

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 – Conference Room 1-D
16901 Michigan Avenue, Dearborn, MI, 48126

8:30 AM, Thursday, June 26, 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
Daniel Bartok, Trustee, Police Member, Elected (In at 8:35 A.M.)	X		06/30/27
Madou Bazzi, Trustee, Police Member Elected (Out at 10:14 A.M.)	X		06/30/25
Chad Bronson, Trustee, Fire Member Elected		X	06/30/27
James Rodgers, Trustee, Fire Member Elected	X		06/30/25
Ibrahem Mac Elabed, Trustee, Citizen Appointed (In at 8:56 A.M.)	X		01/01/26

Other Attendance	Present	Absent
Michael Kennedy, Board Secretary	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
Joseph Yamin, Police Member – Incoming Member Elected Trustee	X	

***Roll Call Time: 9:27 A.M.**

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

1. Consider agenda as proposed

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Madou Bazzi</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-40

8:30 AM - INVESTMENT CONSULTANT BUSINESS

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

John Krakowiak from Graystone presented the monthly market report and the monthly performance report. Mr. Krakowiak briefly discussed the statements of the Federal Reserve's Chairman Powell regarding inflation, as well as the expectation that there may be two rate cuts this year and one additional in 2026. Energy costs spiked and then settled back down in reaction to the conflicts in the Middle East. Mr. Krakowiak explained that energy costs have an impact on inflation as energy is necessary for nearly every product and market. The tariff and trade deal deadlines are coming in early July with market impacts currently unknown. Mr. Krakowiak also noted the progress being made with the current budget reconciliation bill that would seek to cut taxes for corporations and loosen regulations which he expects will benefit the markets. Mr. Krakowiak explained that he views these factors as bullish for the markets and a good indicator.

Regarding performance, Mr. Krakowiak explained he was not happy with some of the performance with Chapter 23 investments. Mr. Krakowiak pointed out that Chapter 23 returns from Deroy & Deveraux were about 1% lower than those for Chapter 22, and that he believes this may be due to the closing of the Aristotle fund and moving those funds to Deroy & Deveraux, which could be skewing the performance figures. Real Estate has also been the major detractor to the portfolio.

Similarly, the Entrust Special Opportunities fund has not been performing well. This portfolio looks to buy and attempt to facilitate rebranding and boosting of struggling stocks, notably companies like Sea World, Dave and Busters, and Chuck E. Cheese. The fund is down (-5.7%) compared to their benchmark the HFRI Fund of Funds at 5.1% for the FYTD. It is over 10% lower than the index with an even worse performance showing down 15% in the 3-year period. Mr. Krakowiak also explained this fund is expected to be fully liquidated in 2 years and he will see if this can be expedited at all.

Mr. Krakowiak also discussed increasing the mid-cap exposure for the Chapter 23 portfolio to diversify the fund further and help cover some gaps in the returns. Mr. Krakowiak explained that Chapter 23 has less mid-cap exposure as compared to Chapter 22 and the return on those investments for Fiscal Year 2025 were 9.5%.

Trustee James Rodgers inquired about Terracap's performance. Mr. Krakowiak explained that their real estate holdings are tier 2 office space that is struggling to compete with some of the other real estate investments that are higher tier with more amenities. There is an ongoing consolidation of the rates for office space as return to work is being enforced and the overall corporate approach trend is to get workers back into office space.

Mr. Krakowiak discussed the more illiquid investments which include the private equity investments and the real estate portfolios. Mr. Krakowiak also discussed Comerica Bank and the continuing issues with obtaining reporting for both funds accurately and timely.

Secretary Michael Kennedy was asked about the City's RFP for Banking Services. He explained that the RFP has been temporarily suspended as the City works through the ongoing changes already taking place, e.g. implementation of a new ERP system, and the new payroll system which still has issues that are being ironed out, large renovations are in progress in city hall, etc. The Custody RFP is still active and will be conducted at a later date.

Mr. Krakowiak described his experiences with various custodial banking service providers. He also explained the differences between each service provider as it relates to capacity, experience and cost for purposes of comparing pure custodian firms and banks that do custody as a service.

Receipt & file resolution # **2025-41**

GENERAL BUSINESS

4. CONSENT AGENDA FOR 06-26-2025

- A. Consider 05/29/2025 Draft Board Minutes
- B. Consider Brian Yunkari's B-100 Retirement Application
- C. Consider Andrew Zelazny's B-100 Retirement Application

END OF CONSENT AGENDA

<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>	2025-42

OTHER BUSINESS

5. Trustee Election Results

The Board was provided the Trustee election results issued by the Clerk's Office. Trustee James Rodgers was reelected as the Chapter 23 Fire Member Elected Trustee. Joseph Yamin was elected as a Chapter 23 Police Member Elected Trustee, succeeding trustee Madou Bazzi. This meeting will be Madou Bazzi's last as a Trustee and he is thanked for his service.

6. Any Other Business Items That Arise – None Arose

OLD BUSINESS

7. Jane Kass Disability Retirement Update

Mr. Festerman explained the IME had been scheduled for Jane Kass for mid-July, and depending on when the report is received, this item may appear on the July meeting agenda; otherwise, a special meeting will be called once the report is received.

8. Reinstatement of Ted Darnall's Pension Benefits Update

Mr. Festerman explained the retro payments for Ted Darnall continue. They are currently on the second of three monthly distributions and no issues have arisen.

9. Open work items in process

- a. EDRO / DRO In Process: Andrew, M; Matelic, C.

Mr. Festerman reported that both EDRO/DROs were in process, with no issues thus far.

INFORMATIONAL ITEMS

10. Any other informational items that arise

Pension Administrator Festerman indicated that that preparation for fiscal year end was under way for the Finance Department. As part of the year end process, a comparison of actual expenses vs. budget will be completed to address any budget overages. A preliminary review showed that overall Chapter 23 appears to be over budget due to a higher-than-expected number of retirements & annuity refunds. As such, a budget appropriation will likely be needed to increase the overall budget for FY2025.

Mr. Festerman indicated that a more in-depth review will be conducted following the June 30, 2025 year end and the results will be presented at the July 31, 2025 meeting.

CLOSED SESSION – 9:51 A.M.

11. Motion to go to Closed Session

<i>Motion by:</i>	<i>Madou Bazzi</i>
<i>Support by:</i>	<i>Daniel Bartok</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 - Absent</i>
	<i>James Rodgers- Yes</i>
	<i>Ibrahim Mac Elabed – Yes</i>

<i>Resolution #</i>	2025-43
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- Review of 05/29/2025 Closed Session Minutes
- Legal Reports(s) presented by Racine & Associates
- Update regarding Jane Kass's Disability Retirement Application(s)
- Any Other Closed Session Items that Arise


OPEN SESSION (cont.) 10:57 A.M - Quorum lost during Closed Session

12. Consideration of the 05/29/2025 Closed Session Minutes – No action taken due to loss of quorum.


ADJOURN MEETING – Meeting ended due to loss of quorum – 10:57 A.M.




Michael Kennedy, Board Secretary



Date



Minutes Approval Resolution



Minutes Approval Date