

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, July 23, 2026

Board Attendance	Present	Absent	Term End Date
David Saleh, Chair, Mayor Appointed	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	X		06/30/29
Ibrahim 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	
Carter Fisher, Legal Counsel (in at 8:49 A.M.)	X	
Marie Racine, Legal Counsel	X	
John Krakowiak, Graystone, Consultant (in at 8:50 A.M.)	X	
Amy Cole, Graystone, Consultant		X
Kevin Yousif, Yousif Capital Management	X	

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

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

1. Consider agenda as proposed

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

James Rodgers
Daniel Bartok
Unanimous
2026-45

8:35 AM - INVESTMENT CONSULTANT BUSINESS

2. Manager Presentation: Yousif Capital Management

Kevin Yousif, President of Yousif Capital Management appeared. Mr. Yousif discussed the history of YCM and their achievements. The firm has \$14.3 billion in assets under management, managing over 60 global strategies for many clients including other local municipalities.

Mr. Yousif gave his view of the economy highlighting his belief that we are in an “E shaped economy” referencing a three-tiered system of consumers describing the top 20% of consumers are confident and wealthy due to stock market success while bottom sectors of consumers that lack financial assets and rely on home value appreciation, are experiencing a lack of confidence in the economy.

Mr. Yousif discussed the GDP, citing the last two years as less than ideal due to declining GDP related to the Trump Administrations tariffs as well as the government shutdowns producing a drag on GDP. Mr. Yousif discussed the benefits of the One Big Beautiful Bill. He acknowledged that inflation is problematic but he sees it coming down, while some goods like groceries are costing more. Mr. Yousif highlighted lower costs for insurance due to higher bond yields. Mr. Yousif also discussed productivity and its impact on inflation and GDP, highlighting the impact of the pandemic when productivity dropped and stimulus checks inflated the money supply, causing inflation.

In his opinion, the 10-year treasury yield is currently too high at 4.6% due to the War in Iran. A more acceptable yield would be between 3.75 and 4.25 given the 2% growth in GDP environment. Demand for automobiles remains strong however defaults and repossessions have increased leading YCM to avoid this sector.

Mr. Yousif discussed his expectations for the future, highlighting the struggle for manufacturing and retail to keep up with the growth of technology and AI. Mr. Yousif explained the concentration in the mega-cap companies, highlighting the median gain for the S&P is 10% but the mega-cap companies carried the return by having much higher returns on much larger market caps. Mr. Yousif also discussed the private credit sector and its impact on insurance, specifically life insurance and securitized bonds which he compared to the causes of the financial crisis of 2008.

The Board asked about international markets and domestic markets moving forward. Mr. Yousif explained his positive view on emerging markets specifically due to lack of confidence in European developed markets amid the Iran Conflict, and the related market shocks in the energy and materials sectors.

The Board asked about the new Federal Reserve Chair, Kevin Warsh. Mr. Yousif believes Kevin Warsh will be great for the economy and will not be as influenced by politics as some have reported. The Board also inquired about YCM’s use of A.I. Mr. Yousif explained their use of AI in portfolio management which he finds assists his staff, resulting in him not needing to hire an additional analyst.

The Board inquired about the Canada Tariffs that were recently announced. Mr. Yousif explained he hopes cooler heads prevail and he expects the tariffs to be a tool for the ongoing USMCA trade agreement negotiations.

Regarding the portfolios, Mr. Yousif highlighted the Retirement System's 22.58% return compared to the benchmark's 22.82%. Mr. Yousif explained the YCM slight underperformance due to a boom in the microcap positions in the Russell 3000. The portfolio holds 1,700 securities of the 3,000 securities in the Russell 3000. Mr. Yousif highlighted some of YCM's best performing securities including Western Digital and SanDisk. Additionally, he noted that the divestment policy enacted in November 2024 had a 13-basis point positive impact on the System's return this year.

Receipt & file resolution # **2026-46**

3. Graystone Consulting

a. Monthly Report

John Krakowiak provided the monthly market and performance reports. Mr. Krakowiak informed the Board that he and Mr. Festerman were able to get the Comerica statements updated with the exception of only a few alternative positions.

Mr. Krakowiak discussed Mr. Yousif's presentation and shared his differing perspective, opinion, and/or outlook. Regarding the market concentration risk, Mr. Krakowiak explained that the Magnificent 7 stocks have valuations at near 25-times earnings, while a tech bubble would have valuations in the 60-, 70- and 80-times earnings range. Mr. Krakowiak added that Graystone does agree there is a great deal of concentration, however it is not necessarily as risky as portrayed by Mr. Yousif, and the risk is managed through utilizing active managers. Mr. Krakowiak also added that YCM is a passive manager and as such they replicate the benchmark as directed by Graystone when they migrated the three YCM funds together to measure their performance against the Russell 3000 index and YCM is doing a good job.

Mr. Krakowiak explained he is more concerned than Mr. Yousif regarding the national debt service. Mr. Krakowiak explained 1 out of every 5 tax dollars goes to servicing the national debt and actuarially, the servicing costs for things like social entitlements and the debt is both real and gets large fast.

Mr. Krakowiak explained that he believes Kevin Warsh intends to apply new logic to inflation control and the federal interest rate. Mr. Warsh believes a low interest rate can coexist with growth as long as GDP is high and you have the supply to capture money supply and prevent inflation. Mr. Krakowiak explained the bond market's ability to price in expected inflation over 12 months and that the number was 2% before the Iran Conflict reinvigorated, appearing to be a significant reduction in inflation if correct.

Regarding international vs domestic, Mr. Krakowiak explained that typically domestic is favored. Emerging markets are a bit different; currently returning around 11%, compared to the domestic S&P returning over 20%. Some of the emerging markets are showing high returns for technology, specifically in South Korea and Taiwan. Developed international typically focuses on precision manufacturing (that is their value add), but if AI expansion continues, domestic will continue to outperform international developed.

The Board inquired about AI going forward, specifically in Michigan. Mr. Krakowiak explained he is still hearing positive things from the tradesmen who will build the data centers, and Michigan has a few approved centers in the works, and possibly more due to the moratorium in New York. Mr. Krakowiak reiterated the job production from these facilities is in the construction industry, and the teams that manage the centers will be much smaller and will not produce a lot of jobs. Additionally, Mr. Krakowiak highlighted Google's strong performance this year even with their increased spending on data centers.

The fiscal year to date return for 2026 was 19.8%, well above the goal of 7%, overall, a great year. Mr. Krakowiak highlighted Vanguard Growth and Acadian Emerging markets as top performers.

Receipt & file resolution # **2026-47**

b. Annual Review of Investment Policy Statement ("IPS")

Mr. Krakowiak explained there was no need for any changes to the IPS this year, and as such he presented the current IPS, unchanged, for approval for Fiscal Year 2027.

Motion to approve the Investment Policy Statement for Fiscal Year 2027 as presented by Graystone.

<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>	2026-48

GENERAL BUSINESS

4. CONSENT AGENDA FOR 07-23-2026

- A. Consider 06/25/2026 Draft Board Minutes
- B. Consider Alfred Grzegorek's B-100 Retirement Application
- C. Consider Daniel Morse's B-100 Retirement Application

Motion to approve Consent Agenda

<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>	2026-49

OTHER BUSINESS

5. Any Other Business Items That Arise – None.

OLD BUSINESS

6. Accounts Receivable – Outstanding Invoice Update

The only outstanding invoice will be a closed session item.

7. Open work items in process

- a. EDRO / DRO In Process: None

INFORMATIONAL ITEMS

8. Upcoming Educational & Training Events

- a. MAPERS Fall Conference
- b. NCPERS Public Safety Conference

9. Any other informational items that arise - No items.

CLOSED SESSION – 10:28 A.M.

10. Motion to go to Closed Session

<i>Motion by:</i>	<i>Joseph Yamin</i>
<i>Support by:</i>	<i>Daniel Bartok</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 - Absent</i>
	<i>James Rodgers- Yes</i>
	<i>Ibrahim Mac Elabed – Absent</i>
<i>Resolution #</i>	2026-50

- a. Review of 06/25/2026 Closed Session Minutes
- b. Legal Reports presented by Marie Racine Re: Ch23 Retiree Louis Tellish
- c. Terraform Securities Litigation Update
- d. Legal Reports/Opinion presented by Racine re: Pending litigation Rhodes vs. City of Dearborn and Chapter 23; Case No. 2:25-cv-13863
- e. Any Other Closed Session Items that Arise

OPEN SESSION (cont.) – 11:27 A.M.

11. Motion to approve 06/25/2026 Closed Session Minutes

<i>Motion by:</i>	<i>Alan Brzys</i>
<i>Support by:</i>	<i>Joseph Yamin</i>
<i>Roll-Call Vote</i>	<i>Unanimous</i>
<i>Resolution #</i>	2026-51

12. Motion to approve Legal Counsel to proceed as discussed in Closed Session regarding all reported items.

<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Alan Brzys</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 - Absent</i>
	<i>James Rodgers- No</i>
	<i>Ibrahim Mac Elabed – Absent</i>
<i>Resolution #</i>	2026-52

ADJOURN MEETING

Motion to adjourn meeting

<i>Meeting End Time:</i>	<i>11:29 A.M.</i>
<i>Motion by:</i>	<i>Daniel Bartok</i>
<i>Support by:</i>	<i>Joseph Yamin</i>
<i>Resolution #</i>	2026-53



Michael Kennedy, Board Secretary

8-31-26

Date

2026-56

Minutes Approval Resolution

9/24/2026

Minutes Approval Date