

A meeting of the Troy Volunteer Firefighters' Incentive Plan & Trust Board was held on February 12<sup>th</sup>, 2020 at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 11:01 AM by Chairman Robert C Maleszyk.

Trustees Present:	Robert C Maleszyk Mark F Miller Anthony Rosenblum David Hamilton John H Foster (arrived 11:09 AM)
Trustees Absent:	Al Soriano Charles J Kniffen
Also Present:	Bob Alati – Graystone Consulting Amy Cole - Graystone Consulting (arrived 11:12 AM) Jim Shields – Cohen & Steers Dave Roberts Lisa Burnham Shazia Fatima

# Motion to Excuse Absentees:

Resolution # VFIP – 2020-02-01 Moved by: Miller

Seconded by: Rosenblum

**RESOLVED**, that Al Soriano and Charles Kniffen be excused from the meeting be **APPROVED**. Yeas: -4-

Absent: - 3 -

## Minutes from November 13<sup>th</sup>, 2019:

#### **Resolution # VFIP – 2020-02-02**

Moved by: Hamilton Seconded by: Miller

**RESOLVED**, that the Minutes of the November 13<sup>th</sup>, 2019 meeting be **APPROVED**.

Yeas: - 4 -Absent: - 3 -

#### Retirement Requests:

None

#### **Regular Business:**

- Graystone Consulting Group Presentation
  - Market Review Bob Alati
    - Bob discussed the factors that are causing fears of recession and holding people back from buying.
    - He highlighted that a recession occurs when the federal government raises interest rates and right now the interest rates are low hence, we are still not near a recession and continue to be in a Bull Market.

#### o Investment Review – Amy Cole

- Amy presented the Market Update slides discussing the Asset Class Index Performance, Asset Class Returns, Russell Style and Market Capitalization Indices and the S&P 500 Sectors.
- She presented the Fourth Quarter 2019 Performance Reports
  - Net Return Net of Fees YTD as of December 31<sup>st</sup>, 2019: 18.07%.
- Performance Update Report as of January 31<sup>st</sup>,2020
  - Net Return Net of Fees YTD as of January 31<sup>st</sup>, 2020: -0.84%.
- She will bring Asset Allocation Study in the next meeting to talk about target rates of return going forward.
- Graystone believes that Real Estate is one of the few areas that has opportunities for cash flow and reinvestment, and can drive returns higher than Fixed Income, therefore, they are suggesting a rebalance in the portfolio to invest a small percentage in Real Estate.

## • REIT's Presentation – Jim Shields – Cohen & Steers

- Jim Shields from Cohen & Steers led an educational presentation on Real Estate Investment Trust as an Asset Class.
- He noted that REITs have historically outperformed stocks in latecycle periods.
- Their Balance sheets and access to capital are generally strong and therefore can provide high and growing long-term income to investors.
- He also noted that US REIT Valuations are attractive compared to Equities and have delivered lower correlation to Equities and higher return than key diversifiers.
- He concluded that REITs offer potential for diversification that can enhance Risk/Reward of a traditional portfolio.

## • Recommendation: Rebalancing the portfolio as of 2/4/2020

- Reallocate from Domestic Equities Winslow \$45,000 and Vanguard Total Market (VTI) \$80,000 and take \$100,000 from Cash to purchase a position in Vanguard Real Estate ETF (VNQ) in the amount of \$225,000.
- Mark Miller amended the motion to request that Graystone come back in the next meeting with a further discussion on REITs.

#### **Resolution # VFIP – 2020-02-03**

Moved: Miller Seconded: Hamilton

**RESOLVED** to Amend Graystone's recommendation be **APPROVED**. Yeas: -5 -Absent: - 2 -

#### Resolution # VFIP - 2020-02-04

Moved: Hamilton Seconded: Rosenblum

**RESOLVED** to Reallocate from Domestic Equities - Winslow \$45,000 and Vanguard Total Market (VTI) \$80,000 and take \$100,000 from Cash to purchase a position in Vanguard Real Estate ETF (VNQ) in the amount of \$225,000 and Graystone to bring back REITs discussion in the next meeting be **APPROVED**.

Yeas: - 5 -Absent: - 2 --  Reallocate \$375,000 from cash and establish a new position in Western Asset Management – Core Plus Fixed Income via Morgan Stanley Unified Managed Account (UMA).

# Resolution # VFIP - 2020-02-05

Moved: Hamilton Seconded: Rosenblum

**RESOLVED** to Reallocate \$375,000 from cash and establish a new position in Western Asset Management – Core Plus Fixed Income via Morgan Stanley Unified Managed Account (UMA) be **APPROVED.** 

Yeas: - 5 -Absent: - 2 -

# Other Business:

- Fire Chief Dave Roberts announced that the Voluntary Incentive Committee has nominated John H Foster as the Retiree Representative replacing Jim Roll and, Charles J Kniffen as the Active Member Representative replacing Tony Pabian.
- The Board took a vote to appoint John H Foster and Charles J Kniffen and reappoint AI Soriano to the VFIP Board for a term expiring 12/31/2022 after which the Clerk's office will complete a Board and Committee Application for the new members and receive their Oath of Office.

# Resolution # VFIP – 2020-02-06

Moved: Hamilton Seconded: Miller

**RESOLVED** to appoint John H Foster and Charles J Kniffen and re-appoint Al Soriano to the VFIP Board for a term expiring 12/31/2022 be **APPROVED.** Yeas: -4 -Absent: - 3 –

# Public Comment:

None

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### Motion to adjourn the meeting:

Resolution # VFIP - 2020-02-07

Moved by: Maleszyk Seconded by: Hamilton

**RESOLVED**, that the meeting adjournment be **APPROVED**. Yeas: - 5 -Absent: -2 -

Meeting adjourned at 12:09 PM.

Robert C Maleszyk, Chairman

ham, System Administrator