

**A. CALL TO ORDER:**

A Special Study Meeting of the Troy City Council was held on August 11, 2014, at City Hall, 500 W. Big Beaver Rd. Mayor Slater called the meeting to order at 6:00 PM.

**B. ROLL CALL:**

- a) Mayor Dane Slater
- Jim Campbell
- Wade Fleming
- Dave Henderson
- Ellen Hodorek
- Ed Pennington – Arrived at 6:06 PM
- Doug Tietz - Absent

**C. DISCUSSION ITEMS:**

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**C-1 Volunteer Firefighter Incentive Plan**

Mayor Slater opened the meeting and asked City Manager Kischnick to begin the discussion.

Mr. Kischnick summarized the process of the review of the Volunteer Firefighter Incentive Plan. He introduced the representatives from the fire stations that make up the committee who were present at the meeting: Al Soriano, Pete Hullinger, Tony Pabian, and Joel Barthlow. Mr. Kischnick discussed the issues that the committee has reviewed for the past year and a half. Mr. Kischnick then began discussing the presentation slides.

Fire Chief Nelson discussed the history of the incentive plan.

City Attorney Bluhm and Michael VanOverbeke, Special Legal Counsel, discussed the current platform for the VFIP and the proposed IRS 115 Trust and administration of the 115 Trust.

Chief Nelson discussed the current plan eligibility and membership.

Tom Darling, Director of Financial Services, discussed the multiplier, history of the multiplier, and cost of the current plan.

Pete Hullinger, Volunteer Firefighter with Fire Station 6, discussed the proposed plan. He stressed the importance and value of the incentive plan to attract and retain quality volunteers.

Mr. Darling discussed the proposed benefit schedule.

Mr. Kischnick discussed the cost to the city of the proposed incentive plan and presented the discussion topics for City Council, beginning with the adoption of the 115 Trust.

Council Member Fleming asked if there is a reason for going with a defined benefit instead of a defined contribution plan. Mr. VanOverbeke explained that the trust can be moved into a

defined contribution plan but it has different qualities than the defined benefit plan offered to regular employees.

Mayor Pro Tem Henderson asked if the Board would be required to employ Greystone. Mrs. Bluhm answered that it would be mandatory to have an investment manager working with the Board, but that it could be a firm other than Greystone. Mr. VanOverbeke explained that some companies work with many municipalities and the costs can be reduced by economies of scale.

Council Member Pennington asked why the proposed plan showed a rate of return of 6.5%. Mr. Darling answered that 6.5% is a conservative estimate of return. Mr. VanOverbeke explained that in moving to the new trust, the City would be able to attain the 6.5% interest rate by being able to fund the plan. Mayor Slater commented that moving to the trust is wise because the City will be able to fund the plan and get a better interest rate.

Council Member Pennington asked if there is anything for the firefighters who do not hit the ten year mark and have to leave the department. Mr. VanOverbeke answered that ten years is the typical vesting date for fire departments.

Mayor Slater stated that he has a consensus to adopt the 115 Trust.

Mr. Kischnick introduced the question of the multiplier as the next item for City Council to discuss.

There was a consensus of City Council to adopt the proposed multiplier increase.

Mr. Kischnick introduced the question of how to fund the 115 Trust for City Council to discuss.

Mr. VanOverbeke recommended that City Council approve the immediate transfer of \$2 million using \$1 million from committed and \$1 million from unassigned Fund Balance to fund the trust.

Mayor Slater requested that Pete Hullinger discuss the consensus of the volunteer firefighters. Mr. Hullinger commented that all the representatives from all six fire stations are in support of the proposal presented tonight.

Council Member Hodorek asked if this proposal is consistent with the recommendation of how to use unassigned Fund Balance for the sake of the bond rating. Mr. Kischnick answered that this proposal is in line with those recommendations.

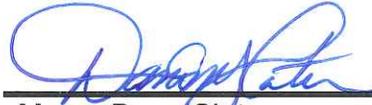
There was a consensus of City Council to adopt the proposed immediate transfer of \$2 million.

**D. PUBLIC COMMENT:**

Richard Bewick, Volunteer Firefighter with Station 5 – Commented on the proposed plan.

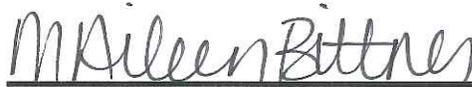
**E. ADJOURNMENT:**

The Meeting **ADJOURNED** at 6:54 PM.



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Mayor Dane Slater



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M. Aileen Bittner, CMC  
City Clerk