

**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, July 31, 2025**

**Open Session Minutes**

<b>Board Attendance</b>	<b>Present</b>	<b>Absent</b>	<b>Term End Date</b>
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	X		06/30/27
Joseph Yamin, Trustee, Police Member Elected		X	06/30/29
Chad Bronson, Trustee, Fire Member Elected	X		06/30/27
James Rodgers, Trustee, Fire Member Elected	X		06/30/29
Ibrahem Mac Elabed, Trustee, Citizen Appointed	X		01/01/26

<b>Other Attendance</b>	<b>Present</b>	<b>Absent</b>
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 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>Ibrahem Mac Elabed</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<i>2025-48</i>

**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 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 8.9% however this does not capture the entirety of the year as some of the alternatives and comingled funds didn't get picked up in the report. True return should be around 9.5%.

The Entrust Diversified Fund should be fully liquidated in 3 years, per Entrust's schedule. Mr. Krakowiak discussed the desync between small and mid-cap stocks 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 stocks. 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>James Rodgers</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<i>2025-50</i>

## **GENERAL BUSINESS**

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

A. Consider 06/26/2025 Open Session Draft Board Minutes

B. Consider 07/08/2025 Special Meeting Open Session Draft Board Minutes

**END OF CONSENT AGENDA**

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

<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<i>2025-51</i>

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## **OTHER BUSINESS**

**5. Review of FY2025 Expenses Budget vs. Actual - Budget Appropriation Needed**

Pension Accountant Robert Benak and Board Secretary Michael Kennedy presented the annual review of the expense accounts for the System. The report revealed that staff is asking Chapter 23 to do a budget appropriation; explaining that increased funds are needed for budget purposes due to excess expenditures related to the prior fiscal year. This request is [also] sent to the Mayor for approval.

These expenditures are related to Police and Fire normal retirement benefits and Police annuity refunds. Mr. Kennedy explained that budgets are computed using prior years as a projection and taking into consideration the expected number of retirements within the System. The increase in retirement benefit expenses is attributed to having more retirees than expected for the prior year, along with the payment of retroactive benefits along with the reinstatement of Mr. Darnall's pension benefits.

The increased actual Retirement Annuities were higher than budget due to more retirements than expected. Trustee James Rodgers inquired about the actuarial fees being over budget and Mr. Kennedy explained that more retirements also means more final calculation fees as well. Trustee Rodgers also inquired about the accrual of admin/management services. Mr. Kennedy explained these are costs associated with the money managers fees for the last quarter that are not billed until after the June 30<sup>th</sup> year end and must be assessed to the previous fiscal year once the invoices are received in July.

Mr. Kennedy requested a budget appropriation of \$550,000 to cover the underbudget accounts.

Motion to approve Budget Appropriation in the amount of \$550,000.

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>James Rodgers</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<i>2025-52</i>

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

## OLD BUSINESS

7. Reinstatement of Ted Darnall's Pension Benefits Update

Pension Accountant Robert Benak gave a brief update regarding the final retro payment made to Mr. Darnall on July 31, 2025. His pension benefit will be reduced to his normal monthly benefit beginning August 2025.

8. Open work items in process

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

Legal Counsel Marie Racine provided an update regarding this new EDRO and explained that revisions have been made by the parties per her approval and the parties inquired whether Ms. Racine would be filing the EDRO with the Court. Ms. Racine advised the parties that it is their obligation to submit the EDRO to the Court for entry.

## INFORMATIONAL ITEMS

9. 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 Trustee James Rodgers. The Boards discussed these emails with Legal Counsel Marie Racine and it was concluded the proper course of action to acquire these emails would be to properly submit a FOIA request to the System.

Trustee Robert Guerin of Chapter 22 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 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.

## **CLOSED SESSION – 9:53 A.M.**

### **10. Motion to go to Closed Session**

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Randa Dagher - Yes</i>
	<i>Alan Brzys – Yes</i>
	<i>Daniel Bartok - Yes</i>
	<i>Joseph Yamin – Absent</i>
	<i>Chad Bronson - Yes</i>
	<i>James Rodgers- Yes</i>
	<i>Ibrahim Mac Elabed – Yes</i>
<i>Resolution #</i>	<b>2025-53</b>

- a. Review of 06/26/2025 Closed Session Minutes
- b. Review of 07/08/2025 Closed Session Minutes
- c. Legal Reports(s) presented by Racine & Associates
- d. Jane Kass's Disability Retirement Application(s)
- e. Any Other Closed Session Items that Arise

## **OPEN SESSION (cont.)**

### **11. Motion to approve 06/26/2025 Closed Session Minutes**

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<b>2025-54</b>

### **12. Motion to approve 07/08/2025 Closed Session Minutes**

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<b>2025-55</b>

13. Consideration of Jane Kass's Duty-Disability Retirement Application. No Motion was made or supported and therefore the Duty-Disability Retirement Application of Jane Kass is denied.

<i>Motion by:</i>	<i>No motion.</i>
<i>Support by:</i>	<i>No support.</i>

14. Motion to approve Jane Kass's Non- Duty-Disability Retirement Application

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<b>2025-56</b>

15. Motion to provide Jane Kass with a waiver and release for her signature to allow the Board to release to Ms. Kass, the IME report provided by Dr. Malinoff.

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<b>2025-57</b>

## ADJOURN MEETING

Motion to adjourn meeting

<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>	<b>2025-58</b>

  
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Michael Kennedy, Board Secretary

9-15-25  
\_\_\_\_\_  
Date

2025-61  
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Minutes Approval Resolution

9-25-2025  
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Minutes Approval Date