

CITY OF DEARBORN
CHAPTER 23 - POLICE AND FIRE REVISED RETIREMENT SYSTEM
(System Close Dates: Police: 07/01/2005...Fire: 05/01/2009)
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	Out @ 12:05pm	01/01/26
Daniel Bartok, Trustee, Police Member, Elected	X		06/30/27
Madou Bazzi, Trustee, Police Member Elected	X		06/30/25
Chad Bronson, Trustee, Fire Member Elected	X		06/30/27
James Rodgers, Trustee, Fire Member Elected	X		06/30/25
Ibrahim Mac Elabed, Trustee, Citizen Appointed		X	01/01/26

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	
Donald Bunse (Retiree)	X	Out @ 10:15am

***Roll Call Time: 8:35 A.M.**

Quorum Met (Needs 5 attending members for a quorum): Yes

1. Consider agenda as proposed

<i>Motion by:</i>	<i>Randa Dagher</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-30

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.

John Krakowiak presented the monthly performance report for the System. The Net IRR for Entrust was (-0.04) but the account is finally settled. 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 (-6.0%) compared to a +10% for the benchmark – these numbers are not entirely accurate due to lag in the reporting for Chapter 23, but the overall trend remains the same. Deroy & Deveraux is also slightly underperforming their benchmark currently but overall has beat the benchmark annually by 2.5%. Peregrine has also missed the benchmark this year; currently at (-10.3%) to the benchmarks (-2.6%).

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 Schrodgers, 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 Schrodgers 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 Schrodgers had no exposure at all.

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>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-32

GENERAL BUSINESS

4. CONSENT AGENDA FOR 05-29-2025

- A. Consider 04/24/2025 Draft Board Minutes
- B. Consider Donal Villiard Jr.'s B-100 Retirement Application
- C. Consider Ryan Phipps's B-50 Retirement Application

END OF CONSENT AGENDA

<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>James Rodgers</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-33

OTHER BUSINESS

5. Annual Affidavit Update

Pension Administrator Robert Festerman gave an update regarding the annual affidavit process. All outstanding affidavits have been returned for Chapter 23.

The Chapter 22 and Chapter 23 Boards discussed the annual affidavit process and in particular how pension administration should 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.

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. Discussion regarding Donald Bunse's EDRO and his request for a pop-up due to the death of his Alternate Payee.

Retiree Donald Bunse was invited to speak regarding his request for a pop-up due to the passing of his Alternate Payee. Mr. Bunse explained that he was among the first of retirees that retired with an EDRO. He expressed his recollection that there was confusion between the lawyers and the pension administrator during his divorce, and that at one point, the EDRO calculation had to be revised so that the reduction for the Alternate Payee's early commencement of benefits was calculated to reduce her benefit and not Mr. Bunse's – as stated in the EDRO document. Mr. Bunse explained that he believes the lawyers did not write the EDRO language correctly.

The Board had previously asked Pension Administrator Robert Festerman to perform a thorough review of Mr. Bunse's file; and now asked for him to provide his findings in this regard. Mr. Festerman explained the plan's Actuary had confirmed that the Bunse EDRO language indicated a "Single Life" (treated the same as "Straight Life") form of payment for the Alternate Payee, and with this form of payment, there is not pop-up allowed when the Alternate Payee dies. Only a "Joint-Survivor" form of payment for the Alternate Payee would allow for a pop-up. And had there been such "Joint Survivor" language, the Actuary would have completed the calculation in a different manner.

The Board and Mr. Festerman explained to Mr. Bunse that EDRO language determines how the EDRO calculation is calculated by the Actuary; and in his case, unfortunately the EDRO language was clear and it did not allow for a pop-up. They explained the straight-life benefit as a base line benefit, and joint survivor benefits as a special option that reduces the benefit amount based on actuarially determined factors like age, mortality, commencement dates, etc.

As such, if the Bunse EDRO was originally calculated with a "Joint Survivor" form of payment for the Alternate Payee, Mr. Bunse's benefit would have likely have been reduced over the prior years to account for the pop-up – meaning he would have received a lower monthly benefit for all months prior to the Alternate Payee's death to offset the cost of a future pop-up.

The Board further added that they did not have any discretion to allow a pop-up to occur, because of the language of the EDRO and the EDRO calculation as completed by the System's Actuary.

8. Any Other Business Items That Arise – None.

OLD BUSINESS

9. Reinstatement of Ted Darnall's Pension Benefits Update

Pension Administrator Robert Festerman gave a brief update regarding the reinstatement of Ted Darnall's pension benefit. Mr. Festerman reported an issue with the payroll system having a maximum amount that can be entered for a monthly payment. The payment due to Mr. Darnell for the prior years of benefits was too large. Therefore Mr. Darnall's retro payment has been split to be paid over a 3 month period.

10. Open work items in process

- a. EDRO / DRO In Process: Andrew, M – No change reported.

INFORMATIONAL ITEMS

11. Any other informational items that arise

Trustee Chad Bronson 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 10:24 A.M.

12. Motion to go to Closed Session

<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>Madou Bazzi</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-34

- a. Review of 04/24/2025 Closed Session Minutes
- b. Legal Reports(s) presented by Racine & Associates
- c. Review of Jane Kass's Disability Retirement Application(s)
- d. Any Other Closed Session Items that Arise

OPEN SESSION (cont.) 11:52 A.M.

13a. Motion to approve the 04/24/2025 Closed Session Minutes

<i>Motion by:</i>	<i>Madou Bazzi</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-35

13b(1). The Board made no motion to approve the Labaton 220 document demand presented for consideration.

13b(2). Motion for the Chair to request Mr. Romer to prepare a written legal opinion, as counsel to the pension board, in support to his claims made in the emails sent April 16, 20225 between 4:23 P.M. and 5:33 P.M. and April 28, at 11:52 A.M., with legal support, to be provided before the June 26th meeting, and attendance at the June 26, 2025 Board meeting, and attendant 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>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-36

<i>Roll-Call Vote:</i>	<i>Randa Dagher - Yes</i>
	<i>Alan Brzys - Yes</i>
	<i>Daniel Bartok - Yes</i>
	<i>Madou Bazzi – Yes</i>
	<i>Chad Bronson - Yes</i>
	<i>James Rodgers- No</i>
	<i>Ibrahim Mac Elabed – Absent</i>

CLOSED SESSION 12:05 P.M.

14. Motion to go to Closed Session

<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>Madou Bazzi</i>
<i>Roll-Call Vote:</i>	<i>Randa Dagher - Yes</i>
	<i>Alan Brzys - Absent</i>
	<i>Daniel Bartok - Yes</i>
	<i>Madou Bazzi – Yes</i>
	<i>Chad Bronson - Yes</i>
	<i>James Rodgers- Yes</i>
	<i>Ibrahim Mac Elabed – Absent</i>
<i>Resolution #</i>	2025-37

OPEN SESSION (cont.) - 12:13 A.M.

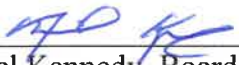
15. Motion to approve of an Independent Medical Evaluation for Jane Kass as discussed in Closed Session, and authorizing Pension Administrator Festerman to engage the IME physician, amend Ms. Kass's application to reflect her proper address, and if the approved IME report is received before the June 26, 2025 pension board meeting, a special meeting will be scheduled in this regard.

<i>Motion by:</i>	<i>Madou Bazzi</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-38


ADJOURN MEETING

Motion to adjourn meeting

<i>Meeting end time:</i>	<i>12:16 P.M.</i>
<i>Motion by:</i>	<i>Madou Bazzi</i>
<i>Support by:</i>	<i>Randa Dagher</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-39



Michael Kennedy, Board Secretary



Minutes Approval Resolution



Date



Minutes Approval Date