

**I-6 Resolution to Approve Volunteer Firefighter Incentive Plan and Trust and to Transfer Available Funding to the Trust (Introduced by: Thomas Darling, Director of Financial Services) (Presented by: Michael Van Overbeke, Special Counsel)**

Suggested Resolution

Resolution #2016-04-

Moved by

Seconded by

WHEREAS, The City of Troy highly values the contributions of the members of the Troy Volunteer Fire Department towards the safety and wellbeing of our community; and,

WHEREAS, In recognition of the benefits provided, and to encourage participation and retention, the City of Troy has implemented a length of service award program or plan for the members of the Troy Volunteer Fire Department, setting forth plan eligibility qualifications and funding the annual incentive payments on a discretionary basis through resolutions which have been multiplied by the volunteer firefighter's tenure of service; and,

WHEREAS, Through its Voluntary Incentive Committee, members of the Troy Volunteer Fire Department have expressed concern about the discretionary basis of payments, and have requested a more definitive program, and in response City Administration engaged specialized legal counsel Michael Van Overbeke to assist with options and draft the required legal documents; and,

WHEREAS, A City of Troy Incentive Plan and Irrevocable Trust for Volunteer Firefighters was drafted as a government trust, based on Section 115 of the Internal Revenue Code of 1986, as amended, and the Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended (MCL 38.1132 et. seq.); and this irrevocable trust was intended to qualify the incentive benefits provided under the length of service plan as contractual benefits protected and guaranteed by Article IX, Section 24 of the State of Michigan constitution; and,

WHEREAS, The City Council approved the City of Troy Incentive Plan and Irrevocable Trust for Volunteer Firefighters on August 25, ~~2015~~2014, which allowed City Administration to seek an official determination from the Internal Revenue Service confirming the tax exempt status of the City of Troy Incentive Plan and Irrevocable Trust for Volunteer Firefighters; and,

WHEREAS, As a result of the review of the Internal Revenue Service, additional amendments were required, including but not limited to a separation of the Plan elements and the Trust elements; and,

WHEREAS, The attached revised Plan and attached revised Trust were presented to the Volunteer Firefighters for their review, and after receipt of approval, these revised documents are now presented to the Troy City Council for its review;

NOW, THEREFORE, BE IT RESOLVED, That Troy City Council hereby **APPROVES** the attached amended City of Troy Incentive Plan for Volunteer Firefighters and the attached City of Troy Incentive Trust For Volunteer Firefighters.