

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Work Session Meeting
Monday, July 7, 2014**

Pursuit to a special meeting notice posted June 17, 2014, the meeting was called to order by the Honorable Mayor Marc D. Tall at 8:00 a.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, and Michael R. Sattem.

Absent: Ralph B. Blasier

Also Present: City Manager James V. O'Toole, City Clerk Richards, City Department Heads, and media.

ADJUSTMENTS TO THE AGENDA

Baribeau moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

NEW BUSINESS

Discussion – Boards, Commissions and Committees.

The City Council and Administration discussed current board, commission and/or committee vacancies along with term limits on each board, commission and committee. After discussion, the following changes were proposed: The following was discussed:

- It was suggested, Across the Board, if statutorily allowed, and if an individual members 2nd term was set to expire, the Mayor with Council consensus, could extend a members term one year, up to three times;
- If statutorily allowable, allow individual members to also serve on two Boards or Commissions;
- Electrical Advisory Board Members were currently serving indefinitely until the Power Plant was disposed of, or sold. At that time, the Electrical Advisory Board would be disbanded, and it would be the hope that those members would serve on other City Boards or Commissions.

After further discussion, it was Council consensus to direct Administration to change the City Policy for Appointments to Board and Commissions to reflect:

- Across the Board, if statutorily allowed, and if an individual members 2nd term was set to expire, the Mayor with Council consensus, could extend an individual members term one year, up to three times;

- If statutorily allowable, allow individual members to also serve on two Boards or Commissions.

Discuss – Municipal Employee’s Defined Benefit Retirement Plan, Municipal Employee’s Defined Contribution Retirement Plan and Department of Public Safety Act 345 Retirement Plan.

The City Council and Administration discussed the various pension plans that municipal employees participate in while working for the City of Escanaba.

- Manager O’Toole briefly reviewed the use of Pension Obligation Bonds to fulfill the City unfunded Pension Obligations. Manager O’Toole stated Council received information to backup Administration’s recommendation not to pursue that direction;
- City Treasurer/Human Resource Director Valentine updated Council on the status of the City of Escanaba Pension Defined Benefit Plans;
- Administration was not recommending Bonding for the unfunded pension liability. The City’s MERS plan was a closed plan and Michigan statutes allow bonding. Public Safety Retirement Plan was an open plan and State statutes prohibited bonding. City could, but again Administration recommended against it, and reviewed the reasons why;
- Council directed Treasurer Valentine to prepare a \$15 million Pension Bonding Plan scenario for review;
- Council asked Treasurer Valentine to prepare a monthly/quarterly report to Council on the City Pension Plans.
- Discussed hiring a third party evaluation to bond or not to bond. Administration advised the Actuarial on retainer would not perform that work. The question was a philosophical question;
- It was suggested putting more funds into the unfunded portion of the City Pension Plans. It was suggested to review and discuss this issue at a future work session.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 1:07 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor