CITY OF DEARBORN  
CHAPTER 22 - GENERAL EMPLOYEES RETIREMENT SYSTEM  
(System Close date: 07/01/2002)  
BOARD OF TRUSTEES MINUTES  
Dearborn Administrative Center - Council Chambers  
16901 Michigan Avenue, Dearborn, MI, 48126  
Thursday, February 21, 2019  

*Revised per Resolution 2019-79*  

<table>
<thead>
<tr>
<th>Board Attendance</th>
<th>Present</th>
<th>Absent</th>
<th>Term End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carl Meyers, Chair, Mayor Appointed</td>
<td></td>
<td>X</td>
<td>12/31/22</td>
</tr>
<tr>
<td>Don Cundy, Vice Chair, City Council Appointed</td>
<td></td>
<td>X</td>
<td>12/31/22</td>
</tr>
<tr>
<td>Robert Guerin, Trustee, Member Elected</td>
<td></td>
<td>X</td>
<td>06/30/19</td>
</tr>
<tr>
<td>Wisam Fakhoury, Trustee, CSC Appointed</td>
<td></td>
<td>X</td>
<td>06/30/20</td>
</tr>
<tr>
<td>William Irving, Trustee, Member Elected</td>
<td></td>
<td>X</td>
<td>06/30/21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Attendance</th>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ginger Moriarty, Acting Board Secretary</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Robert Festerman, Pension Administrator</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Jeremy Romer, Legal Counsel</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Marie Racine, Legal Counsel</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Mark Buis, GRS</td>
<td>X</td>
<td>Out at 9:20am</td>
</tr>
<tr>
<td>Francois Pieterse, GRS</td>
<td>X</td>
<td>Out at 9:20am</td>
</tr>
<tr>
<td>Mike Valchine, NEPC, Consultant</td>
<td>In at 11:20am</td>
<td>Out at 11:58am</td>
</tr>
<tr>
<td>Douglas Mozley, NEPC, Consultant</td>
<td>In at 11:20am</td>
<td>Out at 11:58am</td>
</tr>
<tr>
<td>Steve Gordon, AndCo Consulting</td>
<td>In at 12:02pm</td>
<td>Out at 1:00pm</td>
</tr>
<tr>
<td>Michael Holycross, AndCo Consulting</td>
<td>In at 12:02pm</td>
<td>Out at 1:00pm</td>
</tr>
<tr>
<td>Brian Green, AndCo Consulting</td>
<td>In at 12:02pm</td>
<td>Out at 1:00pm</td>
</tr>
</tbody>
</table>

Roll Call Time: 8:30 AM  
Quorum Met (Needs 3 attending members for a quorum): Yes
A) 8:34 AM – Presentation of Actuarial Valuation Report by Gabriel, Roeder, Smith and Company (GRS), presented by Mark Buis and Francois Pieterse.

Mark Buis began the presentation by providing an overview of the changes in reporting requirements as they relate to the Annual Valuation Report, the Annual GASB Report and Public Act 202 of 2017. Mr. Buis indicated that there could possibly be three different sets of funding percentages, but he believes the Annual Valuation Report is the best representation of the health of a plan.

Mark Buis also highlighted item #6 in the Executive Summary of the report, which discusses Public Act 202. Mr. Buis provided an overview of the uniform assumptions provided by the public act, indicating that these assumptions are only used for the report that will be filed with the State of Michigan. Mr. Buis also indicated that Public Act 202 also requires an Experience Study to be completed every five years, and the last Experience Study was performed in 2012.

Francois Pieterse provided an overview of the Annual Valuation report, reviewing the contribution rates and funding ratio of the plan. Francois discussed the effect the investment of bond proceeds had on the accrued liability amortization, indicating that while the plan is approximately $20.8 million underfunded, the plan is overall in a very good position with a funded ratio of 88.9%.

The Board discussed the timing and fees associated with the Experience Study with GRS, who indicated the study would take approximately 6 weeks to complete, suggested a target completion date of July or August of 2019.

1. Motion to receive and file the June 30, 2018 Actuarial Valuation Report, and also to approve an Experience Study to be completed during Fiscal Year 2020.

   
   Motion by: Robert Guerin
   Support by: Wisam Fakhoury
   Roll-Call Vote Unanimous
   Resolution # 2019-11
   2019-77
B) 9:20 AM - GENERAL BUSINESS

1. Motion to approve 1/17/2019 Open Session minutes revised to exclude the attachments relating to the Investment Consultant RFP process.

   Motion by: Don Cundy
   Support by: Robert Guerin
   Roll-Call Vote: Unanimous
   Resolution #: 2019-12
   2019-78

2. Motion to approve 1/28/2019 Open Session meeting minutes.

   Motion by: William Irving
   Support by: Don Cundy
   Roll-Call Vote: Unanimous
   Resolution #: 2019-13

3. Motion to approve Daniel Ciolek’s retirement application – B-50, subject to applicant meeting retirant eligibility requirements.

   Motion by: Robert Guerin
   Support by: Wisam Fakhoury
   Roll-Call Vote: Unanimous
   Resolution #: 2019-14

4. Trustee Robert Guerin expressed interest in attending the NCPERS ACE training event in Austin, Texas from May 18-22, 2019.

   Motion to approve Trustee Robert Guerin attendance of the NCPERS ACE training event

   Motion by: Don Cundy
   Support by: Wisam Fakhoury
   Roll-Call Vote: Unanimous
   Resolution #: 2019-15

5. Vice Chair Don Cundy expressed interest in attending the MAPERS 2019 Spring Conference, held in Bellaire, MI from Saturday, May 18-21, 2019.

   Motion to approve Vice Chair Don Cundy’s attendance of the MAPERS 2019 Spring Conference.

   Motion by: William Irving
   Support by: Wisam Fakhoury
   Roll-Call Vote: Unanimous
   Resolution #: 2019-16
C) INVESTMENT CONSULTANT BUSINESS

1. New England Pension Consultants (NEPC)
   a. February meeting items & update.

   NEPC provided the February Investment Performance Analysis Report and discussed with the Board.

   Receipt & file resolution #: 2019-17

   b. 11:27 am - Investment Consultant RFP Presentation, presented by Mike Valchine and Douglas Mozley.

   Mike Valchine and Douglas Mozley presented NEPC RFP proposal and discussed with the Board; including a firm overview and recommended portfolios and long-term expected returns.

2. AndCo Consulting

   a. 12:02pm - Investment Consultant RFP Presentation, presented by Steve Gordon, Michael Holycross, and Brian Green

   Steve Gordon, Michael Holycross, and Brian Green presented AndCo’s RFP proposal and discussed with the Board; including a firm overview, an introduction of themselves and their backgrounds as well as recommended changes to the plan’s asset allocation.
OTHER BUSINESS

1. Chapter 23 Trustee Alan Brzys requested a verbal opinion from Pension Attorney Marie Racine on the Michigan Appellate Court case that was requested by Ms. Racine at Chapter 23’s January 23, 2019 special meeting.

Ms. Racine provided an overview of the case to the Board, indicating the case was regarding the creation of sub-quorums outside of the normally scheduled Board meetings.

Ms. Racine and Legal Counsel Jeremy Romer both agreed the creation of such sub-quorums circumvent the Open Meetings Act, and advised the Board to be cognizant of this, and to avoid deliberating electronically or via the creation of sub-quorums.

2. Chapter 23 Trustee Alan Brzys requested a discussion with the Board to consider conducting all future pension board meetings in the Council Chambers to be audio and video recorded. The Board discussed and requested further information regarding the video recording of the meetings, such as the related costs and the Department of Public Information’s capacity to do so.

Trustee Robert Guerin requested to table the audio and video recording discussion until the retention periods of said recordings could be researched and presented.

Pension Administrator Robert Festerman indicted that in order to hold the meetings in the Council Chambers a date change would be needed for the regularly scheduled monthly meetings. The Board discussed and agreed to change the regular scheduled meeting to the second Tuesday of each month.

   a. Motion to reschedule future board meetings to the second Tuesday of every month and hold said meetings in the Council Chambers.

      Motion by: Bill Irving
      Support by: Wisam Fakhoury
      Roll-Call Vote: Unanimous
      Resolution #: 2019-18

3. Chapter 23 Trustee Alan Brzys requested a discussion with the Board to consider issuing City of Dearborn email addresses to all Trustees on the Board for official communications regarding pension board business. The Board discussed, Legal Counsel Jeremy Romer reminded the Board that City emails can be accessed by the City.

   a. Motion to request that all trustees receive City email addresses.

      Motion by: Wisam Fakhoury
      Support by: Robert Guerin
      Roll-Call Vote: Unanimous
      Resolution #: 2019-19
4. Discussion regarding Investment Consultant RFP presentations.

The Board discussed both the NEPC and AndCo presentations and agreed to hold a special meeting on February 28, 2019 to continue discussion.

5. Motion to Adjourn Meeting.

<table>
<thead>
<tr>
<th>Meeting end time:</th>
<th>1:23 pm</th>
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</thead>
<tbody>
<tr>
<td>Motion by:</td>
<td>Robert Guerin</td>
</tr>
<tr>
<td>Support by:</td>
<td>William Irving</td>
</tr>
<tr>
<td>Roll-Call Vote:</td>
<td>Unanimous</td>
</tr>
<tr>
<td>Resolution #:</td>
<td>2019-20</td>
</tr>
</tbody>
</table>

Ginger Moriarty, Acting Board Secretary
3/5/2019
Date

2019-24
Minutes Approval Resolution

3/12/2019
Minutes Approval Date

*Revised per 07/25/2019 Board Resolution # 2019-79 (see attached)*

Ginger Burke-Miller, Board Secretary
8-7-2019
Date

2019-79

Resolution Approving Revisions

07/25/2019
Minutes Approval Date
A) 8:31 AM – General Business.

1. Pension Administrator Robert Festerman informed the Board that in preparation for the fiscal year-end audit, a review of the FY2019 Board Minutes resulted in discovery of duplicated resolution numbers in the January 28, 2019 and February 21, 2019 Board Minutes.

Mr. Festerman’s proposed correction was to update the duplicated resolution numbers to currently unassigned resolution numbers (the next available in numerical sequence). Correcting only the February 21, 2019 board minutes via this approach would avoid having to revise the resolution numbers on every set of Board Minutes from February to current.

a. Motion to approve correcting the duplicated resolution numbers in the February 21, 2019 Board Minutes as proposed by Pension Administrator Robert Festerman.

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Motion by: Don Cundy
Support by: Robert Guerin
Roll-Call Vote: Unanimous
Resolution #: 2019-79
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2. Motion to approve 06/27/2019 Open Session minutes.

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Motion by: Robert Guerin
Support by: Carl Meyers
Roll-Call Vote: Unanimous
Resolution #: 2019-80
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3. No Board Members expressed interest in attending the NCPERS 2019 Public Pension Funding Forum, September 11-13, 2019 in New York, NY.

4. Application for EDRO benefits made by Philip Walling, alternate payee of Debra Walling:

The Board considered Philip Walling’s application for EDRO benefits. Pension Administrator Robert Festerman indicated that due to the unique language contained within the Walling EDRO, the City’s actuary will need to recalculate the EDRO benefits at the time of Debra Walling’s retirement. This recalculation is necessary to determine any overpayment that Philip Walling will have received based on Debra Walling’s actual retirement date. Once the overpayment amount has been determined, Philip Walling will be required to reimburse the pension system for the overpayment at that time.

a. Motion to approve Philip Walling’s application for EDRO benefits.

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Motion by: Robert Guerin
Support by: Don Cundy
Roll-Call Vote: Unanimous
Resolution #: 2019-81
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