lundquist, Duggan and McMillan.

■ Ex/Officio Trustee Williams temporarily excused himself, as did Trustee Isom.

**MMA FINANCIAL
TRELLISES OF KENTUCKY**

BY MR. FAIRWEATHER - SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a January 25, 2005 communication from MMA Financial wherein MMA Financial requests that the Board fund its portion of the capital contribution due for the Trellises of Kentucky in the amount of \$80,036.45, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Boards Legal Counsel, the Board approve said funding:

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, STEWART AND CHAIRMAN ORZECH - 7**

NAYS - NONE

CONFIRMATIONS

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

**RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH
ARE DESIGNATED BELOW BE CONFIRMED:**

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, STEWART AND CHAIRMAN ORZECH - 7**

NAYS - NONE

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF \$233,977.30 ON JANUARY 20, 2005 FROM FIDELITY'S REAL ESTATE GROWTH FUND - 27TH DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$400,667.29 ON JANUARY 14, 2005 FROM CANYON-JOHNSON - 11TH DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$41,666.67 ON JANUARY 12, 2005 FROM HIGH POINTE II (MIDLAND) - DECEMBER, 2004 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$669,549.54 ON JANUARY 21, 2005 FROM MAYFIELD GENTRY - DECEMBER, 2004 REMITTANCE

THE BOARD RECEIVED THE SUM OF \$42,532.15 ON JANUARY 21, 2005 FROM MAYFIELD GENTRY - EARNED INTEREST FOR DEPOSITS

THE BOARD DISBURSED THE SUM OF \$118,073.29 ON JANUARY 24, 2005 TO FUND DRAW 3 FOR SHADOW RIDGE APARTMENTS (MMA FINANCIAL)

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. FAIRWEATHER - SUPPORTED BY MR. STEWART

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICEMEN AND FIREMEN RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST #3156 (WHICH IS REFERENCED AT THE END OF THESE PROCEEDINGS), IN THE AMOUNT OF \$1,304,989.74, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, STEWART AND CHAIRMAN ORZECH - 7**

NAYS - NONE

■ EX/OFFICIO TRUSTEE WILLIAMS RE-JOINED THE MEETING.

MINUTES OF THURSDAY, JANUARY 13, 2005

BY MR. FAIRWEATHER - SUPPORTED BY MR. CHEEK

**RESOLVED, THAT THE MINUTES OF THE MEETING HELD
THURSDAY, JANUARY 13, 2005 BE APPROVED AS RECORDED
AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:**

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, STEWART, WILLIAMS AND CHAIRMAN
ORZECH - 8**

NAYS - NONE

**■ EX/OFFICIO TRUSTEE WILLIAMS TEMPORARILY EXCUSED
HIMSELF AND THEN RE-JOINED THE MEETING.**

■ TRUSTEE ISOM RE-JOINED THE MEETING.

**■ EX/OFFICIO TRUSTEE CHRISTIAN TEMPORARILY EXCUSED
HIMSELF AND THEN RE-JOINED THE MEETING.**

BILL PAYMENT REQUESTS

BY MR. CHRISTIAN - SUPPORTED BY MR. BANDEMER

**WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING BILLINGS
REQUESTING PAYMENT FOR SERVICES RENDERED, AND**

BILL PAYMENT REQUESTS

WHEREAS, THE BOARD IS SATISFIED THAT SERVICES WERE PROVIDED TO THE BOARD AS REQUESTED BY THE BOARD, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO STAFF AUDIT, THE BOARD APPROVE PAYMENT OF SAID BILLINGS:

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

BOSE MCKINNEY - UNDATED - \$5,491.52 - DECEMBER, 2004 SERVICES

COMERICA - DECEMBER 31, 2004 - \$62.50 - 2004 FOURTH QUARTER FEES

CORPORATE EXPRESS - JANUARY 7, 2005 - \$87.32 - POLICE AND FIRE PORTION OF \$174.64 - OFFICE SUPPLIES

DAVIDSON, F. LOGAN - JANUARY 6, 2005 - \$6,037.50 - APRIL 1, 2004 - JANUARY 26, 2005 SERVICES

EARNEST PARTNERS - JANUARY 19, 2005 - \$61,402.00 - 2004 FOURTH QUARTER SERVICES

ELECTRONIC SECURITY SYSTEMS - JANUARY 14, 2005 - \$72.75 - POLICE AND FIRE PORTION OF \$145.50 - LOCKSMITH LABOR

FORBES MAGAZINE - JANUARY 26, 2005 - \$10.00 - POLICE AND FIRE PORTION OF \$19.95 - MAGAZINE PURCHASE

IKON OFFICE SOLUTIONS - JANUARY 17, 2005 - \$126.00 - POLICE AND FIRE PORTION OF \$252.00 - RICOH QUARTERLY MAINTENANCE

INCOME, RESEARCH & MANAGEMENT - DECEMBER 31, 2004 - \$41,071.50 - 2004 FOURTH QUARTER FEES

KENNEDY CAPITAL - JANUARY 24, 2005 - \$488,637.00 - 2004 FOURTH QUARTER FEES

BILL PAYMENT REQUESTS

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

**LOOMIS, SAYLES & COMPANY - JANUARY 14, 2005 - \$46,650.98 - 2004
FOURTH QUARTER SERVICES**

**OPPENHEIMER CAPITAL - DECEMBER 31, 2004 - \$129,626.15 - 2004
FOURTH QUARTER SERVICES**

**PAYDEN & RYGEL - JANUARY 12, 2005 - \$28,472.00 - DECEMBER,
2004 FEES**

**PDS, INC. - UNDATED - \$2,229.47 - POLICE AND FIRE PORTION OF
\$4,458.94 - COMPUTER EQUIPMENT, SOFTWARE, TRAINING, SUPPLIES**

**REINHART & MAHONEY - JANUARY 12, 2005 - \$89,639.00 - 2004
FOURTH QUARTER FEES**

**SCANTRON SERVICE GROUP - JANUARY 18, 2005 - \$412.83 - POLICE
AND FIRE PORTION OF \$825.65 - CONTRACT AND MISCELLANEOUS
SERVICES - CUSTOMER IDENTIFICATION NUMBER 58762-000**

**STEWART CAPITAL - DECEMBER 31, 2004 - \$35,715.34 - 2004 FOURTH
QUARTER FEES**

TCW - JANUARY 14, 2005 - \$45,725.09 - 2004 FOURTH QUARTER FEES

**UNION HERITAGE - JANUARY 14, 2005 - \$34,298.42 - 2004 FOURTH
QUARTER FEES**

**UNITED PUBLISHERS - JANUARY 26, 2005 - \$21.00 - POLICE AND FIRE
PORTION OF \$42.00 - NEWSWEEK MAGAZINE PURCHASE**

**VANOVERBEKE, MICHAUD & TIMMONY - JANUARY 18, 2005 -
\$6,247.50 - NOVEMBER, 2004 AND DECEMBER, 2004 SERVICES**

BILL PAYMENT REQUESTS

**YEAS – TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIR-
MAN ORZECH – 9**

NAYS – NONE

LEGAL COUNSEL'S BILLING

BY MR. CHRISTIAN – SUPPORTED BY MR. BANDEMER

**RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED JANUARY
27, 2005, FOR THE MONTH OF JANUARY, 2005, IN THE AMOUNT
OF \$10,043.23, BE APPROVED AND SAID AMOUNT BE PAID
PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH
THE SYSTEM:**

**YEAS – TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIR-
MAN ORZECH – 9**

NAYS – NONE

Finance/Retirement Petty Cash Account

By Mr. Williams – Supported by Ms. Isom

**Whereas, The present balance of the Finance/Retirement Petty
Cash account is \$139.20, and**

**Whereas, Staff has requested that the account be replenished to
its maximum amount of \$2,000.00, Therefore Be It**

**Resolved, That the Finance/Retirement Petty Cash account be
replenished to the maximum amount of \$2,000.00, and be it
further**

Finance/Retirement Petty Cash Account

Resolved, That the amount required to replenish the Finance/Retirement Petty Cash account to \$2,000.00, which totals \$1,860.80, be split equally between the Policemen and Firemen Retirement System and the General Retirement System, \$930.40 each:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH, FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 9

NAYS - NONE

THE REQUEST OF JOSEPH KEITH

BY MR. FAIRWEATHER - SUPPORTED BY MR. BANDEMER

WHEREAS, JOSEPH KEITH HAS PRESENTED THE BOARD WITH A REQUEST TO RECEIVE A REFUND OF THE MILITARY SERVICE TIME HE PURCHASED (TWO MONTHS AND THREE DAYS), PER A ONE-PAGE JANUARY 21, 2005 COMMUNICATION, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. KEITH BE HEREBY APPROVED:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH, FAIRWEATHER, ISOM, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 9

NAYS - NONE

■ EX/OFFICIO TRUSTEE TYRONE SCOTT ENTERED THE MEETING.

TOUCHSTONE

GERALD TIMMIS AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED TOUCHSTONE OPPORTUNITY FUNDS II AND III AND THEN EXCUSED THEMSELVES.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING ENTERCITEMENT AND THE OM GROUP.

ENTERCITEMENT (INDIANA THEME PARK)

BY MR. WILLIAMS - SUPPORTED BY MS. ISOM

WHEREAS, THE BOARD IS IN RECEIPT OF A JANUARY 26, 2005 REPORT FROM SPECIAL COUNSEL F. LOGAN DAVIDSON, AND

WHEREAS, THE BOARD IS IN RECEIPT OF \$6,536,659.95 SALES PROCEEDS, OF WHICH \$1,711,176.76 IS PAYABLE TO KIMCO REALTY CORPORATION (SUCCESSOR TO EXCEL LEGACY CORPORATION), \$632,267.48 TO THE INDIANA ELECTRICAL WORKERS' PENSION FUND AND \$568,914.02 TO THE INDIANA CARPENTERS' PENSION FUND, THEREFORE BE IT

RESOLVED, THAT THE FOLLOWING AMOUNTS BE WIRE-TRANSFERRED OR OTHERWISE PAID TO THE FOLLOWING ENTITIES:

\$1,711,176.76 TO KIMCO REALTY CORPORATION

**\$ 632,267.48 TO INDIANA ELECTRICAL WORKERS'
PENSION FUND**

\$ 568,914.02 TO INDIANA CARPENTERS' PENSION FUND

ENTERCITEMENT (INDIANA THEME PARK)

AND BE IT FURTHER

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE
FORWARDED TO SPECIAL COUNSEL F. LOGAN DAVIDSON, P.C.:**

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, ISOM, SCOTT, STEWART, WILLIAMS
AND CHAIRMAN ORZECH - 10**

NAYS - NONE

**PATTERSON VERSUS PATTERSON
WAYNE COUNTY CASE #03-327422-DM**

BY MR. WILLIAMS - SUPPORTED BY MR. CHRISTIAN

**WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 19, 2004
JUDGMENT OF DIVORCE WHEREIN GAIL PATTERSON IS
AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN
AND DEFINED CONTRIBUTION PLAN BENEFITS OF PAUL
PATTERSON, WHO IS CURRENTLY AN ACTIVE EMPLOYEE,
SUBJECT TO THE ENTRY OF AN ELIGIBLE DOMESTIC
RELATIONS ORDER (EDRO), AND**

**WHEREAS, PARTICIPANT'S DATE OF BIRTH IS MAY 12, 1971,
AND, TO DATE, PARTICIPANT HAS ATTAINED 12 YEARS AND 10
MONTHS OF SERVICE CREDIT, AND**

**WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A
PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN,
SUBJECT TO THE ENTRY OF AN EDRO, AND ALTERNATE PAYEE
IS ENTITLED TO CLAIM A PORTION OF PARTICIPANTS DEFINED
BENEFIT PLAN, SUBJECT TO THE ENTRY OF AN EDRO, AND**

**PATTERSON VERSUS PATTERSON
WAYNE COUNTY CASE #03-327422-DM**

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE NOT CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM, BECAUSE AN EDRO HAS NOT YET BEEN ENTERED, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER BUT THAT NO PENSION BENEFITS BE PAID TO EITHER PARTY UNTIL AN EDRO IS ENTERED, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY ALAN COOPER, ATTORNEY LAURA KEETH AND GAIL PATTERSON AND PAUL PATTERSON:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH, FAIRWEATHER, ISOM, SCOTT, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 10

NAYS - NONE

OM GROUP CLASS ACTION SECURITIES LITIGATION

CLOSED SESSION

By Mr. Fairweather - Supported by Ms. Isom

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

OM GROUP CLASS ACTION SECURITIES LITIGATION

CLOSED SESSION

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, ISOM, SCOTT, STEWART, WILLIAMS
AND CHAIRMAN ORZECH - 10**

NAYS - NONE

The Board entered into Closed Session at 12:28 P.M.

OPEN SESSION

By Mr. Christian - Supported by Mr. Scott

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

**YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH,
FAIRWEATHER, ISOM, SCOTT, STEWART, WILLIAMS
AND CHAIRMAN ORZECH - 10**

NAYS - NONE

The Board returned to Open Session at 12:48 P.M.

OM GROUP CLASS ACTION SECURITIES LITIGATION

BY MR. FAIRWEATHER - SUPPORTED BY MR. CHEEK

**WHEREAS, THE BOARD'S LEGAL COUNSEL DISCUSSED THE
STATUS OF THIS MATTER WITH THE BOARD AND INDICATED
THE RECOMMENDATION OF SPECIAL LEGAL COUNSEL WITH
RESPECT TO A DEMAND AMOUNT FOR PURPOSES OF
REINSTATEMENT OF MEDIATION HEARINGS, THEREFORE BE IT**

OM GROUP CLASS ACTION SECURITIES LITIGATION

RESOLVED, THAT THE BOARD APPROVES THE RECOMMENDATION OF SPECIAL CLASS ACTION COUNSEL AND TRUSTEES CHEEK AND FAIRWEATHER AND GENERAL COUNSEL AND THE FOREGOING INDIVIDUALS ARE DIRECTED TO PROCEED CONSISTENT WITH THE BOARD'S DISCUSSION OF THIS DATE:

YEAS - TRUSTEES BANDEMER, CHEEK, CHRISTIAN, ENGLISH, FAIRWEATHER, ISOM, SCOTT, STEWART, WILLIAMS AND CHAIRMAN ORZECH - 10

NAYS - NONE

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

DOUG WICKLUND AND THREE ASSOCIATES APPEARED BEFORE THE BOARD AND DISCUSSED EDS, INC. AT LENGTH.

■ EX/OFFICIO TRUSTEE SHARON MCPHAIL ENTERED THE MEETING DURING EDS' PRESENTATION.

GARY GIUMETTI JOINED THE BOARD IN LISTENING TO EDS' PRESENTATION.

THE BOARD THEN EXCUSED MR. WICKLUND AND HIS ASSOCIATES.

PRIOR TO EXCUSING HIMSELF, MR. GIUMETTI DISCUSSED EDS' PRESENTATION AND BUDGET INCREASE REQUEST.

■ EX/OFFICIO TRUSTEE SHARON MCPHAIL EXCUSED HERSELF.

■ EX/OFFICIO TRUSTEE CLARENCE WILLIAMS TEMPORARILY EXCUSED HIMSELF.

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

BY MR. CHEEK - SUPPORTED BY MS. ISOM

WHEREAS, BORROWERS HAVE REQUESTED ADDITIONAL FINANCING IN THE AMOUNT OF \$807,000.00 FOR REASONS PRESENTED TO THE BOARD AND TO APPROVE AN INCREASED BUDGET IN THE AMOUNT OF \$807,000.00, AND

WHEREAS, MCTEVIA AND ASSOCIATES, INC. THE BOARD'S MONITOR REGARDING THIS INVESTMENT HAS RECOMMENDED THAT THE BOARD GRANT THE REQUESTED ADDITIONAL FINANCING, AND

WHEREAS, THE BOARD'S ADVISOR, MCTEVIA AND ASSOCIATES, INC. HAS ALSO RECOMMENDED THAT IN ORDER TO MAXIMIZE THE RETURN TO THE BOARD ON ITS INVESTMENT, THE TRANSACTION DOCUMENTS REQUIRE THE BORROWER TO PAY ALL ROYALTY PAYMENTS PRIOR TO THE PAYMENT TO THE BOARD OF THE REQUIRED PERCENTAGE OF BORROWER'S NET OPERATING INCOME, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, SUBJECT TO APPROVAL OF TRANSACTION DOCUMENTS BY SPECIAL COUNSEL, F. LOGAN DAVIDSON, P.C., AND GENERAL COUNSEL AND THE BOARD, THE FINANCING AND BUDGET AMOUNTS BE INCREASED IN THE AMOUNT OF \$807,000.00, AND BE IT FURTHER

RESOLVED, THAT SAID DOCUMENTS BE MODIFIED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD'S ADVISOR, MCTEVIA AND ASSOCIATES, INC., AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO EDS, INC. AND SPECIAL COUNSEL F. LOGAN DAVIDSON, P.C.:

**YEAS - TRUSTEES CHEEK, ENGLISH, FAIRWEATHER, ISOM, SCOTT
AND CHAIRMAN ORZECH - 6**

NAYS - TRUSTEES CHRISTIAN AND STEWART - 2

ABSTAIN - TRUSTEE BANDEMER - 1

■ EX/OFFICIO TRUSTEE CLARENCE WILLIAMS RE-JOINED THE MEETING.

MMA FINANCIAL

THOMAS ZDRODOWSKI AND ASSOCIATE PAUL BERNARD APPEARED BEFORE THE BOARD AND INFORMED THE BOARD THAT MUNICIPAL MORTGAGE AND EQUITY, LLC (KNOWN AS MUNIMAE) ENTERED INTO A DEFINITIVE AGREEMENT TO ACQUIRE MONY REALTY CAPITAL, INC. ("MRC") FROM AXA FINANCIAL, INC. WHO ACQUIRED MRC'S PARENT, THE MONY GROUP, INC., IN JULY OF 2004.

THE BOARD THEN EXCUSED MESSRS. ZDRODOWSKI AND BERNARD.

**DIRECTIONS TO RETIREMENT SYSTEM (PENSION BUREAU)
STAFF**

**BY MR. BANDEMER
SUPPORTED BY MR. STEWART**

WHEREAS, THE BOARD HAS THE FIDUCIARY RESPONSIBILITY/LEGAL OBLIGATION AND AUTHORITY FOR THE PROPER ADMINISTRATION, MANAGEMENT AND OPERATION OF THE RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD, PER APPLICABLE LAW (STATE STATUTE AND RECENT COURT ORDER), HAS THE AUTHORITY TO SELECT ITS EXECUTIVE SECRETARY, AND

WHEREAS, THE BOARD INTERPRETS THE APPLICABLE LAW AND RECENT COURT ORDER REGARDING THE EXECUTIVE SECRETARY TO APPLY TO THE ASSISTANT EXECUTIVE SECRETARY AND OTHER EMPLOYEES WHOSE SALARIES AND BENEFITS ARE ALSO PAID BY THE RETIREMENT SYSTEM, AND

WHEREAS, PURSUANT TO APPLICABLE LAW, INCLUDING THE RECENT COURT ORDER, THE BOARD HAS THE RESPONSIBILITY

**DIRECTIONS TO RETIREMENT SYSTEM (PENSION BUREAU)
STAFF**

**AND AUTHORITY TO MANAGE THE EMPLOYEES OF THE
PENSION BUREAU, AND**

**WHEREAS, IT HAS COME TO THE BOARD'S ATTENTION THAT
THE FINANCE DEPARTMENT HAS SENT A MEMO TO A PENSION
BUREAU EMPLOYEE DIRECTING HIM TO PROVIDE INFORMATION
RELATIVE TO A FREEDOM OF INFORMATION ACT (FOIA)
REQUEST WHICH WAS ADDRESSED TO THE CITY, AND**

**WHEREAS, ALTHOUGH THE BOARD IS WILLING TO SHARE
APPROPRIATE INFORMATION WITH THE CITY AND COOPERATE
WITH THE CITY REGARDING MATTERS OF COMMON CONCERN,
THE BOARD DEEMS IT APPROPRIATE FOR THE FINANCE
DEPARTMENT, AS WELL AS ANY OTHER CITY DEPARTMENT, TO
DIRECTLY COMMUNICATE/CORRESPOND WITH THE BOARD
THROUGH ITS EXECUTIVE SECRETARY WALTER STAMPOR WITH
REQUESTS AND NOT "DIRECT" PENSION BUREAU STAFF
REGARDING RETIREMENT SYSTEM MATTERS, AND**

**WHEREAS, THE BOARD HAS SELECTED WALTER STAMPOR AS
ITS EXECUTIVE SECRETARY AND THE BOARD NOTES THAT THE
FINANCE DEPARTMENT APPARENTLY REFUSES TO RECOGNIZE
MR. STAMPOR AS THE HEAD OF THE PENSION BUREAU, AS
ASSIGNED BY THE BOARD, THEREFORE BE IT**

**RESOLVED, THAT THE FINANCE DEPARTMENT IS REQUESTED
TO COMMUNICATE/CORRESPOND WITH THE BOARD OF
TRUSTEES REGARDING ANY REQUESTED INFORMATION, AND
BE IT FURTHER**

**RESOLVED, THAT THE FINANCE DEPARTMENT IS REQUESTED
TO REFRAIN FROM DIRECTING PENSION BUREAU EMPLOYEES,
AND THE BOARD NOTES THAT SUCH DIRECTING OF PENSION**

**DIRECTIONS TO RETIREMENT SYSTEM (PENSION BUREAU)
STAFF**

**BUREAU EMPLOYEES IS CONTRARY TO A WAYNE COUNTY
CIRCUIT COURT OPINION AND ORDER, AND BE IT FURTHER**

**RESOLVED, THAT APPROPRIATE INFORMATION WILL
CONTINUE TO BE PROVIDED TO THE FINANCE DEPARTMENT BY
THE BOARD PER ACTION OF THE BOARD, AND BE IT FURTHER**

**RESOLVED, THAT PENSION BUREAU STAFF INFORM THE
BOARD AND THE EXECUTIVE SECRETARY OF ANY SUPPOSED
“DIRECTIONS” AND/OR REQUESTS MADE BY PERSONS OR
ENTITIES OUTSIDE THE RETIREMENT SYSTEM, AND BE IT
FURTHER**

**RESOLVED, THAT PENSION BUREAU STAFF PROVIDE
INFORMATION TO THIRD PARTIES ONLY AS DIRECTED BY THE
BOARD AND/OR EXECUTIVE SECRETARY, AND BE IT FURTHER**

**RESOLVED, THAT THE FINANCE DEPARTMENT IS HEREBY
REQUESTED TO RECOGNIZE WALTER STAMPOR AS THE
EXECUTIVE SECRETARY SELECTED BY THE BOARD OF
TRUSTEES, AND BE IT FURTHER**

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE
FORWARDED TO THE FINANCE DEPARTMENT:**

**YEAS - TRUSTEES BANDEMER, ENGLISH, FAIRWEATHER,
ISOM, STEWART AND CHAIRMAN ORZECH - 6**

NAYS - TRUSTEES CHEEK, CHRISTIAN AND WILLIAMS - 3

ABSTAIN - TRUSTEE SCOTT - 1

IRS FORM 945

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF IRS FORM "945" (2004 ANNUAL RETURN OF WITHHOLDING FEDERAL TAX) WHICH WAS MAILED TO THE IRS ON JANUARY 26, 2005.

█ EX/OFFICIO TRUSTEE CLARENCE WILLIAMS EXCUSED HIMSELF FOR THE REMAINDER OF THE MEETING.

PUBLIC FORUM

AT 4:16 P.M., CHAIRMAN ORZECH DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN ORZECH ADJOURNED THE MEETING AT 4:20 P.M. UNTIL THURSDAY, FEBRUARY 10, 2005, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

