

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREMENT SYSTEM
REGULAR SCHEDULED TRUSTEE MEETING
February 18, 2025**

The regular meeting of the City of Madison Heights Policemen & Firemen Retirement System Board of Trustees was held on Tuesday, February 18, 2025, at 8:30 p.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

24-25 Approval of Minutes of the Regular meeting of November 19, 2024.

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

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

Meeting Open to the Public.

No items were discussed.

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

Gabriel, Roeder, Smith & Company (GRS) actuary Kevin Noelke the revisions to the Police and Fire Retirement System Actuarial Valuation Report, dated June 30, 2024, that were made after the November 19, 2024 Board meeting discussion. Three of the four actuarial assumption recommendations were implemented in the report and GRS would like to see the increased salary assumption implemented in the next annual actuarial report. Overall, the plan has increased funding level significantly in a short period of time. The plan was 48% funded in 2020 and is now 60% funded as of June 30, 2024. GRS deems the plan as healthy and the plan now meets the State of Michigan P.A. 202 recommended funding ratio of 60%.

Motion by Trustee Moore and supported by Trustee Strongarone to receive and file the June 30, 2024 GRS Retirement System Actuarial Valuation report.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

26-25 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 \$56,727,789. Returns net of fees were down -1.81% quarter to date less than -1.30% benchmark, up 9.01% fiscal year to date less than 12.45% benchmark, up 1.15% the last 3 years less than 3.19% benchmark, and up 5.89% the last 5 years less than 6.92% benchmark. The total assets were \$56,211,541 at December 31, 2024, compared to \$57,327,597 at September 30, 2024.

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

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

27-25 Request for Service Retirement Benefits – Filzek J.

Motion by Trustee Strongarone and supported by Trustee Roberts to approve request for Service Retirement Benefits – Filzek, Jeffrey.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

28-25 Request for Service Retirement Benefits – Fecteau A.

Motion by Trustee Strongarone and supported by Trustee Roberts to approve request for Service Retirement Benefits – Fecteau, Alan.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

29-25 Request for Service Retirement Benefits – Biliti P.

Motion by Trustee Moore and supported by Trustee Strongarone to approve request for Service Retirement Benefits – Biliti, Paul.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

Legal Update

Tom Michaud, Retirement System Attorney, provided summary of tax changes under Windfall Elimination Provision (WEP) and discussed PA 214 related to pensions for public safety retirees in the State of Michigan. Information about Public Act 214 is available online at www.michigan.gov. Retirees should consult their tax advisor, any changes require Form W-4P should be completed and submitted to the City, who will upload to PNC Bank.

New Business.

No items were discussed.

30-25 Adjournment.

Motion by Trustee Moore to adjourn the meeting.

Yeas: Gerald, Kunath, Moore, Roberts, Strongarone

Nays: None

Motion Carried.

Meeting was adjourned at 9:56 a.m.

Respectfully submitted,

Linda A. Kunath, Secretary