

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREE HEALTH CARE BOARD
REGULAR SCHEDULED TRUSTEE MEETING
February 20, 2024**

The regular meeting of the City of Madison Heights Policemen & Fire Retiree Health Care Board of Trustees was held Tuesday, February 20, 2024, at 10:15 a.m. at 31313 Brush Street, Madison Heights, Michigan.

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

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

Excused: Board Members: Eric Bissinger, Gary Strongarone

10-24 Excuse Trustee Eric Bissinger and Trustee Gary Strongarone

Motion by Trustee Roberts and supported by Trustee Kunath to excuse Trustee Eric Bissinger and Trustee Gary Strongarone from the regular meeting of February 20, 2024.

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

11-24 Approval of Minutes of the Regular Meeting of October 17, 2023

Motion by Trustee Roberts and supported by Trustee Kunath to approve minutes of the regular meeting of October 17, 2023.

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

Meeting Open to the Public

No items were discussed.

12-24 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 Capital Market indices through December 2023 showed S&P 500 quarter to date up 11.7% and up 26.3% year to date. These strong returns were due to the magnificent 7 (Apple, Microsoft, Amazon, NVIDIA, Google, Tesla, and Meta Platforms), which represent 60% of S&P returns. NASDAQ investments are up 13.8% quarter to date and up 44.7% year to date. Russell 3000 Growth stocks were up 41.2% year to date which outperformed Russell 3000 Value stocks which were up 11.6% year to date. In the S&P 500 Sectors Communications Services were up 55.8% year to date and Consumer Discretionary were up 42.3% year to date. Outside the U.S., EAFE was up 27.1% year to date and in the Emerging Markets sector China was down 11.1% year to date. The Federal Reserve Board held off cutting interest rates this past meeting and are likely to start reducing rates maybe three times before the end of the calendar year, starting in June by a quarter percent.

Hedge fund investment with Brevin Howard began September 27, 2023, in the amount of \$784,974 and is valued at \$801,849 as of December 31, 2023, policy target of 3% and currently 2.96% of assets. Private Investments policy allocation target is 6% of the portfolio, which is about \$1,624,926 to be split 3% private equity and 3% private credit. Information about private equity investment with Hamilton Lane Private Assets Fund and private credit investment with Fortress Lending Fund IV was discussed and applicable investment documents will be forwarded to legal for review.

December 31, 2023 investment balance was \$26,884,446, returns were up net of fees 9.23% quarter to date compared to 9.34% benchmark, up 14.48% calendar year to date compared to 16.43% benchmark, up 5.04% the last 3 years compared to 4.39% benchmark, and up 9.61% the last 5 years compared to 8.86% benchmark. The total assets as of February 9, 2024 were \$27,082,107 and were \$24,370,007 at October 6, 2023.

Motion by Trustee Roberts and supported by Trustee Kunath to receive and file the investment report.

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

13-24 Review Electronic Meeting Attendance Policy

Retirement System Attorney Tom Michaud reviewed the Open Meetings Act as amended by Public Act (PA) 214, which became effective February 13, 2024 and permits public employee retirement and retiree healthcare boards to hold public meetings electronically under any circumstances. A physical meeting place is not required for an electronic meeting held in accordance with PA 214, and members of the board and public participating electronically are to be considered present and in attendance at the meeting for all purposes (i.e., quorum, voting, etc.). A sample policy was provided for the board's review and consideration.

Motion by Trustee Roberts and supported by Trustee Kunath to approve the Open Meetings Act – Electronic Meeting Attendance Policy document as presented.

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

New Business.

No items were discussed.

14-24 Adjournment

Motion by Trustee Roberts to adjourn the meeting.

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

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Linda Kunath, Secretary