

**VOLUNTEER FIREFIGHTERS' INCENTIVE PLAN AND TRUST BOARD OF
TRUSTEES MINUTES – FINAL – February 12th, 2020**



500 West Big Beaver
Troy, MI 48084
troymi.gov

Minutes

**Volunteer Firefighters'
Incentive Plan & Trust
Board Meeting**

**February 12th, 2020 at 11:00 AM
City Council Board Room
at Troy City Hall
500 West Big Beaver
Troy, Michigan 48084
(248) 524-3330**

A meeting of the Troy Volunteer Firefighters' Incentive Plan & Trust Board was held on February 12th, 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 -

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Minutes from November 13th, 2019:

Resolution # VFIP – 2020-02-02

Moved by: Hamilton

Seconded by: Miller

RESOLVED, that the Minutes of the November 13th, 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.
 - **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 31st, 2019: 18.07%.
 - Performance Update Report as of January 31st, 2020
 - Net Return Net of Fees YTD as of January 31st, 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.

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- **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 late-cycle 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 –

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- 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 re-appoint Al 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

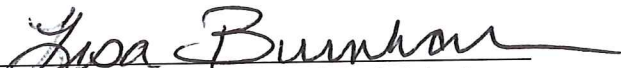
RESOLVED, that the meeting adjournment be **APPROVED**.

Yeas: - 5 -

Absent: - 2 -

Meeting adjourned at 12:09 PM.


Robert C Maleszyk, Chairman


Lisa Burnham, System Administrator