

**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, March 26, 2026

Board Attendance	Present	Absent	Term End Date
David Saleh, Chair, Mayor Appointed (In a 9:05 A.M.)	X		01/01/30
Alan Brzys, Vice Chair, City Council Appointed	X		01/01/30
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 (Out at 10:55 A.M)	X		06/30/29
Ibrahem Mac Elabed, Trustee, Citizen Appointed	X		01/01/30

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	
David Flynn, Senior VP of Global Sales & Distribution - Entrust	X	
Greta Ulvad, Senior VP of Research - Entrust	X	

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

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

1. Consider agenda as proposed

Motion by:
Support by:
Roll-Call Vote
Resolution #

James Rodgers
Chad Bronson
Unanimous
2026-16

8:30 AM - INVESTMENT CONSULTANT BUSINESS

2. Investment Manager Presentation – Entrust Special Opportunities Fund

David Flynn and Greta Ulvad presented the portfolio update for the Entrust Special Opportunities Fund. Ms. Ulvad began with noting the Entrust Diversified Fund is nearly closed out, with only one item on the books, i.e. the Peruvian bond for \$52,000, which is an illiquid position that has been on hold. This is expected to be closed out by June 2026.

Regarding the Special Opportunities Fund, Ms. Ulvad noted that the System committed \$8 Million in capital between November 2018 and November 2022. 42 investments were made and of the 42, 17 are realized and 25 are unrealized. The 17 realized investments have returned a net IRR of 2.52%, which is lower than the target return. Ms. Ulvad explained that 86% of the committed capital is still within the 25 unrealized investments and as those are realized, Entrust expects the net IRR should reach the target of 7%.

Ms. Ulvad highlighted some of the bigger investment drivers of 2026. Deutsche Bank holds the largest share of committed capital at 11%, with a current Gross IRR of 31.8%. This comes about because of an operational overhaul that started in 2021 and concluded in 2025 resulting in massive gains to stock prices, (i.e. 123% according to Ms. Ulvad). One of the largest investment detractors is StubHub which Ms. Ulvad explained was implementing direct ticketing as a business model and it is expected that will return some valuation to the Fund.

Regarding liquidity, Ms. Ulvad explained that approximately 40% of the portfolio will be returned in 2026 and approximately 60% returned in 2027 with any trailing positions being returned in 2028. Ms. Ulvad explained that J.G. Wentworth and Masimo positions should be liquidated later this year.

Vice Chair Brzys inquired about the returned capital. Ms. Ulvad explained that 18% (\$1,440,000) has been returned to the System. Trustee James Rodgers inquired about the Diversified Fund returns. Ms. Ulvad explained that the System committed \$7 million in capital, and \$8.7 million has been returned to date with only \$52,000 relating to the Peruvian Bonds which is not yet paid. Trustee Rodgers inquired about the overall manager returns for both portfolios. Ms. Ulvad explained that the realized returns were some of the worst losers and as such the current net IRR is flat, however as the funds mature and more positions are realized she expects the net IRR will increase. Ms. Ulvad acknowledged that the goal of returns in the mid-teens is not realistic at this point but the returns are expected to increase from the current state.

Receipt & file resolution # **2026-17**

3. 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 23's monthly return was 1.5% with a fiscal year to date return of 12%. 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.

Ms. Cole also advised they received two notices from the Phocas portfolio; a very large investor liquidated and their chief investment officer retired. These notifications raise red flags for Graystone and they recommend liquidating the Phocas portfolio and transferring the funds to the Vanguard Extended Markets Fund.

Receipt & file resolution # **2026-18**

Motion to approve Investment Consultant's recommendation for (1) liquidating WAM Foreign Equity Fund, using \$1.3 million of WAM assets for benefit payments, and allocating the remaining (approximately \$6.4 million) evenly between The Baird Core Plus Bond Fund and American Funds New Perspective, and (2) liquidating the Phocas portfolio and investing those funds in the Vanguard Extended Markets Fund.

Evenly

<i>Motion by:</i>	<i>James Rodgers</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-19

GENERAL BUSINESS

4. 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>Chad Bronson</i>
<i>Support by:</i>	<i>Joseph Yamin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-20

OTHER BUSINESS

5. 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.

6. 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 the 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, Legal Settlement Expense, 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 on 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 23 Mr. Festerman highlighted that for FY2027, the estimated financing sources (revenues) outweigh the financing uses (expenses) by approximately \$5 Million. Mr. Festerman referenced discussion with the Actuary at the February meeting; noting the Chapter 23 System is still in a cash generating cycle, where revenues exceed expenses; however, at some point in the future, this will flip and the System will enter its cash disbursement cycle, following the typical life cycle of a pension system.

Motion to approve FY2027 Budget as presented

<i>Motion by:</i>	<i>Ibrahem Elabed</i>
<i>Support by:</i>	<i>Joseph Yamin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-21

7. Any Other Business Items That Arise

The Board 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

8. Open work items in process

- a. EDRO / DRO In Process: None

INFORMATIONAL ITEMS

9. 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

10. Motion to go to Closed Session @ 10:59am

<i>Motion by:</i>	<i>Ibrahem Elabed</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote:</i>	<i>David Saleh – 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>	 2026-22

- a. Review of 01/22/2026 Closed Session Minutes
- b. Legal Reports/Opinion presented by Racine re: Pending litigation Rhodes vs. City of Dearborn and Chapter 23; Case No. 2:25-cv-13863
- c. Any Other Closed Session Items that Arise

OPEN SESSION (cont.) – 11:15am

11. Motion to approve the 01/22/2026 Closed Session Minutes

<i>Motion by:</i>	<i>Ibrahem Elabed</i>
<i>Support by:</i>	<i>Chad Bronson</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-23

ADJOURN MEETING

Motion to adjourn meeting

<i>Meeting End Time:</i>	<i>11:16 A.M.</i>
<i>Motion by:</i>	<i>Joseph Yamin</i>
<i>Support by:</i>	<i>Daniel Bartok</i>
<i>Resolution #</i>	2026-24



 Michael Kennedy, Board Secretary

4-17-26

 Date

2026-28

 Minutes Approval Resolution

4-23-2026

 Minutes Approval Date