

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREE HEALTH CARE BOARD
REGULAR SCHEDULED TRUSTEE MEETING
February 18, 2025**

The regular meeting of the City of Madison Heights Policemen & Fire Retiree Health Care Board of Trustees was held Tuesday, February 18, 2025, at 9:56 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald

Board Members: Linda Kunath, Brett Moore, Anthony Roberts, Gary Strongarone

Others Present: Retirement System Attorney Thomas Michaud

Morgan Stanley\Graystone investment advisors Brian Brice

Gabriel, Roeder, Smith & Company actuary services Kevin Noelke

9-25 Approval of Minutes of the Special Meeting of November 19, 2024.

Motion by Trustee Moore and supported by Trustee Strongarone to approve minutes of the special meeting of November 19, 2024.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

Meeting Open to the Public

No items were discussed.

10-25 GRS Retirement System Actuarial Valuation Report June 30, 2024

Gabriel, Roeder, Smith & Company (GRS) actuary Kevin Noelke presented the Police and Fire Retiree Health Care Plan Actuarial Valuation Report, dated June 30, 2024. The Plan has a funded ratio of 115.2%, which is greater than the 102.5% funded ratio in 2022, and exceeds the State P.A. 202 recommended ratio of at least 40%. The City's actuarial determined contribution (ADC) rate is 0% of payroll, and GRS anticipates use of the Retiree Health Care Trust to annually pay for retiree health costs in the amount of \$2,049,677 during fiscal year 2025-2026, and in the amount of \$2,132,953 during fiscal year 2026-2027. The Plan is fully funded due to closing the Plan to new hires and changing the benefits level for those members already in the Plan. The Plan net position is \$26,883,374 as of June 30, 2024.

Motion by Trustee Strongarone and supported by Trustee Roberts to receive, file, and forward to the City the OPEB Actuarial Valuation dated June 30, 2024

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

11-25 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 was up 2.4% during the last quarter of 2024 and up 25% for calendar year 2024. The market has generally been positive for the quarter but there were lots of negative returns, including material that were down 12.4%. The magnificent 7 companies (Apple, Microsoft, Amazon, NVIDIA, Google, Tesla, and Meta Platforms) continued to be key drivers of positive returns, very influential stocks, about 32% of the S&P 500 returns. The energy market fell, which is 6%, a small portion, of this retirement systems' portfolio. The taxable bond market dropped 3.1% for the quarter ending December 31, 2024.

The investment balance at February 7, 2025 was \$28,444,747. Returns net of fees were down -2.01% quarter to date less than -1.59% benchmark, up 8.59% fiscal year to date less than 12.93% benchmark, up 3.64% the last 3 years less than 4.56% benchmark, and up 7.68% the last 5 years less than 7.69% benchmark. The total assets were \$27,805,342 at December 31, 2024, compared to \$27,811,139 at September 30, 2024.

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

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

New Business.

No items were discussed.

12-25 Adjournment.

Motion by Trustee Moore to adjourn the meeting.

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

The meeting was adjourned at 10:18 a.m.

Respectfully submitted,

Linda Kunath, Secretary