

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, November 20, 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: 8:33 A.M.**

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

1. Consider agenda as proposed

Motion by: *Robert Guerin*
Support by: *Wisam Fakhoury*
Roll-Call Vote *Unanimous*
Resolution # **2025-55**

8:30 AM - INVESTMENT CONSULTANT BUSINESS

2. Investment Manager Presentations – None scheduled

3. Graystone Consulting – Monthly Report

Amy Cole presented the monthly market report. Ms. Cole discussed the government shutdowns effect on the financial data and explained that we're starting to get that data this week. Jobs numbers are expected soon. Valuations are still looking good even with the data drought we are in. Graystone has updated their 2026 outlook, resulting in the S&P 500 outlook growing from 7200 to 7800 by the end of 2026. This projection means Graystone is favorable to a slight overweight in equities for the year. Graystone believes the economy is shifting from what they call a period of policy uncertainty to modest growth reasoning.

Earnings are likely to continue to do well moving forward. Inflation is estimated at 3.1% in the first quarter of next year and dropping to 2.6 by the end of next year, leading to a tail wind for late 2026. A December rate cut is drastically less likely now, down to 40% expected from 90% last month, this is due to the data drought. Ms. Cole explained this likely isn't too much of an issue because a rate cut is expected in January regardless, no cut in December may mean a 0.5% cut in January.

Unemployment may jump from 4.3% that has been steady to 4.7%; indicating a weakening jobs market but not disastrous, but this should level back out to the 4.3% rate by the end of 2026. GDP is at 1.6%, facing a head wind from the government shutdown. 2026 expectations are for GDP to rise to 1.8% and 2027 is predicated at 2% GDP. US Dollar likely to continue to weaken the first half of 2026 and then reverse during the second half of the year, leading to a rebalancing opportunity with regard to the portfolios' international exposure.

Regarding A.I., Ms. Cole explained the projections are for \$3 trillion in capital expenditures, with the large hyperscale's contributing about 40 to 50% of that value, the rest coming from private equity, private credit and sovereign nations. Ms. Cole also highlighted the room for growth exposure due to these expenditures affecting other sectors like energy, industrials and even healthcare with some of the innovations expected to come from A.I.

Chair Randa Dagher inquired about the 50-year mortgage prospect. Ms. Cole explained there's a widening gap between the upper and lower economic classes and that gap doesn't have an answer currently. The math behind a 50-year mortgage theoretically will lower monthly payments for people but ultimately the interest on those loans will cost more in the long term. The board discussed this further highlighting that people will likely refinance after some years and the 50-year will be an introductory mortgage rather than a full-term mortgage.

Chapter 23 Trustee Daniel Bartok inquired about subprime lending for housing. Ms. Cole explained there's not much but there is some, noting most subprime loans are for automobile and credit cards. However, overall, savings are down and debt is up for the population so subprime lending may be more common in the future. Mr. Bartok also inquired about the proposed tariff-based stimulus checks. Ms. Cole explained that stimulus in the hands of the population is the best way to circulate money in the economy, however, the proposed amount of \$2,000 doesn't really move the needle on most scales.

Pension Accountant Robert Benak inquired with the Graystone Consultant team regarding the delayed CPI numbers since the government shutdown, as some reports claim the CPI numbers may not be released. Amy Cole explained that she expects the numbers to be available eventually, but she will double check her sources and reach back out with more information.

John Krakowiak presented the monthly performance report for the Boards. The yearly numbers are looking great, growth is good, jobs are still weak; this culminates in the high probability of rate cuts in December, January and April. Future rate cuts should spur more spending, likely boosting value stocks.

The year-to-date return for Chapter 22 is 12.7%. Deroy & Deveraux are pulling good numbers, year-to-date 15.0%. We will be seeing their yearly presentation next meeting. Mr. Krakowiak highlighted the amount of international allocation the System has, bumping against the 20% limit, these funds will be used to pay benefits to reduce their amount slightly.

Receipt & file resolution # **2025-56**

GENERAL BUSINESS

4. Motion to approve the 10/23/2025 Open Session Draft Board Minutes

<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>	2025-57

OTHER BUSINESS

5. Any Other Business Items That Arise

OLD BUSINESS

6. Open work items in process

- a. EDRO / DRO In Process: P. Frank, R. Smith

Pension Administrator Festerman gave brief updates regarding the EDROs as follows:

The Smith EDRO is still outstanding; a draft was approved by Legal Counsel Marie Racine some time ago but the parties have yet to provide a copy of their EDRO signed by and filed with the court. Both the employee and the alternate payee have been notified that it is their responsibility to get the document filed with the court.

Regarding the Frank EDRO, an invoice for the employee's share of the EDRO processing fee (\$500.00) has been outstanding since 2023. The Board has previously approved garnishing the employee's paycheck to recoup the amount; however, a court order would be necessary to garnish those funds. Legal Counsel Marie Racine explained she would draft a letter to the member that if no payment is received, the Board will be forced to go to court to recoup the funds with a request for the garnishment to include related legal fees as the action is a result of the employee's EDRO, and per the EDRO Act the system cannot incur any additional cost for processing EDRO's.

7. Motion to approve the 2026 Meeting Schedule

Motion by: **Wisam Fakhoury**
Support by: **Michael Timiney**
Roll-Call Vote **Unanimous**
Resolution # **2025-58**

INFORMATIONAL ITEMS

8. DeRoy & Devereaux Holiday Lunch & Portfolio Update Invitation
9. Any other informational items that arise

ADJOURN MEETING

Motion to adjourn meeting

Meeting End Time: **9:59**
Motion by: **Wisam Fakhoury**
Support by: **Michael Timiney**
Roll-Call Vote **Unanimous**
Resolution # **2025-59**



Michael Kennedy, Board Secretary



Date



Minutes Approval Resolution



Minutes Approval Date