

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, 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
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

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 5 attending members for a quorum): Yes

1. Motion to Consider agenda as proposed

<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>Joseph Yamin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-75

8:30 AM - INVESTMENT CONSULTANT BUSINESS

2. Investment Manager Presentation – 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.

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.

Mr. Krakowiak discussed the exposures related to the Divestment Policy of the Boards, as they relate to the two managers that presented last month, Lord Abbett and Columbia Threadneedle. Due to the nature of the portfolios as mutual funds, the exposures are allowable as the positions cannot be modified in the portfolio like an actively managed one. However, the exposures are still relevant to the decision-making process for the Board. The exposures for each entire portfolio are very small with each portfolio only having 2 or 3 companies that apply. Lord Abbett's total portfolio exposure is about 0.12% and Columbia Threadneedle's overall portfolio exposure is 0.07%.

Regarding Columbia Threadneedle, Mr. Krakowiak relayed Rich's [from Columbia] sentiments at the exciting prospect to work with the System. Mr. Krakowiak asked if the Board would like to consider the use a UMA type account structure which would require some legal work and review, but would allow for the portfolio to be actively managed by Morgan Stanley and thus could be managed to remove the divestment exposure of 0.07%. Within a UMA account, the expected fees and trade costs would be lower. The other aspects of the portfolio would stay the same relative to asset selection and allocations. Board Secretary Michael Kennedy confirmed with Mr. Krakowiak that a UMA account would still work within the Comerica Custody system the board utilizes. Mr. Krakowiak will follow up on this after more review is done.

The year-to-date return for Chapter 23 is 14.4%. Deroy & Deveraux are pulling good numbers, year-to-date 14.8%. We will be seeing their yearly presentation next meeting. Mr. Krakowiak highlighted the current amount of International exposure the System has, bumping against the 20% limit, and therefore these funds will be used to pay benefits to reduce their amount slightly. Fixed income is rolling along just fine.

Trustee James Rodgers inquired about Alidade and TerraCap's low performance. Mr. Krakowiak explained the TerraCap performance is bad and indicative of their investment properties around Austin, Texas, a market which is considered overbuilt. Mr. Krakowiak expects TerraCap to ask for an extension on the fund life to try to recoup some of those losses. Alidade's performance is less problematic as the Fund V portfolio has not called most of the capital that the System approved, due to market conditions. Capital calls are expected to come as the Real Estate sector continues to bounce back with things like return to work and lowering rates.

Receipt & file resolution # **2025-76**

GENERAL BUSINESS

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

<i>Motion by:</i>	<i>Randa Dagher</i>
<i>Support by:</i>	<i>James Rodgers</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-77

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: None

Currently, there are no EDRO's in process. However, Mr. Festerman informed the Board that Alternate Payee Angela Phipps has an outstanding invoice for their EDRO Re-Calculation due to the employee retiring. Mr. Festerman noted that the recalculation was completed and Ms. Phipps monthly benefit nearly doubled, however, the related invoice remains outstanding.

Mr. Festerman requested more time to contact Ms. Phipps before having legal counsel assist in attempting to collect the fee.

7. Motion to approve the 2026 Meeting Schedule as distributed.

<i>Motion by:</i>	<i>Ibrahim Mac Elabed</i>
<i>Support by:</i>	<i>Joseph Yamin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-78

INFORMATIONAL ITEMS

8. DeRoy & Devereaux Holiday Lunch & Portfolio Update Invitation

9. Any other informational items that arise

Trustee Chad Bronson inquired about new compliance measures that are supposed to be implemented regarding online access and pension systems, the "Web Content Accessibility Guidelines" (WCAG). The deadline is April 24th, 2026. Pension Administrator Festerman noted he was aware of this but believes the compliance measures need to be implemented by the I.T. and Communications departments, as they run the city website. Mr. Festerman explained he would look into it further and reach out to the appropriate departments to make sure the pension system is in compliance.

CLOSED SESSION

10. Motion to go to Closed Session

<i>Time:</i>	<i>10:03 A.M.</i>
<i>Motion by:</i>	<i>Randa Dagher</i>
<i>Support by:</i>	<i>Alan Brzys</i>
<i>Roll-Call Vote</i>	<i>Randa Dagher - Yes</i> <i>Alan Brzys - Yes</i> <i>Daniel Bartok - Yes</i> <i>Joseph Yamin - Yes</i> <i>Chad Bronson - Yes</i> <i>James Rodgers- Yes</i> <i>Ibrahim Mac Elabed - Yes</i>

<i>Resolution #</i>	2025-79
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- a. Review of 09/25/2025 Closed Session Minutes
- b. Legal Reports(s) presented by Racine
 - 1. Securities Litigation Update
 - 2. S. Rhodes Litigation Update
- c. Any Other Closed Session Items that Arise

OPEN SESSION (cont.) – 10:45am

11. Motion to Consider 09/25/2025 Closed Session Minutes

<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>James Rodgers</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-80

Motion for Marie Racine to proceed as discussed in Closed Session

<i>Motion by:</i>	<i>James Rodgers</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2025-81

ADJOURN MEETING

Motion to adjourn meeting

Meeting End Time: 10:46 A.M.
Motion by: James Rodgers
Support by: Chad Bronson
Roll-Call Vote Unanimous
Resolution # 2025-82


Michael Kennedy, Board Secretary

12-10-25
Date

2025-85
Minutes Approval Resolution

12-18-2025
Minutes Approval Date