

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, July 31, 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		06/30/29

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

***Roll Call Time: 8:38 A.M.**

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

1. Consider agenda as proposed – amended to not include a Closed Session meeting.

<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>	2025-42

8:30 AM - INVESTMENT CONSULTANT BUSINESS

2. Investment Manager Presentation – None Scheduled

3a. Graystone Consulting – Monthly Report

John Krakowiak gave the monthly market and performance reports. Mr. Krakowiak noted that Chairman Powell's expectations for interest rate cuts moved again, shifting from September and December 2025 to October 2025 and January 2026. Two Federal Reserve governors dissented from the decision to not cut rates. Microsoft and Meta delayed in reporting but ultimately reported beating earnings and revenues expectations due to unexpected profitability with their AI spending.

Mr. Krakowiak discussed the "Big Beautiful Bill", which is expected to add 3.3 trillion dollars to the deficit. Overall tariffs appear to be an approximately 15% increase across the board and in June this was reportedly paid by mostly foreign manufacturers through lowering import costs. It was also reported that the federal government brought in more revenue than they spent, which would reduce the deficit. The bill will aide corporations by allowing immediate expensing of capital expenditures and investment.

Chair Randa Dagher inquired about the devaluation of the dollar. Mr. Krakowiak explained that the valuation will fluctuate as our trade agreements do. As the United States exports more, that valuation is expected to decrease more, however, there are no good alternatives to the U.S. Dollar.

Trustee James Rodgers of Chapter 23 inquired about the no tax on overtime and tips provisions of the "Big Beautiful Bill". Mr. Krakowiak explained the effective tax rate for some folks went down and while this does reduce the tax revenue for the government, it could spur GDP since those lower income earners now have more income to spend due to the tax savings. Board Secretary Michael Kennedy added clarifying remarks about the bill provisions. The worker can take a tax credit for overtime and tips, which would only be realized at the end of the year when the worker files their tax return. It is expected that the week-to-week paycheck for most people will stay the same. Trustee Daniel Bartok also offered some clarifying remarks about the tax credit for nontaxable overtime. It is only applicable to the additional/marginal pay, not the base pay during overtime.

Regarding performance, Mr. Krakowiak explained the yearly performance was 11.3% for the year. Mr. Krakowiak discussed the desync between small and mid-cap funds and attributed it to the prolonged increased interest rates we've been seeing and the fact that small-cap is less likely to afford loans at those rates when compared to mid-cap funds. They will continue to monitor the sector and come back in September with any recommended changes to the allocations. Mr. Krakowiak briefly covered the yearly strategy analysis which resulted in great numbers; i.e. over 7% annual returns and 80% probability of positive returns, hopefully continuing to raise the System's funded ratio.

Mr. Krakowiak finally discussed the changes being recommended to the Investment Policy Statement which includes adjusting the Absolute Return/Unconstrained Fixed Income allocation from 7% to 10%. The intent is to maintain management of the account at 7% however it was reported by the analysis firm Clearwater that the System's allocation reached 7.02% and as such is at risk of triggering provisions of Public Act 314, which is why Graystone proposes the change to the IPS.

Additionally, the IPS presented updates the current portfolio managers listed, replacing Walter Scott with American Funds New Perspective and correcting the addition of T. Rowe Price Overseas Stock and DFA Core International.

3b. Graystone Consulting – Investment Policy Statement Review

Motion to approve Investment Policy Statement as presented by Graystone

<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>	2025-44

GENERAL BUSINESS

4. **CONSENT AGENDA FOR 07-31-2025**

A. Consider 06/26/2025 Draft Board Minutes

END OF CONSENT AGENDA

Motion to approve the Consent Agenda for 7-31-25

<i>Motion by:</i>	<i>Randa Dagher</i>
<i>Support by:</i>	<i>Wisam Fakhoury</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-45

OTHER BUSINESS

5. Review of FY2025 Expenses Budget vs. Actual – No Action Needed

Pension Accountant Robert Benak and Board Secretary Michael Kennedy presented the annual review of the expense accounts for the S. Overall, Chapter 22 is under budget and no budget appropriation is needed. Pension staff will conduct a budget reallocation to reallocate unused budgeted funds from one expense account to another to cover those accounts that have exceeded their budget. Budget Reallocations do not require any approval and are a standard task for the pension staff.

6. Any Other Business Items That Arise – none arose.

OLD BUSINESS

7. Open work items in process

- a. EDRO / DRO In Process: P. Frank, R. Smith - No updates.

INFORMATIONAL ITEMS

8. Any other informational items that arise

Vice Chair Alan Brzys provided a compilation of emails between himself and Legal Counsel Romer per the request of Chapter 23 Trustee James Rodgers. The Boards discussed these emails with Legal Counsel Marie Racine and it was concluded the proper course of action was that to acquire these emails would be to properly submit a FOIA request.

Trustee Robert Guerin inquired about a previous request for information regarding trustee eligibility and freezing their pension. Ms. Racine explained that she confirmed a frozen member is still a member and eligible to run for the position of Board Trustee.

Trustee Daniel Bartok of Chapter 23 also inquired about the declining participation among active members left in the System and whether the charter allows retirees to run for trustee positions when there are no active members that seek to serve as a trustee. Ms. Racine explained that yes, the provisions cover both scenarios and reminded the Boards that any retirees applying for a trustee seat are required to live within 100 miles of the City. Additionally, once there are no more actives or retirees seeking to participate as trustees on the Board, control would be transferred to the City Council, as done previously with Chapter 21.

ADJOURN MEETING

Motion to adjourn meeting

<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>	2025-46



Michael Kennedy, Board Secretary

9-15-25

Date

2025-49

Minutes Approval Resolution

9-25-2025

Minutes Approval Date