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
8:30 am, Thursday, October 24, 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>01/01/22</td>
</tr>
<tr>
<td>Don Cundy, Vice Chair, City Council Appointed</td>
<td></td>
<td>X</td>
<td>01/01/22</td>
</tr>
<tr>
<td>Robert Guerin, Trustee, Member Elected</td>
<td></td>
<td>X</td>
<td>06/30/23</td>
</tr>
<tr>
<td>Wisam Fakhoury, Trustee, CSC Appointed</td>
<td>X, In at 8:38</td>
<td></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>
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</tbody>
</table>

<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, Outgoing Pension Administrator</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>David Thompson, Incoming Pension Administrator</td>
<td>X</td>
<td></td>
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<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>
<td></td>
</tr>
<tr>
<td>Amy Cole, Graystone, Consultant</td>
<td>X</td>
<td></td>
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</tbody>
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Roll Call Time: 8:36 AM
Quorum Met (Needs 3 attending members for a quorum): Yes
A) 8:36 AM – General Business.

The meeting began by Board Secretary Ginger Burke-Miller thanking outgoing Pension Administrator Robert Festerman for his service and dedication, and introducing incoming Pension Administrator David Thompson to the Board.

1. Motion to approve 09/26/2019 Open Session minutes.

   Motion by: Carl Meyers  
   Support by: Robert Guerin  
   Roll-Call Vote Unanimous  
   Resolution #: 2019-107

B) INVESTMENT CONSULTANT BUSINESS

1. Graystone Consulting

   Graystone consultants John Krakowiak, Steven Riga, and Amy Cole presented the monthly meeting materials and discussed with the Board.

   Receipt & file resolution #: 2019-108

   John Krakowiak began by informing the Board of a new format for the Performance Reports, indicating that Amy Cole would go over in further detail later in the meeting.

   Steven Riga then provided a market update and economic overview. Riga indicated the Feds have cut interest rates twice and Graystone is expecting one more cut by year end. Riga continued indicating that job growth continues to increase, with the bulk of the growth being in small employers.

   Regarding a potential recession, Riga indicated that while the yield curve had inverted, it did so for a short time and has right-sided itself. Riga continued, stating the leading economic indicators have been negative preceding every recession since World War II, and currently all indicators remain positive, and while things are slowing, they’re still not seeing any indicators of a downturn.

   Amy Cole provided an overview of the new format for the performance reports; the new format allows for easier comparison between asset class, market capitalization, and growth vs. value. Cole continued, indicating that the yellow line indicates the asset class, the blue indicates market capitalization, and the Purple indicates whether the investment is classified as a growth or value.

   Amy then provided a performance review indicating that the portfolio is up 1.2% for the month. Ms. Cole indicated that value outperformed growth and international out performed large cap domestic. She continued indicating that some of the alternative investments are not updated on a quarterly basis, and a “0” on the monthly performance report for those investment indicates “not applicable”, and not a “0” return.

   Chairman Carl Meyers asked Ms. Cole how the percentage of cash held by any given manager is figured into the portfolios true equity exposure. Ms. Cole responded indicating that majority of the investment managers maintain approximately a 5% cash balance, with some active managers reaching 6-7%; and with the new report format, this cash is included in the yellow line items (asset class).
C) OTHER BUSINESS

1. Payroll/Direct Deposit Error Update

Pension Administrator Robert Fertman provided the Board with an update regarding the payroll/direct deposit error that the Board was informed of at the September meeting. Fertman indicated the retiree who was overpaid $21,471.58 over two years, has indicated that he would like to repay the sum at a rate of $100 per month, which would result in a repayment term of approximately 17 years.

The Board discussed the proposed repayment plan, noting that at this time, the Board does not wish to garnish the retiree’s monthly pension benefits, nor does the Board wish to be in a position in which the retiree’s estate is to be pursued for the recoupment of the overpayment; as such, the following motion was proposed:

a. Motion to authorize the Pension Administrator to offer a 10% discount if the overpayment is paid in full via one lump sum; resulting in net repayment amount of $19,324.42.

   Motion by: Carl Meyers
   Support by: Robert Guerin
   Roll-Call Vote: Unanimous
   Resolution #: 2019-109

2. 9:48 am - Motion to go into Closed Session.

   Motion by: Carl Meyers
   Support by: Robert Guerin
   Roll-Call Vote: Unanimous
   Resolution #: 2019-110

   Returned to Open Session at: 10:07 am

3. Motion to Adjourn Meeting.

   Meeting end time: 10:08 am
   Motion by: Robert Guerin
   Support by: Wisam Fakhoury
   Roll-Call Vote: Unanimous
   Resolution #: 2019-111

Ginger Burke-Miller, Board Secretary

Date: 11-1-2019

Minutes Approval Resolution

DRAFT-TBD

Minutes Approval Date

DRAFT-TBD

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