

**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, December 18, 2025

<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 (in at 10:26 A.M.)	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: 8:34 am**

Quorum Met (Needs 5 attending members for a quorum): Yes

1. Consider agenda as proposed

*Motion by:* Alan Brzys  
*Support by:* Randa Dagher  
*Roll-Call Vote* Unanimous  
*Resolution #* 2025-83

## 8:30 AM - INVESTMENT CONSULTANT BUSINESS

### 2. Investment Manager Presentation

- a. DeRoy & Devereaux @ Ford's Garage - 12:00pm

### 3. Graystone Consulting – Monthly Report

John Krakowiak presented the market and monthly performance reports for the Boards. Mr. Krakowiak explained that growth is booming from the A.I. ouroboros. Unemployment numbers are slightly up, inflation is stable, coming in at 2.7%. The federal interest rate is expected to have one cut in 2026 and one in 2027. Mr. Krakowiak explained that Morgan Stanley's 2026 outlook for the S&P 500 is 7,800, higher than some other money managers who expect 7,700.

Mr. Krakowiak discussed the current bids for AI data centers, specifically a facility in Saline Township, Michigan, likely resulting in 3-year construction projects, helping out trades workers in the short term. However, the energy consumption will likely put consumers in a pinch. This can be offset by companies like google who are facilitating the reopening of a nuclear plant.

Regarding the Board's performance, November started off rocky but ultimately ended with a FYTD return of 7.9%. Regarding the System's Custodial Services, Mr. Krakowiak highlighted several issues the Board has had with reporting from Comerica. Mr. Krakowiak explained that some other systems have been leveraging Morgan Stanley for some of their custody, and/or utilizing "UAM" accounts that could reduce management fees.

Chapter 22 Trustee Robert Guerin inquired about the international equity markets. Mr. Krakowiak explained that the strengthening U.S. Dollar is likely not great for international equity as a whole, however, there are specific markets that would benefit from A.I. more, such as developed Europe and Asia (Japan.)

The Board discussed a fee review for Graystone Consulting. Vice Chair Brzys pointed out that Graystone has not increased their fees since being engaged by the System in 2018. Mr. Krakowiak responded that he will review the fees.

*Receipt & file resolution #*      **2025-84**

## GENERAL BUSINESS

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### 4. CONSENT AGENDA FOR 12-18-2025

- A. Consider 11/20/2025 Open Session Draft Board Minutes

### END OF CONSENT AGENDA

<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>	<b>2025-85</b>

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## OTHER BUSINESS

### 5. Any Other Business Items That Arise

- a. The Board discussed the upcoming transition from AS400 to BS&A software for the City's Enterprise Resource Planning ("ERP") system, posing questions to Board Secretary Michael Kennedy. Mr. Kennedy explained the process of transitioning near the end of the fiscal year. Mr. Kennedy explained that the City's banking RFP was put on hold while the new payroll and ERP systems were being rolled out. Board members inquired about how the new ERP system will function with Comerica as the Custodian. Mr. Kennedy explained that nothing would change as the ERP doesn't interact directly with Comerica. The accountants processing the workload would still rely on the normal reports from Comerica.

The Board discussed further the City's banking RFP process, specifically as it relates to the System's custodial services. The Board highlighted that both cost and quality are relevant to the RFP and selecting a bank. Mr. Krakowiak highlighted several custody specific companies that could be utilized if the Board decides to separate their custody account from the City's bank.

- b. Legal Counsel Marie Racine passed out updated contact sheets for the trustee handbooks. It was noted that some of the term end dates for the retirees are incorrect and Ms. Racine will correct them next month.

Ms. Racine also requested a policy review for both Boards. Vice Chair Brzys, Trustee Bronson and Trustee Rodgers volunteered for the review.

- c. Trustee Chad Bronson inquired about the charges to the System for the City's Corporation Counsel assigned to the System. With Jeremy Romer's separation from the City, Mr. Bronson questioned whether the System should continue to fund part of the salary for the City's legal counsel. The Board discussed the staffing changes coming to the City's Legal Department. Pension Accountant Benak and Administrator Festerman explained a small portion of the City's Corporation Counsel's salary is allocated to the pension systems; this is reviewed annually when the budget is prepared, and is to account for pension related items addressed by Corporation Counsel, such as review of certain legal documents, FOIA requests, questions regarding ordinance or labor contract language. Mr. Festerman explained that he has already begun review of this in preparation for the upcoming budget, and will provide further details when the budget is presented, which is tentatively scheduled for the March 2026 meeting.

## OLD BUSINESS

### 6. Open work items in process

- a. EDRO / DRO In Process: None

## INFORMATIONAL ITEMS

### 7. Web Content Accessibility Guidelines (WCAG) update

Pension Administrator Festerman informed the Boards that he reached out to the City I.T. department to confirm compliance with the new web content accessibility guidelines. The I.T. Department confirmed the city website would be in compliance by the required date in April 2026.

### 8. City Financial Health Update provided by Michael Kennedy

At the pre-meeting request of Chapter 22 Trustee Robert Guerin, Board Secretary Michael Kennedy presented the requested City financial health update. Mr. Kennedy highlighted the outstanding audit performance of the City's Finance Department, which report resulted in unmodified opinions for the last 5 years, and that "unmodified" is the most favorable outcome. Mr. Kennedy highlighted the yearly audit includes the pension systems, confirming that the pension System's financial status is being reported accurately and within applicable standards. Mr. Kennedy additionally discussed the City's General Fund account balance, as it pertains to making the Actuarily Determined Contribution. The General Fund account balance is calculated at 24% of annual expenditures, which Mr. Kennedy reported to be a strong rating. According to Government Finance Officers Association ("GFOA"), which lists the best practice for General Fund's account balance, indicates it should be between 17 to 25%. Lastly, Mr. Kennedy highlighted the City's liquid assets as a percent of operating expenditures is over 25%, which he similarly explained was a very strong position, meaning the City has liquid assets that would cover one quarter of expenses. Mr. Kennedy concluded the City's financial health is strong and the Annual Comprehensive Financial Report is available online.

Chapter 22 Trustee Wisam Fakhoury inquired about the timeline of the annual audit. Mr. Kennedy explained the general timeline for the audit is July thru November, which is followed by the budget season from December to June.

Trustee James Rodgers inquired about the pension payroll update that Board Secretary Kennedy had discussed during the City Council Committee of the Whole meeting. Mr. Kennedy explained that with the City's Enterprise Resource Planning System ("ERP System") transition from AS400 to BS&A software, the decision was made for pension payroll to be processed via the new BS&A system's payroll module. Mr. Kennedy explained that currently, the W-2 wages for active payroll is being processed via Paycom, and the new BS&A system will be processing the 1099-MISC payments made to vendors. Since pensions are 1099-R payments, processing all of the 1099 payments will be done in the same system.

### 9. End of Term for Chair Randa Dagher and Re-Appointment of Vice Chair Alan Brzys and Trustee Ibrahim Mac Elabed

The Board briefly discussed the re-appointment of the Vice Chair Brzys and Trustee Elabed. Various trustees and staff expressed their gratitude for the service of Chair Randa Dagher and wish her the best in her future endeavors.

### 10. Any other informational items that arise – None arose.

## TEMPORARILY ADJOURN MEETING

Motion to adjourn meeting

*Meeting End Time:* 10:34 A.M.  
*Motion by:* James Rodgers  
*Support by:* Chad Bronson  
*Roll-Call Vote* Unanimous  
*Resolution #* 2025-86

12:00pm – Meeting reconvenes at Fords Garage for DeRoy & Devereaux fund review

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	
Sarah Schattner, DeRoy & Devereaux	X	
Jeff Wardlow, DeRoy & Devereaux	X	
Karl Knas, DeRoy & Devereaux	X	

Jeff Wardlow presented the DeRoy & Devereaux annual review for the Board. Mr. Wardlow began with highlighting the System's performance of 18% year-to-date and with 14% returns since inception compared to the benchmark's 11% in that same time frame. DeRoy & Devereaux was able to capitalize on the A.I. theme of the year, particularly with companies like Oracle, Micron, Seagate and Amazon. Oracle has been sold off for the gains. Micron and Seagate are being reduced. Amazon has been reclassified and is now positioned in the Russell 3000 as a value stock so that it can be added to the portfolio. It has a similar profile to Oracle but with much less risk. Additionally, the market is attractive for more utilities due to the A.I. demand for electricity and water.

Overall, a correction is expected for the entire market, so they are positioning a bit more defensively to protect the great performance of the year. The market outlook is still good with rate cuts expected and a new federal reserve chairman coming in.

Chair Randa Dagher inquired as to how much influence the benchmark has on the portfolio's positions. Mr. Wardlow explained they have virtually no effect as the D&D portfolios are actively managed. Similarly, Ms. Dagher inquired about the allocations in the portfolio as they relate to A.I. to which Mr. Wardlow explained they do adjust allocations based on market environment.

John Krakowiak asked about the divestment policy approved last year, and any impacts on performance it has had. Mr. Wardlow explained that in 2024 there was a marginal benefit to the portfolio with the divestment, but in 2025 there was a marginal cost to the System. Mr. Wardlow expressed confidence that in the long term it could be negligible depending on world conditions.

Board Secretary Michael Kennedy inquired about the portfolio's position with Waste Management. Mr. Wardlow explained that the position has been held for 20 years, but they have added more due to current market environments. He further added that Waste Management has great pricing power for that industry due to the size and scope of their contracts.

Mr. Krakowiak asked Mr. Wardlow how DeRoy & Devereaux has performed so well. Mr. Wardlow attributed the portfolio's success mostly to stock selection, however, other factors like value managers not having the same access to A.I. exposure and the Trump administration's Tariffs causing dips, that have allowed D&D to acquire positions at even greater value.

Ms. Dagher lastly inquired about the long term versus short term outlook of the portfolio. Mr. Wardlow explained the portfolio is much more long term focused however, as an active manager, they have the ability to make short term moves. Mr. Wardlow highlighted Seagate as an example in which D&D reduced holdings to capitalize gains and then increased them following market changes regarding data storage.

#### Motion to adjourn meeting

<i>Meeting End Time:</i>	<i>1:00 P.M.</i>
<i>Motion by:</i>	<i>Chad Bronson</i>
<i>Support by:</i>	<i>Alan Brzys</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	<b>2025-87</b>

  
Michael Kennedy, Board Secretary

1-16-26  
Date

2026-24  
Minutes Approval Resolution

1-22-2026  
Minutes Approval Date