



Midland Fire Update – City of Midland

May 9, 2024



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What We Will Cover

- Where We Are
- Steps Taken to Date to Address Issues Identified
- Future Steps Toward Funding Soundness Restoration Plan (FSRP)

Where We Were

- Infinite Amortization Period
- Funded Ratio 45% (2021 Actuary evaluation)
- Intensive Actuary Review Issued by PRB November, 2021
- **FSRP due September 2025**

Steps Taken To Date

- First Two Points on PRB Review Completed:
 - Forensic Audit Issued by Weaver, Dec. 2022
 - Governance Audit Issued by Weaver, Dec. 2022

Steps Taken To Date

- Governance Improvements Made:
 - Board Positions Filled – Skills Considered
 - Lauderbach & Amen hired to Assist with Administration
 - All Board Members Meet Training Requirements
 - Updated IPS completed January 2024
 - Election and Attendance/ Training Policies adopted; revision of Plan Document underway
 - City Council Awareness

Steps Taken To Date

- Make Use of Professional Expertise – Investments
 - Board Hired Southeastern Advisory Services June 2023
 - Eight Asset Managers who did not meet performance criteria were replaced
 - Asset Management fees cut from 75 basis points to 53, reducing annual fees by \$100,000

Steps Taken To Date

- Make Use of Professional Expertise – Investments
 - Full due diligence review on illiquid and alternatives
 - Investment portfolio brought in line with Investment Policy Statement
 - Board educated by Investment Consultant – all board members engaged

Steps Taken To Date

- Funding Soundness Restoration Plan:
 - Firemen voted 2 plan changes – began Jan 1, 2024
 - City Increased Contribution from 22.2% to 24.2% - began Jan 1, 2024
 - Actuaries are engaged to get updated numbers
 - Firemen and City are aware more is needed from both sides to correct the plan

Steps Taken To Date

- Commitment to Communication of Fund Issues
 - Fund Communication with Members – Board Leadership Meetings with every Shift, Newsletters, Town Halls
 - Mayor Blong and City Management Town Halls with Firefighters
 - City Management Attending Board Meetings
 - Citizens updated through Council Meetings, Press Releases and Press Conferences

Future Steps toward FSRP

- Use Actuary Guidance to Formulate Plan
- Communicate with All Parties Involved
- Take Appropriate Action and Execute Plan
- Continue to Monitor Plan Going Forward

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