



500 West Big Beaver  
Troy, MI 48084  
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## Minutes

### Volunteer Firefighters' Incentive Plan & Trust Board Meeting February 8<sup>th</sup>, 2023 at 10:00 AM City Council Boardroom (248) 524-3412

A meeting of the Troy Volunteer Firefighters' Incentive Plan & Trust Board was held on February 8<sup>th</sup>, 2023 in the City Council Boardroom.

The meeting was called to order at 10:05 AM by Chairman Robert C. Maleszyk. The Chairman announced a quorum was present.

**Trustees Present:** Theresa Brooks  
Gina Cetnar  
Charles J. Kniffen  
Robert C. Maleszyk  
Mark F. Miller

**Trustees Absent:** John Foster  
Al Soriano

**Also Present:** Tim Bryce - Graystone Consulting  
Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.  
Peter Hullinger – Fire Chief  
Dee Ann Irby – Controller  
Lori Bluhm – City Attorney  
Cynthia Pavella – Administrative Assistant

Chairman Maleszyk provided an overview of the IRS finding which stated that the Volunteer Firefighters' Incentive Plan was not in compliance with Internal Revenue Code as a pension plan. This non-compliance forces the closure of both the Plan and Trust. This information was provided to the VFIP Incentive Committee mid-January. This serves as the official 90-day notice, prior to City Council action to close the Plan and Trust. Maleszyk stated that Mr. Brice is present to give a high-level quarterly review and plans for liquidation of Trust funds. City Attorney Bluhm announced that the City Council will be asked to close the current Plan and Trust effective April 30, 2023. A new Plan and Trust will be established effective May 1, 2023. Current vested participants and retirees will receive a lump sum payment based on an actuarial value at April 30, 2023 as determined by an independent actuarial firm. Maleszyk stated the Trust has approximately \$14.6 million in assets which will be used to pay Plan Participants, however this is not enough money to fully fund the payouts. General Fund will pay any remaining amounts due to participants.

### **Public Comment**

- Mark Miller asked for consent of the Board to allow public comment be moved to the end of regular business. The Board concurred.

### **Minutes of the November 9<sup>th</sup>, 2022 Regular meeting**

#### **Resolution # VFIP – 2023-02-01**

Moved by: Kniffen

Supported by: Miller

**RESOLVED**, that the Minutes of the November 9<sup>th</sup>, 2022 Regular meeting be **APPROVED**.

Yeas: - 5 - (Brooks, Cetnar, Kniffen, Maleszyk, Miller)

Nays: - 0 -

Absent: - 2 - (Foster, Soriano)

**Motion passes**

### **Regular Business**

- **Graystone Consulting Group Presentation-Tim Brice**

- Brice stated the Market is starting to come around. The 4<sup>th</sup> quarter 2022 portfolio was up 7.33% net of fees which was \$948,860, bringing total portfolio to \$13.9 million. The YTD portfolio is up 5.50% as of yesterday which results in an additional \$750,000 in investment earnings and a current portfolio valuation of \$14,660,127.
- The Fed's may decelerate in the first half of this year, as they expect to move forward to a long-term bull market. However, the jobs report from yesterday is good news.
- The Chief Investment Officer at Graystone said we must look at the horizon and not the potholes. There have been two short term bear markets last year which resulted in Fed's increasing rates. They're concerned about volatility at end of 1<sup>st</sup> quarter.
- Miller asked if Jobs Report increase means an over-heating economy? Brice stated if news is too good, inflationary process might increase at end of the year or early next year. Inflation does not come down in a straight line.
- Maleszyk questioned the labor participation ratio resulting in continuation of employees staying out of the job market? Brice stated Baby Boomers may have been well into retirement planning or, COVID concerns about going back to work.

▪ **Investment Review**

- Brice reviewed the City of Troy Volunteer Firefighters Incentive Plan Assets as of 1/31/2023 which showed valuation by each Asset Class. Cetnar asked if timing is a factor to liquidate? Brice stated he wants to notify his office quickly once he gets the sell order from the Board. Discussion ensued regarding liquidation of funds.
- The JLL Income Property fund (Private Real Estate) balance of \$343,040.07 has a soft lock provision. The soft lock provision allows investment managers to charge up to 1% redemption fee if withdrawal in the first year. Brice will talk with JLL to see if they will waive the fee due to extenuating circumstances of the VFIP closure.
- Maleszyk asked if the Employees' Retirement Fund could buy the net asset value of JLL from VFIP? Brice said this is a conversation for him to have with JLL. No other transaction costs for the remaining asset classes will apply per the agreement with Graystone.
- Brice said once liquid, he recommends being ultra conservative. Purchasing Certificates of Deposit (CD) he said, is an attractive way to go. CD rates are going up, e.g., 4.55% to May 12, 2023. Maleszyk said payments to retirees and vested participants are expected in May and June, respectively. Brice will set up a CD portfolio with maturities due on or before May 12.
- Miller stated that they are meeting tomorrow with the VFIP Incentive Committee on next steps.

**Resolution # VFIP – 2023-02-02**

Moved by: Miller

Supported by: Kniffen

**RESOLVED**, that the City of Troy Volunteer Firefighters Incentive Trust portfolio be liquidated, making every effort to eliminate fees; however, acknowledging that JLL Income Property may impose a soft lock be **APPROVED**.

**Roll Call Vote:**

Yeas: - 5 - (Brooks, Cetnar, Kniffen, Maleszyk, Miller)

Nays: - 0 -

Absent: - 2 - (Foster, Soriano)

**Motion passes**

**Resolution # VFIP – 2023-02-03**

Moved by: Kniffen

Supported by: Cetnar

**RESOLVED**, to authorize Graystone Consulting to purchase Certificate of Deposits from Financial Institutions under the \$250,000 FDIC Insurance limits and create a portfolio with maturities that do not exceed May 12, 2023 be **APPROVED**.

**Roll Call Vote:**

Yeas: - 5 - (Brooks, Cetnar, Kniffen, Maleszyk, Miller)

Nays: - 0 -

Absent: - 2 - (Foster, Soriano)

**Motion passes**

**Resolution # VFIP – 2023-02-04**

Moved by: Miller

Supported by: Maleszyk

**RESOLVED**, to allow public comment be **APPROVED**.

Yeas: - 5 - (Brooks, Cetnar, Kniffen, Maleszyk, Miller)

Nays: - 0 -

Absent: - 2 - (Foster, Soriano)

**Motion passes**

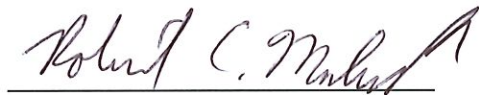
**Public Comment**

Joel Barthlow, a retired volunteer firefighter, announced that he was informed of the Plan closure on January 18, 2023. He asked a few questions of the Board related to Plan closure. City Attorney Bluhm stated that the Public may make comments to the Board, however it's not a question and answer format.

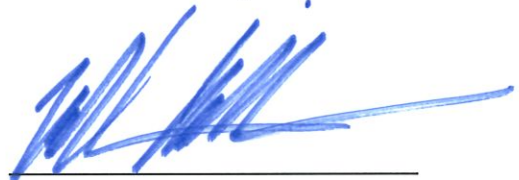
**Adjourn**

The meeting adjourned at 10:40 a.m.

The next meeting is Wednesday, May 10<sup>th</sup>, 2023 at 10:00 a.m. in the City Council Boardroom.



Robert C. Maleszyk, Chairman



Mark F. Miller, Trustee