

**Montauk Fire District**

**June 28, 2023**

**Commissioners Workshop Meeting 18:44 hours**

**MINUTES**

**Commissioners Present:** Richard Schoen  
James Wright  
Charles "Chip" McLean

**Also Present:** Chief Kenneth Glogg, 1<sup>st</sup> Asst. Chief Peter Joyce, Jr., and Secretary-Treasurer Dawn E Lucas.

**Call Meeting to Order:**

Chairman Schoen called the meeting to order at 18:44 hours and asked everyone to stand for the pledge of allegiance and a moment of silence.

**Secretary's Report:**

**Approval of Minutes:** Commissioner Wright motioned to approve the minutes of the June 13, 2023 Regular Meeting with said corrections, seconded by Commissioner McLean; motioned/passed/carried.

**Purchase Requisitions:**

- A purchase requisition for Boundtree for medical supplies totaling \$313.98, Commissioner Wright motioned to approve, seconded by Commissioner McLean; motioned/passed/carried.

**Audit of the Bills:**

**Treasure's Report:** Commissioner Mark not present.

**Bills:** Ms. Lucas presented bills for payment, totaling \$6,590.93. Commissioner Wright motioned to approve bills for payment, seconded by Commissioner McLean; motioned/passed/carried.

**Workshop Topics**

**East End Financial Presentation-** Annmarie Zilnicki, President and Ernest Vorpahl, Senior Wealth Advisor of The East End Financial Group discussed our investments for the Length of Service Award Program and explained Penflex is an actuarial firm specializing in service award programs, they are the administrative aspect of the plan. As you are aware last year was not a great year for the market, especially for the stock market, which was down 11%, which comparably is still good in a 50/50 allocation. This year the account is up 5% to date and the assumed rate of return is 5.25%. The plan is

heading in the right direction as it was designed for 50% bonds and 50% stock allocations. Looking to hit that assumed rate of return 5.25% consistently. Portfolio review, account value is at \$5.7 million, year to date rally of 5% and last year the account had a loss of about 11% or \$700,00. S&P 500 was down 18.11% and the Aggregate Bond Index was down 13%. Last year was the worst year on record for the Bond market due to the federal reserve raising interest rates at a record breaking rate, fastest on record. But now the bond markets are yielding something, last year it was 1.5% -2%, this year in the portfolio it is yielding almost 6%. The portfolio strategy is to keep a balance between Growth stocks (Apple/Amazon/Google/Microsoft/Meta/Tesla/NVIDIA) and Value stocks (dividend paying/energy (banks/insurance). A question arose, what about AI (artificial intelligence)? Ernie Vorpahl's response was we never chase sectors. It is indirectly in the fund. Interest rates were aggressively tightened last year by the federal reserve and as of now they seem to be pausing, good news could become bad news. If economy does better, stock market continues to go up the federal reserve could raise interest rates again which would turn good news into bad news. The recent decline in the Leading Economic Index is constant with historical recessions. So based on the elevated recession risk, the portfolio's equity allocation remains at the 50% target in the Investment Policy Statement. A portion of the equity (stocks) holdings is hedged to provide some safety of principal should the market retest the lows again. Inflation has slowed from its peak last summer of 6% to 4.9%, not what the federal reserve wants to see. Annmarie Zilnicki explained you need to be proactive on your accounts and make sure you are receiving the highest yield on your money. It seems the banks do not reach out anymore to discuss this with you. Chairman Schoen stated we recently moved a large sum of money to another venue and the banks haven't said anything. Ernie Vorpahl has heard the local banks aren't so local anymore.

#### Portfolio Observations-

1. The total portfolio is being managed with 50% stocks to 50% bonds or cash.
2. The equity holdings are 77% large cap stocks, 20% mid cap stocks and 3% small cap stocks which they may look to increase due to it being undervalued.
3. International equities are 12% of total portfolio.
4. The risk of the portfolio is .48 or approximately 48% which measures the sensitivity of the account verses the market.
5. The average credit quality of the bond holdings is investment grade, triple P or above with an average maturity of 4.82 years and average duration of 3.6 years.
6. Cash holdings total \$140,000.00, consisting of \$38,000 in operating cash and \$102,000 to the Vanguard Federal Money Market Fund which has a yield of \$ 5.03%.
7. A lot more cash holding in short term bond funds which yields better than 5%.
8. Plenty of cash on hand and liquidity available in the portfolio.

#### Service Award Program Contributions-

The 2023 program contribution from Penflex's calculations was \$354,296 and it was deposited into the Pershing account on January 31, 2023. The 2024 program contribution is \$381,497.

#### Service Award Program Benefit Payments -

Monthly benefit payments are transferred to Comerica Bank from EEFG (East End Financial Group), about \$30,000 a month, year to date benefit payments totaled \$191,903.00. Ms. Lucas works with Penflex on this.

#### Coordination of Plan Assets with Emerging Liabilities -

Annmarie Zilnicki explained that her firm has always attempted to match a LOSAP's emerging liabilities with the maturities of the plan's portfolio. EEFG (East End Financial Group) has structured the bond maturities to coincide with projected award benefits. Because of the "laddering" of these maturities the account has been able to stay fully invested and not forced to sell securities to meet current obligations.

### EEFG Scholarship Program-

This year Colin Tyrell from Montauk Fire District won \$750.00. Every district that submits an application receives some sort of scholarship.

***Tree Care Proposal- Commissioner*** Wright explained to the board we are waiting for new proposals broken down so we can do in stages. Our current lawn maintenance company, Hoyt Property Care can also provide this service. We should have this information along with camera stuff by our next meeting. Tabled till then. Commissioner McLean conferred with one of our local arborist from our department and the recommendation and cost effective way to help the trees is to clear the ground underneath and mulch it as opposed to having grass that constantly needs to be cut. Commissioner Wright asked if they had an opinion on fertilization and trimming. Commissioner McLean said yes, they thought the trimming might be excessive because the majority of the trees are splinter trees which would easily splinter and break off. You can ask Jeanine Miedzwiecki if there are questions.

***Medical Safe Information-*** tabled Commissioner Dess is not present.

***Building Use Request-*** Chairman Schoen presented a building use request for Montauk United, for a meet the candidates night on October 1, 2023 from 14:30hrs to 17:30hrs in the meeting room but that would be determined by a head count prior to the date. Commissioner McLean motioned to approve meeting and waive the check fee of \$150.00, seconded by Commissioner Wright; motioned/passed/carried.

***Indian Cans-*** Chairman Schoen asked the Chief what is the status of the Indian cans? Chief stated the Indian cans on the pallet can be disposed of. The ones in boxes by district office can be put in back garage where they were stored previously, they replace the old ones. Ms. Lucas will inform Brent.

### ***Other Meeting information:***

- Chairman Schoen spoke with one of our paramedics, Joel Vetter and was told if we ever have a hiker/someone go missing, FRES has drones equipped with infrared light that we could utilize, they could be here within 45 minutes.
- Ms. Lucas asked the Chief's where they wanted the three new helmets, answer was in their office.
- Chairman Schoen mentioned he received information about empty alcoholic beverages being left in the walk-in cooler. He suggested we might put a camera up but left it up to the Chief's. Chief Joyce stated it's not worth spending the money. There may be a ton of scenarios but it's not worth making a big deal out of it.
- Chairman Schoen was approached by a school board member asking if we wanted to sell the substation to them. The answer was NO. Another school board member asked about the possibility of the school buses fueling up here as opposed to in town. Chairman Schoen did reach out to our attorney Joe Frank and his concern was how big are our tanks and would we be able to supply them without depleting the amount of fuel we need. Yes we could legally do it. Chief Joyce asked if we could find out their weekly/monthly fuel consumption first, absolutely we can.
- Commissioner Wright mentioned the substation- do we care that the neighbors are using it for parking. Chief said it would be a good idea to send Dave Ceva a letter making sure they make their guests aware if they park at the substation they will be towed. Chairman Schoen will

reach out to remind him. Another question arose about trailers that were on property. Are they still there? In trying to get a response everyone started talking at once. What was heard was that the boy scout trailer is allowed to stay at property. Cars in lot may be the house next store, workers taking lunch breaks. Should signs be posted? There were signs. Also when work starts at Playhouse our trailers that are there will need to come out and could go there. Chairman Schoen is waiting to hear back from Commissioner Dess on dimensions of the Kubota, it may fit in one of the trailers.

***Chief's Report:***

- Chief Glogg presented a purchase requisition for 30 new batteries for the 800 radios for Motorola Inc. not to exceed \$3,000.00, Commissioner Wright motioned to approve. Seconded by Chairman Schoen; motioned/passed/carried.
- Chief Glogg the other night assigned companies for the new members that passed Firefighter1 and they are as follows; Adrian Sanchez and John Rutkowski company 5 and Ryann Ward and Dawson Lenahan company 2. Also the Chief would like to start getting gear for them.
- Physical information- Ms Lucas spoke with Frank today and sent over the physical forms and explained how the Fire department pays for the physicals and no insurance information is required and usually the doctor will send over a script for blood work to be done prior to the physical. Members can go to Wainscott walk-in and see Dr. Schwartz or they can go to 386 Montauk Hwy and see Dr. Carolan. And still try nurse practitioner Caroyne Weisz in Montauk. Frank also said they would fax over the information we need for our records. Chief Glogg also suggested getting information from the doctor who came to the department for physicals, see if members can go directly to their office. Another question arose about the nurse practitioner at Montauk, who does she work under? Ms. Lucas will check into all and get back to everyone.
- Fireworks standby on Tuesday.
- Ambulance squad has the lighthouse triathlon coming up 7/16/23 and the concert at the lighthouse.
- Chief Joyce requested the code to the medic room in case another medic has an allergic reaction, Commissioner Wright told chief to ask Chris Boccabella for it, he is the medic on duty .

Chairman Schoen motioned to go into Executive Session @ 19:45 regarding personnel, seconded by Commissioner Wright; motioned/passed/carried.

Chairman Schoen motioned to go back into Regular Session @ 19:52, seconded by Commissioner McLean; motioned/passed/carried.

Commissioner Wright motioned to adjourn meeting @ 19:53 hrs, seconded by Commissioner McLean; motioned/passed/carried.