

OFFICIAL PROCEEDINGS
CITY COUNCIL
PUBLIC SAFETY RETIREMENT BOARD
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, April 18, 2012

Pursuit to a special meeting posted April 10, 2012, the meeting was called to order by the Mayor Leo J. Evans at 3:33 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Leo J. Evans, Mayor Pro Tem Brady L. Nelson, Council Members, Pete Baker, and Ronald J. Beauchamp.

Absent: Patricia A. Baribeau.

Nelson moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Baribeau.

Present: Public Safety Retirement Board Members: Chairperson Todd Chouinard, Vice Chairperson David Schaaf, and City Treasurer Robert Valentine.

Absent: Board Members Blake Cowen and Darin Hunter

Also Present: City Manager James V. O'Toole, City Controller Mike Dewar, Gabriel Roeder Smith & Company Representative Michael Gano.

Nelson moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as submitted.

It was the consensus of those members in attendance from the Public Safety Retirement Board, to review and approve their March 27th Meeting Minutes at their next regular meeting.

BRIEF PUBLIC COMMENT - None

NEW BUSINESS

Review of City Retirement Plans.

City Treasurer Valentine reviewed the following:

A. PUBLIC SAFETY RETIRMENT PLANS

1. Overview of Public Safety Retirement Plan and Benefit Schedule
2. Actuarial Presentation and Q&A
3. Investment Review
4. Historical Investment Performance
5. Investment Regulations
6. DROP Plan Overview

Council Members had the following questions:

- Suggestion of obtaining a legal opinion as to the amount of City millage needed to

- fund the City Pension Plan;
- Required pension plan contribution;
- COLA;
- Scope of Duties and Requirements of the Public Safety Retirement Board, and responsibilities to the Legislative Body.

Michael Gano, Actuarial Representative from Gabriel Roeder Smith & Company, reviewed the following with Council:

- DROP Plan incentives;
- New GASB Rules as it pertained to City Contributions;
- GASB New Rules and result to Bond Ratings;
- GASB Unfunded accrued liability;
- Gabriel Roeder Smith & Company Public Safety Retirement System Forty-Fifth Annual Actuarial Valuation;
- Mortality assumptions;
- Changes in Collective Bargaining Benefits;
- Unfunded Accrued Liabilities as it pertained to economy;
- Accounting for Employee contributions;

Time being 5:28 p.m., Public Safety Retirement Board portion of the meeting concluded, and Board Members present left the Meeting. City Treasurer Valentine continued with an explanation of the MERS Pension System.

B. MERS RETIREMENT PLAN

1. Overview of MERS Plan and Benefit Schedule
2. Review of MERS Actuarial Valuation
3. MERS Investment Process
4. Impact of New Hire Defined Contribution Plans
5. Impact of Early Retirement Incentives in 2005

C. DEFINED CONTRIBUTION PLANS

1. Overview of MERS DC Plan
2. Overview of Various 457 Voluntary DC Plans

Council Members also reviewed the following:

- Discussion of contributing to the pension funds from the City Fund Balance to reduce unfunded contributions;
- City Pension and Health Insurance Costs have been explained to City Employees and have been a discussion topic in contract negotiations;
- Discussed charging the PSRB a fee for the City Treasurers management costs;

Joint City Council & Public Safety Retirement Board
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GENERAL PUBLIC COMMENT - None

ADJOURNMENT

Hearing no further public comment, or further reports from the Public Safety Retirement Board and Council, the meeting adjourned at 6:09 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans