

**CITY OF MADISON HEIGHTS
GENERAL RETIREE HEALTH CARE BOARD
SPECIAL SCHEDULED TRUSTEE MEETING
November 19, 2024**

The special meeting of the City of Madison Heights General Retiree Health Care Board of Trustees was held on Tuesday, November 19, 2024, at 10:34 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald
Board Members: Linda Kunath, Brett Moore, Anthony Roberts

Others Present: Retirement System Attorney Thomas Michaud
Morgan Stanley\Graystone investment advisors Brian Brice

Excused: Board Member Gary Strongarone

4-25 Excuse Trustee Gary Strongarone

Motion by Trustee and supported by Trustee to excuse Trustee Gary Strongarone from the special meeting of November 19, 2024.

Yeas: Gerald, Kunath, Moore, Roberts
Nays: None
Absent: Strongarone
Motion Carried.

5-25 Approval of Minutes of the Special Meeting of August 20, 2024

Motion by Trustee Moore and supported by Trustee Roberts to approve minutes of the special meeting of August 20, 2024.

Yeas: Gerald, Kunath, Moore, Roberts
Nays: None
Absent: Strongarone
Motion Carried.

Meeting Open to the Public

No items were discussed.

6-25 Morgan Stanley\Graystone Consulting Investment Report.

Morgan Stanley Brian Brice discussed the Plan's asset allocation, percentage of portfolio and differences to policy target. The S&P 500 had 10 sectors posted positive returns in the third quarter of 2024, including Utilities 19.4%, Real Estate 17.2%, Industrials 11.6%, Financials 10.7%. The 10-year yield on US Treasury note closed the third quarter at 3.78%, down from 4.40% at the end of the second quarter. The yield on 3-month Treasury bills was 4.62%, lower than the end of the second quarter. The Bloomberg US Aggregate Bond Index, a broad measure of the US bond market, increased 5.2% in third quarter of 2024.

During the third quarter of 2024, the Federal Reserve cut the Federal Funds rate by 50 bps after a hiking cycle that began in 2022. The rate cut happened after data showed decelerating inflation and signs of cracking in the labor market. September jobs market data showed a strong labor market, the unemployment rate stayed at 4.1%, and inflation is decelerating to 2.5%, which is below 9.1% peak in June, 2022.

September 30, 2024 investment balance was \$19,070,538, returns were up net of fees 5.62% quarter to less than 5.52% benchmark, up 11.09% fiscal year to date less than 14.01% benchmark, up 6.05% the last 3 years less than 6.43% benchmark, and up 9.22% the last 5 years more than 9.07% benchmark. The total assets were \$19,036,108 as of November 6, 2024 and were \$18,076,217 at June 30, 2024.

Motion by Trustee Moore and supported by Trustee Roberts to receive and file the investment report and discretionary memorandum.

Yeas: Gerald, Kunath, Moore, Roberts

Nays: None

Absent: Strongarone

Motion Carried.

7-25 Discuss Proposed Meeting Dates 2025

Motion by Trustee Roberts and supported by Trustee Moore to approve proposed meeting dates for 2025.

Yeas: Gerald, Kunath, Moore, Roberts

Nays: None

Absent: Strongarone

Motion Carried.

New Business.

No items were discussed.

8-25 Adjournment.

Motion by Trustee Roberts to adjourn the meeting.

Yeas: Gerald, Kunath, Moore, Roberts

Nays: None

Absent: Strongarone

Motion Carried.

The meeting was adjourned at 10:47 a.m.

Respectfully submitted,

Linda Kunath, Secretary