

**VOLUNTEER FIREFIGHTERS' INCENTIVE PLAN AND TRUST BOARD MEETING
MINUTES – August 31st, 2022**



500 West Big Beaver
Troy, MI 48084
troymi.gov

Minutes

**Volunteer Firefighters'
Incentive Plan & Trust
Board Meeting
August 31st, 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 August 31st, 2022 in the City Council Chambers.

The meeting was called to order at 10:00 AM by Chairman Robert C Maleszyk.

Trustees Present: Robert C Maleszyk
Mark F Miller
John Foster
Anthony Rosenblum
Charles J Kniffen

Trustees Absent: Al Soriano
Theresa Brooks

Also Present: Amy Cole - Graystone Consulting
Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.
Jeff Tebeau – GRS Consulting
Dee Ann Irby – Controller
Cynthia Pavella – Administrative Assistant

Public Comment

- None

Minutes of the May 11th, 2022 Regular meeting

Resolution # VFIP – 2022-08-01

Moved by: Foster

Supported by: Rosenblum

RESOLVED, that the Minutes of the May 11th, 2022 Regular meeting be **APPROVED**.

Yeas: - 5 - (Foster, Miller, Kniffen, Rosenblum, Maleszyk)

Nays: - 0 -

Absent: - 2 - (Soriano, Brooks)

**VOLUNTEER FIREFIGHTERS' INCENTIVE PLAN AND TRUST BOARD MEETING
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Retirement Requests

Name	David Balagna
Type	Deferred Participant
Retirement Date	September 19, 2022
Service Credit	17 years, 8 months
Age	60

Resolution # VFIP – 2022-08-02

Moved by: Miller

Supported by: Kniffen

RESOLVED, that the Retirement request be **APPROVED**.

Yeas: - 5 - (Foster, Miller, Kniffen, Rosenblum, Maleszyk)

Nays: - 0 -

Absent: - 2 - (Soriano, Brooks)

Regular Business

- **Review of 12/31/2021 Actuarial Report: Jeff Tebeau, GRS Consulting**
 - Tebeau presented a draft report of the Annual Actuarial Valuation of the City of Troy Volunteer Firefighters' Incentive Plan as of December 31, 2021. The purpose is to measure the Plan's funding progress and to determine employer contributions for the fiscal year ending June 30, 2024. The City's Contribution is \$1,652,713 for 2023 and increases to \$1,689,984 for 2024.
 - Highlights of the December 31, 2021 valuation include a 13.5% rate of return on market value and 8.0% on a Funding Value basis (vs 6.5% assumed). Due to the asset valuation method, investment gains and losses from each year are recognized over a four-year period.
 - The current funding level is 56.2%, up from 52.3% in 2020. The unfunded accrued liabilities for active and vested former participants is financed over a closed period of 24 years. Although the benefit levels saw a slight increase GRS is not recommending a change in the assumptions.

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Resolution # VFIP – 2022-08-03

Moved by: Kniffen

Supported by: Miller

RESOLVED, that the City of Troy Volunteer Firefighters' Incentive Plan Actuarial Valuation Report of December 31, 2021 be **ACCEPTED**.

Yeas: - 5 - (Foster, Miller, Kniffen, Rosenblum, Maleszyk)

Nays: - 0 -

Absent: - 2 - (Soriano, Brooks)

• **Graystone Consulting Group Presentation**

▪ **Market Review / Market Slides – Amy Cole**

- In 2022 through June, there was a severe reaction to the equity market. Recently, the Federal Reserve reported inflation of 8.5% which is good for stocks, but not good for overall investments. A global concern is the Russia/Ukraine war. Other issues, such as COVID and the labor market, continue to impact the market. Despite Federal Reserve efforts, it is not mission accomplished. The Federal Reserve did not meet in August however we can expect a rate hike at the September meeting. By December 2022, she suggests a rate decrease, maybe 4% or a soft landing at 3.6%.
- Interest rates for Bonds was low so no incentive to stay there. We did diversify to Private Real Estate. In 2023 we may move back to Bonds.

▪ **Investment Review – Amy Cole**

- Cole presented the Investment Performance Report for the quarter ending June 30, 2022.
 - Net Return Net of Fees was: QTD (10.49%) and YTD (15.37%).
- She reviewed the asset allocation, noting the move to Alternatives and the overweight in Cash.
- Cole identified Bahl Gaynor and Wester Core as the most susceptible to interest rates. She reminded the Board that value still out performs growth.
- Cole presented the July 2022 Performance Update.
 - Net Return Net of Fees was: QTD 5.17% and YTD (10.99%).
- There are no recommendations for change at this time.

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Other Business

• **Professional Services contract – VanOverbeke, Michaud & Timmony, P.C.**

- Administrator Maleszyk recommends engaging the legal services of VanOverbeke, Michaud & Timmony (VMT) for the Volunteer Firefighter Incentive Plan Board. He noted that the Employees' Retirement System approved the contract at their June meeting. Each Board would have legal representation at every meeting to answer any questions the Board may have.
- City Attorney Griggs Bluhm has reviewed and is in support of this agreement. She will review proposed Ordinance Amendments prior to seeking the support of City Council.
- Administrator Maleszyk introduced Thomas Michaud, Partner at VanOverbeke, Michaud & Timmony who reviewed the Firm's qualifications and exhaustive list of Municipal Clients.
- VMT legal fees will be paid by each individual Board. Michaud stated he is cognizant of time and costs to the Board. Maleszyk stated he wants the Board and City to be compliant with pension and IRS rules, but not to deplete Plan assets

Resolution # VFIP – 2022-08-04

Moved by: Miller

Supported by: Rosenblum

RESOLVED, to enter into a Legal Representation Agreement with VanOverbeke, Michaud & Timmony P.C. and refer to City Council for final approval be **APPROVED**

Yeas: - 5 - (Foster, Miller, Kniffen, Rosenblum, Maleszyk)


Nays: - 0 -

Absent: - 2 - (Soriano, Brooks)

Adjourn

The meeting adjourned at 11:00 AM.

The next meeting is Wednesday, November 9th, 2022 at 10:00 AM.



Robert C. Maleszyk, Chairman



Mark F. Miller, Trustee