



500 West Big Beaver
Troy, MI 48084
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Minutes

Volunteer Firefighters' Incentive Plan & Trust Board Meeting November 9th, 2022 at 10:00 AM City Council Chambers (248) 524-3412

A meeting of the Troy Volunteer Firefighters' Incentive Plan & Trust Board was held on November 9th, 2022 in the City Council Chambers.

The meeting was called to order at 10:02 AM by Chairman Robert C. Maleszyk. Maleszyk welcomed Gina Cetnar who was appointed to the Board replacing Anthony Rosenbloom whose term expired. Cetnar introduced herself as a 25-year resident of the City of Troy, parent of two, and business owner along with her husband.

Trustees Present: Theresa Brooks
Gina Cetnar
John Foster
Charles J. Kniffen
Robert C. Maleszyk
Mark F. Miller
Al Soriano

Trustees Absent: None

Also Present: Tim Bryce - Graystone Consulting
Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.
Dee Ann Irby – Controller
Cynthia Pavella – Administrative Assistant

Public Comment

- None

Minutes of the August 31st, 2022 Regular meeting

Resolution # VFIP – 2022-11-01

Moved by: Miller

Supported by: Kniffen

RESOLVED, that the Minutes of the August 31st, 2022 Regular meeting be **APPROVED**.

Yeas: - 7 - (Brooks, Cetnar, Foster, Kniffen, Maleszyk, Miller, Soriano)

Nays: - 0 -

Absent: - 0 -

Regular Business

• **2023 Board Meeting Schedule.**

- A proposed meeting schedule was presented for the following Wednesdays at 10:00 am: Feb 8th, May 10th, Aug 9th, Nov 8th. Miller asked if meetings could be held in the Council Boardroom instead of Council Chambers where they were held previously. The Council Boardroom would provide a more collaborative meeting environment.

Resolution # VFIP – 2022-11-02

Moved by: Kniffen

Supported by: Soriano

RESOLVED, that the 2023 VFIP Board Meeting dates shown above and to be held in the City Council Boardroom be **APPROVED**.

Yeas: - 7 - (Brooks, Cetnar, Foster, Kniffen, Maleszyk, Miller, Soriano)

Nays: - 0 -

Absent: - 0 -

• **Proposed Budget July 1, 2022 – June 30, 2023**

Chairman Maleszyk and Controller Irby presented the FY 23 budget, which included prior year actuals for 2021 and 2022. They noted that the budget was prepared with estimates for investment income and retirement benefit payments, since it is difficult to predict the financial market and the number of new retirees.

- Revenue totals \$1,161,713 compared to prior year (\$42,409.89)
 - Estimates of Income (interest, dividend, and investment income) total (\$491,000.00) compared to prior year (\$1,802,117.89)
 - Employer Contributions total \$1,652,713 as compared to prior year \$1,759,708.
- Expenses total \$1,163,500 compared to Prior Year \$1,112,264.24
 - Expenses comprised of Professional Services, Consultant Services, and Retirement Allowances total \$1,075,000.00 compared to Prior Year \$1,040,055.68.
 - Education & Training expense was budgeted for the first time.
- Fire Incentive Reserve Fund Net Gain (Loss) is (\$1,787.00) compared to prior year (\$1,154,674.13).

Resolution # VFIP – 2022-11-03

Moved by: Foster

Supported by: Soriano

RESOLVED, that the July 1, 2022 – June 30, 2023 budget for the Volunteer Firefighter Incentive Plan & Trust be **APPROVED**.

Yeas: - 7 - (Brooks, Cetnar, Foster, Kniffen, Maleszyk, Miller, Soriano)

Nays: - 0 -

Absent: - 0 -

Investments

- **Graystone Consulting Group Presentation-Tim Brice**
 - Brice gave a brief market overview referencing *On the Markets* article. He noted that aggressive interest rate hike of 75 basis-points by the Federal Reserve in mid-August was an attempt to battle inflation. He anticipates the Feds will raise rates 50 basis-points in the next quarter and 25 basis-points next year.
 - The just-completed mid-term elections creates anxiety among investors. It takes time, but the market will recover.
 - Historically after the Feds raise rates it takes about five months before rates will decrease.

 - **Investment Review**
 - Brice reviewed Capital Markets Performance and discussed how asset classes fare over time. The S&P 500 Sector Total Return 3Q22 showed certain areas of emerging markets did well.
 - Brice presented the Performance Report as of September 30, 2022.
 - Net Return Net of Fees was QTD: (5.75)% and YTD: (20.24)%.
 - Brice presented the Performance Report as of October 31, 2022.
 - Net Return Net of Fees was QTD: 4.44% and YTD: (16.69)%.
 - He stated the 3rd quarter is down 20% due to aggressive Fed posture.
 - Brice reviewed the Asset Class Allocation as of October 31, 2022.
 - Domestic Equities are 44% of the portfolio and over target by 4.4%. It might make sense in the future to move to Emerging Markets and International Equities.
 - International Equities are 17.9% of the portfolio, just 1.1% below target. No need to rebalance
 - Fixed Income is 19% of the portfolio which is 7.0% below our policy target of 26%. Blackrock has worked out well while Western Asset is expected to outperform.

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- REITs (real estate) is 2.5% of portfolio which is lower than 3.0% target. Investors should be cautious; however, it is an opportunity to increase our portfolio in the future.
 - Infrastructure at 2.3% of portfolio is slightly lower than 3% policy target but should do well this year.
 - Cash at 8.7% of portfolio is above the 5.0% target. Recommends holding on until there is an advantage to move.

Other Business

• Gabriel, Roeder, Smith -Professional Service and Actuarial Fees Renewal:

- Controller Irby presented an offer to renew the Agreement with Gabriel, Roeder, Smith & Company (GRS) for the year beginning January 1, 2023.
 - The current Retainer Fee to prepare actuarial valuations and associated consulting is \$5,950. The proposal increases fees to \$6,100.
 - The cost to prepare Governmental Accounting Standards Board (GASB) Statements is increasing from \$4,900 to \$5,000.

Resolution # VFIP – 2022-11-04

Moved by: Foster

Supported by: Kniffen

RESOLVED, to renew the Professional Services Agreement and Actuarial Fees charged by Gabriel, Roeder, Smith & Company for the year beginning January 1, 2023 be **APPROVED**

Yeas: - 7 - (Brooks, Cetnar, Foster, Kniffen, Maleszyk, Miller, Soriano)

Nays: - 0 -

Absent: - 0 -

• Cincinnati Insurance Company-Fiduciary Insurance renewal:

- Controller Irby advised that the Fiduciary Insurance Carrier is Cincinnati Insurance Company, which is underwritten through City of Troy agent Johnston Lewis. The current premium is \$15,841 and the renewal offer is \$15,097; effective December 1, 2022. Attorney Michaud asked if the policy provided coverage for all Pension Systems or just VFIP. Ms. Irby indicated that she did not yet have the full policy but will confirm coverage. She asked the Board to approve the renewal. and authorize payment.

Resolution # VFIP – 2022-11-05

Moved by: Kniffen

Supported by: Foster

RESOLVED, to renew the Fiduciary Insurance policy with Cincinnati Insurance Company effective December 1, 2022 and authorize payment be **APPROVED**

Yeas: - 7 - (Brooks, Cetnar, Foster, Kniffen, Maleszyk, Miller, Soriano)

Nays: - 0 -

Absent: - 0 -

• **Hartford Insurance Company- Blanket Accident Insurance Program renewal:**

- Controller Irby advised that the Accident policy for VFIP, which is underwritten through City of Troy agent Johnston Lewis, renews December 31, 2022. Although she has not yet received the official renewal notice, she asked the Board to authorized renewal of the 2022-2023 policy with premium not to exceed \$2,000. The 2021-2022 premium is \$1,638.

Resolution # VFIP – 2022-11-06

Moved by: Foster

Supported by: Kniffen

RESOLVED, to renew The Hartford Volunteer Firefighters Blanket Accident Insurance Program beginning December 31, 2022 and authorize payment in an amount not to exceed \$2,000 be **APPROVED**

Yeas: - 7 - (Brooks, Cetnar, Foster, Kniffen, Maleszyk, Miller, Soriano)

Nays: - 0 -

Absent: - 0 -

Adjourn

The meeting adjourned at 10:37 AM.

The next meeting is Wednesday, February 8th, 2023 at 10:00 am in the Council Boardroom.



Robert C. Maleszyk, Chairman



Mark F. Miller, Trustee

