

CITY OF DEARBORN
CHAPTER 22 - GENERAL EMPLOYEES RETIREMENT SYSTEM
(System Close date: 07/01/2002)
NOTICE of BOARD OF TRUSTEES MEETING & AGENDA
Dearborn Administrative Center – Council Chambers
16901 Michigan Avenue, Dearborn, MI, 48126

8:30 AM, Thursday, May 29, 2025

Open Session Minutes

Board Attendance	Present	Absent	Term End Date
Randa Dagher – Chair, Mayor Appointed	X		01/01/26
Alan Brzys, Vice Chair, City Council Appointed	X		01/01/26
Robert Guerin, Trustee, Member Elected	X		06/30/27
Wisam Fakhoury, Trustee, CSC Appointed	X		06/30/28
Michael Timiney, Trustee, Member Elected	X		06/30/25

Other Attendance	Present	Absent
Michael Kennedy, Board Secretary (Out @ 10:59)	X	
Robert Festerman, Pension Administrator	X	
Robert Benak, Pension Accountant	X	
Jeremy Romer, Legal Counsel		X
Marie Racine, Legal Counsel	X	
John Krakowiak, Graystone, Consultant	X	
Amy Cole, Graystone, Consultant	X	

***Roll Call Time:**

Quorum Met (Needs 3 attending members for a quorum):

1. Consider agenda as proposed

<i>Motion by:</i>	<i>Robert Guerin</i>
<i>Support by:</i>	<i>Wisam Fakhoury</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-26

8:30 AM - INVESTMENT CONSULTANT BUSINESS

2. Investment Manager Presentation – None Scheduled
3. Graystone Consulting – Monthly Report

Amy Cole presented the monthly market report for the Boards. Ms. Cole discussed the ongoing tariffs imposed by the current administration, with expectations that talks will deescalate the tariff impact. Global GDP growth is slowing and expected to be 2.5% down from 3.5% growth in 2024; Ms. Cole expressed frustration with how large the loss is. The 3rd quarter is expected to be the peak period of inflation and then we should see a down turn. They expect labor markets will show some weakness and motivate the Federal Reserve into action, later in the year. By the end of 2026, rate reductions totaling 1.75% are expected from the Fed. The first step anticipated from the Fed is a reduction to their balance sheet to relieve some pressure.

The largest source of the System's portfolio underperformance is the Walter Scott investment. Mr. Krakowiak asked that a decision be made by the Board, at this meeting, regarding the replacement search candidates that made presentations and were discussed at previous meetings. Walter Scotts FYTD performance was 2.0% compared to a 12% return for the benchmark. Deroy & Deveraux is also slightly underperforming their benchmark currently but overall has beat the benchmark annually by 2.5%.

The overall performance of the Real Estate portfolio is not great but they are holding fast to their investments with the expectation of interest rate cuts in the future. The sector return FYTD is at (-0.8%) compared to their benchmark of 3.1%.

Mr. Krakowiak moved along to revisiting the International Equity Search. Mr. Krakowiak recapped the returns, fees, upside/downsides and risk/return factors for the top considered investment managers: Hartford Schroders, Hudson Edge and American Funds New Perspective among others.

The recommendation by Graystone is to liquidate Walter Scott and replace it with American Funds New Perspective and Hartford Schroders International Stock Fund, equally. Mr. Krakowiak also researched the holdings of the candidates and cross referenced them to the divestment policy that was approved in October 2024. While these international investments are mutual funds and the divestment policy is not directly applicable, Mr. Krakowiak still considered them for the sake of being as consistent and conscientious to the policy as possible. Most investment managers had minor exposure to the description of the divestment companies but Hartford Schroders had no exposure at all.

Receipt & file resolution # **2025-27**

Motion to approve the recommendation of Graystone, to liquidate Walter Scott and replace it with American Funds New Perspective and Hartford Schroders International Stock Fund, equally from the liquidation proceeds.

<i>Motion by:</i>	<i>Alan Brzys</i>
<i>Support by:</i>	<i>Robert Guerin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-28

GENERAL BUSINESS

4. *CONSENT AGENDA FOR 05-29-2025*

- A. Consider 04/24/2025 Draft Board Minutes
- B. Consider James Knapp's Straight Life Retirement Application

END OF CONSENT AGENDA

<i>Motion by:</i>	<i>Michael Timiney</i>
<i>Support by:</i>	<i>Wisam Fakhoury</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-29

OTHER BUSINESS

5. Annual Affidavit Update

Pension Administrator Robert Festerman gave an update regarding the annual affidavit process. All outstanding affidavits have been returned, except for the two previously suspended individuals that have not complied. One of the outstanding members was believed to be deceased but requests made for a death certificate in the entire state of Florida did not prompt a response. No confirmation has been obtained that the individual is deceased and the individual will therefore remain suspended at this time.

The Chapter 22 and Chapter 23 Boards discussed how to move forward with the two suspended individuals, particularly the one believed to be deceased. The question was posed: how long should pension administration continue to try to track down individuals that are suspended. The Boards' discussion concluded with the directive that staff will continue to send an annual affidavit every year to all suspended retirees. No change will be made to their file to reflect a termination. Discussion was held regarding the impact on actuarial reports by maintaining suspended individuals in the census data.

Motion to have Pension Administrator Robert Festerman reach out to Gabriel, Roeder & Smith regarding the impact of including suspended but not located individuals in the census data, and to amend the annual affidavit procedure to only send one affidavit for suspended individuals and perform no further follow up.

<i>Motion by:</i>	<i>Alan Brzys</i>
<i>Support by:</i>	<i>Wisam Fakhoury</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-30

Motion to have Pension Administrator Robert Festerman expand his death certificate search through Florida expanded from 2023 to 2021-2022.

<i>Motion by:</i>	<i>Alan Brzys</i>
<i>Support by:</i>	<i>Wisam Fakhoury</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-31

6. Trustee Election Update

Pension Administrator Festerman gave a brief update regarding the trustee elections. He explained that two individuals have been nominated for Chapter 22, two firefighters nominated for the Chapter 23 fire seat, and one police officer for the Chapter 23 police seat.

7. Any Other Business Items That Arise – None.

OLD BUSINESS

8. Open work items in process

- a. EDRO / DRO In Process: P. Frank, R. Smith – No change reported.

INFORMATIONAL ITEMS

9. Any other informational items that arise

Trustee Chad Bronson of Chapter 23 gave a brief update on the recent MAPERS conference he attended. He relayed that much of the conference revolved around AI and advances in the field and the investment impacts.

CLOSED SESSION

10. Motion to go to Closed Session

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Robert Guerin</i>
<i>Roll-Call Vote</i>	
<i>Resolution #</i>	2025-32

- a. Review of 04/24/2025 Closed Session Minutes
- b. Legal Report(s) presented by Racine & Associates
- c. Any Other Closed Session Items that Arise

OPEN SESSION (cont.)

11a. Motion to approve the 4/24/2025 Closed Session Minutes

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Michael Timiney</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-33

11b(1). The Board made no motion to approve the Labaton 220 document demand presented for consideration.

11b(2). Motion for the Chair to request Mr. Romer to prepare a written legal opinion, as counsel to the pension board, in support of his claims made in the emails sent April 16, 2025 between 4:23pm and 5:33 pm and April 28, 2025 at 11:52 am, with legal support, to be provided before the June 26, 2025 Board meeting, and attendance at the June 26, 2025 meeting with anticipation to go into Closed Session for a full discussion.

<i>Motion by:</i>	<i>Alan Brzys</i>
<i>Support by:</i>	<i>Robert Guerin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-34

ADJOURN MEETING

Motion to adjourn meeting

<i>Meeting end time:</i>	12:04 P.M.
<i>Motion by:</i>	<i>Robert Guerin</i>
<i>Support by:</i>	<i>Alan Brzys</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-35



Michael Kennedy, Board Secretary

2025-38

Minutes Approval Resolution

6-26-2025

Date

6-26-2025

Minutes Approval Date