

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

8:30AM, Thursday, March 26, 2026

Board Attendance	Present	Absent	Term End Date
David Saleh, Chair, Mayor Appointed (In at 9:05 A.M)	X		01/01/30
Alan Brzys, Vice Chair, City Council Appointed	X		01/01/30
Robert Guerin, Trustee, Member Elected	X		06/30/27
Wisam Fakhoury, Trustee, CSC Appointed (In at 8:37)	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	
James Fisher, Legal Counsel (In at 8:40)	X	
Marie Racine, Legal Counsel	X	
John Krakowiak, Graystone, Consultant		X
Amy Cole, Graystone, Consultant	X	

***Roll Call Time: 8:34 A.M.**

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

1. Consider agenda as proposed

<i>Motion by:</i>	<i>Robert Guerin</i>
<i>Support by:</i>	<i>Michael Timiney</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-15

8:30 AM - INVESTMENT CONSULTANT BUSINESS

2. Graystone Consulting – Monthly Report

Amy Cole presented the monthly market and performance reports on behalf of Graystone. Ms. Cole first highlighted the state of the economy with the surge in oil prices, causing a revision of estimated GDP for the year as well as revisions to inflation expectations by top economists. S&P 500 earnings have fallen 15% since October 2025 but forward projections show 20% earnings growth, which would lessen the commodity shock of the oil prices. Based on current market conditions a recession is not expected.

Ms. Cole explained no interest rate hikes are expected because the inflationary aspects of changes to the economy have already been priced into the market equating to approximately 75 basis points. Ms. Cole discussed private credit and some similarities and differences between now and the financial crisis of 2008. She highlighted certain controls that are now in place, like leverage limits, that will help prevent some of the larger catastrophes, e.g. fire sales.

Ms. Cole pointed out that Chapter 22's monthly return was 0.9% with a fiscal year to date return of 11.2%. International markets are down from about 10% to 4% and likely to keep pulling back. For equities, growth is also pulling back however all cap and small cap funds are returning acceptable performance.

Due to a large investor departing WAM Foreign Equity Fund, the Fund will be closing. Ms. Cole recommends using part of the Fund assets to pay this month's benefit payments; and the remaining Fund assets to be split evenly between the Baird Core Plus fixed income fund and the American Funds New Perspective portfolio which is part U.S. and part international equity. Vice Chair Al Brzys inquired about potentially moving some of the proceeds to Deroy & Devereaux based on their positive performance. Ms. Cole explained that Deroy & Devereaux was already very close to their allocation limit.

Receipt & file resolution # **2026-16**

Motion to approve Investment Consultant recommendation for liquidating WAM Foreign Equity Fund, using \$1.1 million of WAM assets for benefit payments, and allocating the remaining (approximately \$5.4 million) evenly between The Baird Core Plus Bond Fund and American Funds New Perspective portfolio.

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Michael Timiney</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-17

GENERAL BUSINESS

3. CONSENT AGENDA FOR 03-26-2026

- A. Motion to approve the Consent Agenda for 03-26-2026, which includes the 02/26/2026 Draft Board Minutes

END OF CONSENT AGENDA

<i>Motion by:</i>	<i>Robert Guerin</i>
<i>Support by:</i>	<i>Michael Timiney</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-18

OTHER BUSINESS

4. Annual Affidavit Update

Pension Administrator Robert Festerman updated the Board regarding the outstanding affidavits. Approximately 70 retirees have not yet returned affidavits, which is typical for this point in the process. The administration will be sending another round of letters out and will provide another update next meeting.

5. FY2027 Budget Presentation by Pension Administrator Robert Festerman

Pension Administrator Robert Festerman presented the proposed annual budget to the Board. The budget details the System's expected revenues and expenditures for the forthcoming year. Revenue consists of investment related income such as interest, dividends and realized gains, as well as contribution revenues from the City and active members of the System and the City's contribution of the actuarially determined contribution.

Mr. Festerman reviewed the expenditures section which detailed Professional & Contractual Services, Annuities and Benefits and other revenue uses such as Insurance, Training & Transportation, Licenses, fees, etc.

Mr. Festerman addressed the Administration & Management Services expense line item, noting it includes the investment consulting fees paid to Graystone, investment management fees paid to individual managers, as well as the fees for internal administrative and legal support.

Mr. Festerman explained the internal admin and legal fees amount covers the Pension Administrator, Pension Accountant, Board Secretary as well as some additional support staff such as the payroll & benefits team, office assistants and legal department staff. The Board discussed the wage allocations particularly as they relate to the City's Legal Counsel. Mr. Festerman noted a negligible amount is charged for the City's Legal Counsel, based the previous year's involvement. He further noted that the System is likely receiving a benefit because of the substantial discount cost for the services provided to the System.

For Chapter 22 Mr. Festerman highlighted that for FY2027, the estimated financing uses (expenses) outweigh financing sources (revenues) by approximately \$3 Million, which is a trend we've seen for the last few budget cycles. Mr. Festerman referenced discussion with the Actuary at the February meeting; noting the Chapter 22 System is transitioning from a cash generating cycle to a cash disbursement cycle, following the typical life cycle of a pension system, and is to be expected.

Motion to approve FY2027 Budget as presented

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Michael Timiney</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-19

6. Any Other Business Items That Arise

The Boards discussed the transition of pension payroll from AS400 to the new BS&A system. Mr. Festerman noted this is an internal system change, and the City will continue to use Comerica for its general banking; thus, there should be no change in what the retirees see regarding the actual receipt of monthly pension benefits to their bank accounts. The change to BS&A only covers the preparation and accounting methods to send payroll data to Comerica.

OLD BUSINESS

7. Accounts Receivables – Outstanding Invoices Update by Marie Racine

Legal Counsel Marie Racine discussed with the Board the outstanding invoices presented in January. Regarding the two larger amounts outstanding from several years ago, no relevant court documents or contact information could be found pertaining to the estates of the deceased. Payment of two of the outstanding amounts have been received. Regarding the two smaller, more recent amounts, Ms. Racine explained that legal action would not be recommended due to cost being higher than the amount to be collected and likelihood of collection is not high. Ms. Racine recommends writing off the remaining invoices as uncollectable.

Motion to approve writing off the four outstanding invoices as uncollectable.

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Robert Guerin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-20

8. Final Average Compensation (FAC) for Deferred Member Sameh Shilbayeh

This item was discussed in Closed Session.

9. Open work items in process

- a. EDRO / DRO In Process: P. Frank, R. Smith – No Updates

INFORMATIONAL ITEMS

10. Any other informational items that arise

Legal Counsel Marie Racine informed the Boards she would be sending out emails regarding scheduling Policy Review meetings with the Board Members that volunteered.

CLOSED SESSION

11. Motion to go to Closed Session @ 11:18am

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Robert Guerin</i>
<i>Roll-Call Vote</i>	<i>David Saleh - Yes</i>
	<i>Alan Brzys - Yes</i>
	<i>Robert Guerin - Yes</i>
	<i>Wisam Fakhoury - Yes</i>
	<i>Michael Timiney - Yes</i>

<i>Resolution #</i>	2026-21
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- a. Review of 06/26/2025 Closed Session Minutes
- b. Legal Reports/Opinion presented by Racine re: S. Shilbayeh Request
- c. Any Other Closed Session Items that Arise

OPEN SESSION (cont.) – 11:47am

12. Motion to approve the 06/26/2025 Closed Session Minutes

<i>Motion by:</i>	<i>Wisam Fakhoury</i>
<i>Support by:</i>	<i>Robert Guerin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-22

13. Motion to approve the Pension Administrator Robert Festerman proceeding with the final average compensation calculations for Mr. Shilbayeh as discussed in Closed Session.

<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>	2026-23

ADJOURN MEETING

Motion to adjourn meeting

Meeting End Time: 11:49 A.M.
Motion by: Wisam Fakhoury
Support by: Robert Guerin
Resolution # 2026-24



Michael Kennedy, Board Secretary

4-17-26

Date

2026-27

Minutes Approval Resolution

4-23-2026

Minutes Approval Date