

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, September 25, 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: 8:35 A.M.**

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>	2025-47

8:35 A.M. - INVESTMENT CONSULTANT BUSINESS

2. Investment Manager Presentation – None Scheduled

3. Graystone Consulting – Monthly Report

Amy Cole from Graystone Consulting provided the monthly market report. The monthly return for the MSCI EAFE market was 23.4%, which Ms. Cole attributed almost entirely to the weakening of the dollar. The European market cut rates much quicker than the U.S., they face less inflation and other factors come into play. Ms. Cole further highlighted the benefit of having a diversified portfolio and holding international positions for situations like this, especially when domestically the year was off to a poor start.

Ms. Cole discussed the ongoing changes to the portfolio, specifically the allocation between Growth and Value investments. Corporations have been spending large amounts of capital on building infrastructure for tech and A.I. which is causing some shifts in the asset classes, specifically with energy and infrastructure becoming more correlated with the technology sector.

NASDAQ is up 12% for the year, with Small Cap investments lagging behind. Ms. Cole explained the liquidity of the market has been shifting toward private equity as compared to the previously dominating public market, which is likely affecting the small cap investments. The first of two expected 0.25% rate cuts, was approved by the Fed, due to the rising inflation and poor jobs performance report.

Chair Randa Dagher inquired about China selling portions of their U.S. Treasuries. Ms. Cole explained that the risk of China selling too much is there, however currently, other countries have made large investments into U.S. Treasuries and closed that gap. The largest holder of U.S. Debt is still Japan. China has fallen from #2 to #3, with the United Kingdom picking up a large amount of the debt sold by China.

Chair Dagher further inquired about the EAFE allocation relative to the performance they have had. Ms. Cole explained there is no real reason to change the allocation one way or another, however, the gain from this performance was captured by utilizing those funds for pension benefits this month. John Krakowiak also added that the international and emerging market allocations are already near their limit per Public Act 314's 20% limit, so no more allocation can be given unless the emerging market investments are reduced.

Trustee Robert Guerin inquired about the risks with the market moving forward. Ms. Cole explained in the short term that the impact of the tariffs has still not been fully realized and that's the most risk looking forward. Ms. Cole added that the tariffs could increase inflation, reduce consumption and/or affect earnings reports if corporations are absorbing the tariff costs. In the 3-to-5-year range, the cost of A.I. and the valuations of the tech companies could collapse if spending doesn't match the valuations.

The Board further discussed the history of economic hardships including the dot com bubble and the financial crisis of 2008. Mr. Krakowiak explained navigating situations like those comes down to keeping allocations diversified as well as not realizing your losses, which means that it makes sense to use investment earnings to pay benefits and raise capital from investments that are up, and letting the losses recover naturally – potentially even buying more when the prices drop.

Mr. Krakowiak provided the monthly performance reports. The July monthly return was 1% and the August monthly return was 2.4%; the return for the prior 3 months was 7.2%.

Mr. Krakowiak discussed a conversation he had with Ellen Zentner, the Chief Economist at Morgan Stanley and presenter at MAPERs, regarding her views on Geopolitics and Real Estate. Notably, Ms. Zentner was very optimistic and explained that rents are rising, real estate demand is increasing, return to work is in effect and of course, the Federal Reserve has finally initiated rate cuts.

Mr. Krakowiak discussed further the fact that small cap businesses are trending toward using private equity vehicles rather than the public market. Mr. Krakowiak explained the access to capital and lack of constrictions by a board of directors make this funding strategy much more desirable by small cap companies.

Receipt & file resolution # **2025-48**

GENERAL BUSINESS

4. *CONSENT AGENDA FOR 09/25-2025*

- A. Consider 07/31/2025 Draft Board Minutes
- B. Consider Frederick Armstrong's B-100 Retirement Application
- C. Consider William Dice Jr.'s B-75 Retirement Application
- D. Receipt and File of Robert Guerin's Election to Freeze his pension and convert to the City's 401/457 retirement plan.

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>	2025-49

OTHER BUSINESS

5. Any Other Business Items That Arise

No other business.

OLD BUSINESS

6. Open work items in process
 - a. EDRO / DRO In Process: P. Frank, R. Smith - No Updates.

INFORMATIONAL ITEMS

7. Any other informational items that arise – None.

ADJOURN MEETING

Motion to adjourn meeting

<i>Meeting End Time:</i>	9:58 am
<i>Motion by:</i>	Randa Dagher
<i>Support by:</i>	Wisam Fakhoury
<i>Roll-Call Vote</i>	Unanimous
<i>Resolution #</i>	2025-50



Michael Kennedy, Board Secretary

10-21-25

Date

2025-52

Minutes Approval Resolution

10-23-2025

Minutes Approval Date