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, April 9, 2019

<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>X</td>
<td></td>
<td>12/31/22</td>
</tr>
<tr>
<td>Don Cundy, Vice Chair, City Council Appointed</td>
<td>X</td>
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<td>12/31/22</td>
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<tr>
<td>Robert Guerin, Trustee, Member Elected</td>
<td>X</td>
<td></td>
<td>06/30/19</td>
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<tr>
<td>Wisam Fakhoury, Trustee, CSC Appointed</td>
<td>X</td>
<td></td>
<td>06/30/20</td>
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<tr>
<td>William Irving, Trustee, Member Elected</td>
<td>X</td>
<td></td>
<td>06/30/21</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Other Attendance</th>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ginger Burke-Miller, 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>
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<tr>
<td>Marie Racine, Legal Counsel</td>
<td>X</td>
<td></td>
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<tr>
<td>John Krakowiak, Graystone, Consultant</td>
<td>X</td>
<td></td>
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<tr>
<td>Steve Riga, Graystone, Consultant</td>
<td>X</td>
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<tr>
<td>Amy Cole, Graystone, Consultant</td>
<td>X</td>
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</tbody>
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Roll Call Time: 8:44 AM  
Quorum Met (Needs 3 attending members for a quorum): Yes
A) 8:44 AM – GENERAL BUSINESS

Chairman Carl Meyers opened the meeting by introducing Ginger Burke-Miller, the new Finance Director, and Board Secretary. Ginger introduced herself to the Board and provided an overview of her background. Following Ginger’s introduction, the Board moved on to the scheduled General Business items.

1. Motion to approve the 3/12/2019 Open Session meeting minutes.
   
   **Motion by:** Robert Guerin  
   **Support by:** Don Cundy  
   **Roll-Call Vote:** Unanimous  
   **Resolution #** 2019-32

2. Motion to approve Robert Byrnes retirement application – B-50, subject to applicant meeting retirant eligibility requirements.
   
   **Motion by:** Robert Guerin  
   **Support by:** Carl Meyers  
   **Roll-Call Vote:** Unanimous  
   **Resolution #** 2019-33

3. Motion to approve James Sinatra retirement application – B-100, subject to applicant meeting retirant eligibility requirements.
   
   **Motion by:** Wisam Fakhoury  
   **Support by:** Carl Meyers  
   **Roll-Call Vote:** Unanimous  
   **Resolution #** 2019-34

4. Motion to approve Anthony Rossi’s retirement application – B-50, subject to applicant meeting retirant eligibility requirements.
   
   **Motion by:** Robert Guerin  
   **Support by:** William Irving  
   **Roll-Call Vote:** Unanimous  
   **Resolution #** 2019-35

5. Motion to approve Roni Mazur retirement application – B-50, subject to applicant meeting retirant eligibility requirements.
   
   **Motion by:** Wisam Fakhoury  
   **Support by:** Robert Guerin  
   **Roll-Call Vote:** Unanimous  
   **Resolution #** 2019-36
6. Motion to approve Robin Michalski retirement application – B-100, subject to applicant meeting retiree eligibility requirements.

   Motion by: Don Cundy  
   Support by: Robert Guerin  
   Roll-Call Vote Unanimous  
   Resolution # 2019-37

7. Motion to approve Jamal Sabaugh retirement application – B-75, subject to applicant meeting retiree eligibility requirements.

   Motion by: Wisam Fakhoury  
   Support by: Robert Guerin  
   Roll-Call Vote Unanimous  
   Resolution # 2019-38

Following approval of Jamal Sabaugh’s retirement application, the Board requested verification of the spouse’s signature, as it appeared to be the same as Jamal’s. Pension Administrator Robert Festerman indicated he would verify the spouse’s signature and proceed accordingly.

   a. Motion to revise the above motion approving Jamal Sabaugh’s retirement application pending verification of the spouse’s signature, and subject to the applicant meeting retiree eligibility requirements.

   Motion by: Carl Meyers  
   Support by: Wisam Fakhoury  
   Roll-Call Vote Unanimous  
   Resolution # 2019-39

8. Motion to approve EDRO benefits for Carol Andzelik, alternate payee of active employee John Stankey.

   Motion by: Don Cundy  
   Support by: William Irving  
   Roll-Call Vote Unanimous  
   Resolution # 2019-40
B) INVESTMENT CONSULTANT BUSINESS

1. New England Pension Consultants (NEPC)
   a. NEPC provided the February Performance Report

   Receipt & file resolution #: 2019-41

2. Graystone Consulting
   a. Graystone consultants John Krakowiak, Steven Riga and Amy Cole presented the April 2019 meeting materials and discussed with the Board.

   Receipt & file resolution #: 2019-42

Steven Riga began by providing a market update, indicating the economy was slow during the 1st and 4th quarters of 2018 and there was a market correction in December of 2018. However, for 2019 wage growth is up 4%. Riga continued, reviewing asset class returns and indicated historically the US market has outperformed the International market.

Trustee Robert Guerin indicated that the yield curve had inverted, which typically precedes a recession, and asked Mr. Riga his thoughts concerning such. Mr. Riga indicated that the 3 month to 10 year yield curve did invert, however Graystone believes the 2 year to 10 year yield curve is a better indicator of an upcoming recession. John Krakowiak also indicated the median time frame for a recession after yield curve inversion is 21 months.

Amy Cole presented Graystone’s Asset Allocation Review and proposed 3 new potential allocations. Overviews of the proposed allocations are as follows:

Proposal 1 would keep the current allocation’s overall targets for Bonds 33%, Equities 55%, Alternatives 7% and Real Assets 5%, but would reallocate the target ranges for the investments within each those category.

Proposal 2 would reduce the overall allocation to Bonds and Equities to 29% and 53% respectively, and increase the allocations for Alternatives to 10% (adding Private Equity) and Real Assets to 8%.

Proposal 3 would reduce the overall allocation to Bonds and Equities to 28% and 52% respectively, and increase the allocations for Alternatives to 12% (adding Private Equity) and Real Assets to 8%.

Ms. Cole indicated proposals 2 and 3 would make the portfolio more efficient by improving return vs. risk reward.
John Krakowiak indicated that once an allocation is selected, Graystone will present broader ranges for the investments within each category. John continued reviewing the Monte Carlo simulation Graystone completed based on 50 years of projected Cashflows provided by the City’s Actuary. John discussed the probability of the System having cash leftover once all pension obligations have been settled.

Mr. Krakowiak also discussed proposed revisions to the Investment Policy Statement (IPS), pointing out updates regarding the criteria for underperforming managers as well as updates still to come regarding Public Act 314. John indicated that it will take approximately 2 to 3 months to solidify the updates to the IPS.

Chairman Carl Meyers requested that Graystone present their recommended allocation at the May meeting. John Krakowiak responded, indicating that Proposal 3 is Graystone’s recommendation.

C) OTHER BUSINESS

1. Motion to approve Fiscal Year 2020 proposed budget as prepared by the Finance Department contingent upon the Legal Fees for outside Counsel being presented as a separate line item if possible.

   Motion by: Robert Guerin
   Support by: Carl Meyers
   Roll-Call Vote: Unanimous
   Resolution #: 2019-43

2. Update regarding the Board’s request for City email addresses

   Pension Administrator Robert Festerman indicated that MIS had expressed concerns regarding providing City email addresses to individuals who are not currently employed by the City. MIS indicated they would discuss internally and provide a response; however no response has been received at this time.

   The Board discussed their request for City email addresses, and Legal Counsel Jeremy Romer indicated he would prepare a policy for records retentions relating to such.

3. Update regarding video recording future meetings

   Pension Administrator Robert Festerman informed the Board that DPI has indicated they have the capacity to video record future meetings. Mr. Festerman indicated that based on feedback he received from DPI, the estimated cost of recording a 3 hour meeting would be approximately $100.00. This would include the wages of two DPI staff members and additional time need to process the recording following the meeting.

   The Board discussed video recording future meetings in further detail, and Legal Counsel Jeremy Romer indicated he would prepare a policy for records retention relating to the video recordings as well.
4. Motion to approve Fiduciary Liability Insurance Renewal quotes provided by Nickel and Saph, contingent upon the Mayor confirming the City will pay the deductible from the General Fund.

   Motion by: William Irving
   Support by: Robert Guerin
   Roll-Call Vote: Unanimous
   Resolution #: 2019-44

5. Trustee William Irving expressed interest in attending the NCPERS ACE training event in Austin, Texas from May 18-22, 2019.

   Motion to approve Trustee William Irving’s attendance of the NCPERS ACE training event

   Motion by: Carl Meyers
   Support by: Don Cundy
   Roll-Call Vote: Unanimous
   Resolution #: 2019-45

6. Vice Chairman Don Cundy expressed concern for retirees who may not have been aware that they could name a child as the beneficiary of their pension benefits. The Board discussed those individuals who would be allowed to be named as beneficiaries of pension benefits. Legal Counsel Jeremy Romer pointed out that examples are provided on the beneficiary election form that all retirees are required to complete and sign prior to retiring.

7. Chairman Carl Meyers requested that Legal Counsel Jeremy Romer review the recent amendments to the Michigan Open Meetings Act; Romer agreed.

8. Motion to Adjourn Meeting.

   Meeting end time: 11:22 am
   Motion by: Robert Guerin
   Support by: William Irving
   Roll-Call Vote: Unanimous
   Resolution #: 2019-46

   Ginger Burke-Miller, Board Secretary
   4/22/2019
   Date

   Minutes Approval Resolution

   Minutes Approval Date

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