

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREMENT SYSTEM
REGULAR SCHEDULED TRUSTEE MEETING
July 18, 2023**

The regular meeting of the City of Madison Heights Policemen & Firemen Retirement System Board of Trustees was held on Tuesday, July 18, 2023, at 8:33 a.m. at 31313 Brush Street, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald
Board Members: Kevin Barrett, Eric Bissinger, Linda Kunath, Anthony Roberts

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

01-24 Approval of Minutes of the Special Meeting of May 12, 2023

Motion by Trustee Barrett and supported by Trustee Bissinger to approve minutes of the special meeting of May 12, 2023.

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

Meeting Open to the Public

No items were discussed.

02-24 Morgan Stanley\Graystone Consulting Investment Report

Morgan Stanley Brian Brice discussed the Plan's asset allocation, percentage of portfolio and differences to policy target. Investments in U.S. equities S&P 500 are 6.6% up month to date, the NASDAQ is up 32.3% year to date. Consumer tech and media are leading the increases. The federal reserve took a pause on further increasing interest rates, but two more .25% interest rate hikes are anticipated before 12/31/23. There is a possibility of corrections in the equity market, leaning towards value, and a strong labor market to continue along with capital spending and a resilient housing market. In the capital market indices, the bond market was down 13.1% in 2022 and is down 2% year to date.

Hedge fund investment with Brevin Howard is being reviewed by Tom Michaud. The policy targets 3%, about \$1.3 million, to invest in hedge funds. Private Investments have not been funded.

A June 30, 2023 returns were up 8.8% fiscal year to date. Cash has been earning about 5%. The total assets as of July 10, 2023 were \$45,886,027 and were \$43,704,359 at May 2, 2023.

Motion by Trustee Barrett and supported by Trustee Bissinger to receive and file the investment report.

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

03-24 Request for Withdrawal of Accumulated Contributions – Sahuric A.

Motion by Trustee Barrett and supported by Trustee Bissinger to approve withdrawal of accumulated contributions for Asmir Sahuric.

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

04-24 Request for Withdrawal of Accumulated Contributions – Goepper R.

Motion by Trustee Bissinger and supported by Trustee Roberts to approve withdrawal of accumulated contributions for Rachel Goepper.

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

Legal Report.

A legislative update was provided by Tom Michaud about legal issues and decisions that occurred during fiscal year 2022-2023. The discussion highlighted that reemployment of retirees is plan specific and the rules should be reviewed prior to hiring a retiree, the employer's fiduciary responsibility with defined contribution plans to monitor, manage, and to make prudent alternative investment options to participants, and lastly, to comply with Open Meetings Act requirements and be aware of posting on social media about business activities.

New Business.

Newly appointed Police Chief Brent LeMerise attended the meeting and introduced himself to the Board.

The transition to another administrative team within GRS actuarial services is underway and going well. A timetable was established for deadlines to meet annual audit requirements for reports.

The State of Michigan awarded \$3,631,364 in Protecting MI Pension grant funds to the Police and Fire Retirement System. Grant funds are expected to be deposited into the Retirement System in September. Eligible municipalities, under 60% funded as of December 31, 2021, were eligible. At that time the Retirement System was 56.1% funded.

05-24 Adjournment

Motion by Trustee Roberts and supported by Trustee Bissinger to adjourn the meeting.

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

Meeting was adjourned at 9:16 a.m.

Respectfully submitted,

Linda A. Kunath, Secretary