CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
NOVEMBER 9, 2000, 6:00 P.M., COUNCIL CHAMBERS

The Special Meeting was called to order by Bob Centilli, Council Vice President, at 6:09 P.M.

MEMBERS PRESENT: Brawner, Centilli, Cross, Martinbianco, Tinnin and Wells.

MEMBERS ABSENT: Zelenko.

OTHERS PRESENT: C. Abbey, Administrative Assistant/Personnel Director; B. Becker, Treasurer/Controller; D. Lowthian, Assessor; J. Benthall, Police Chief; J. Major, DPW Director; G. Webster, Clerk and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE ACTION CONCERNING ORDINANCE NO. 68-23 C.

PRESENTATION:

Mr. Abbey said the administration is prepared to answer any questions the Council may have concerning this ordinance. He said the document should suffice in regards to the proposal. He said if Council would prefer, he could review the sections of the ordinance individually.

AUDIENCE PARTICIPATION:

There was no one in the audience.

COUNCIL DISCUSSION:

Mrs. Tinnin asked that Mr. Abbey review the ordinance step by step.

Mr. Abbey explained the current wages and where the administrators are at in the tenure steps. The administration is proposing to make a fair and equitable adjustment in the percentage rate. He said after reviewing wages from other municipalities similar in size to Burton and also similar responsibilities, Burton still falls below the average. He said it was difficult to get an exact comparable without doing an independent study. Mr. Abbey noted that he contact MML and was informed that an independent study could be requested, but it would take between six months to a year for
completion.

Mr. Abbey said the administration is proposing an equity adjustment in comparison to the union contracts. He said the survey averages were just that, averages and Burton shows a minus towards the average.

Mr. Abbey then reviewed the proposed changes regarding wage increases. (See Attached)

Mrs. Tinnin questioned why there is a proposal for 25/50 in MERS if the individuals don’t intend to leave the City.

Mr. Abbey replied that if they choose to leave this would give them the option to do so. He said one or more make take this option in the near future, but he thinks those involved viewed this as an insurance policy.

Mr. Brawner remarked that Mr. Perez would still be about four years away because of the age factor.

Mr. Abbey said there are several individuals who would not reach this benefit.

Mrs. Tinnin asked if the tenure would be folded into the base wage and then fold the tenure days into personal days.

Mr. Becker replied that after attaining tenure, this time would now become personal days, which increases the personal days by two for a total of 20 personal days.

Mr. Abbey stated that he thinks this is important because in the past the days were given in lieu of raises and we can't just take those days from the union employees. They will sell them back, but it won't be an easy task. Mr. Abbey said he is aware that the Council doesn't want the administrators to get the days paid out at the end of the year. However, with the seniority level of the staff, it is difficult to manage.

Mr. Brawner agreed with Mr. Abbey, that it is difficult situation.

Mr. Abbey said the accumulation is paid off annually, where some municipalities roll over days and put it at the end of the time before the employee retires and ends up not working the last month or so.

A lengthy discussion was held concerning the tenure being folded into the base wage and the equity adjustments.

Mrs. Tinnin inquired about the number of administrators who will elect to take the health care coverage.

Mr. Abbey replied all but three, the two chiefs and the clerk. The Chiefs have health care from their previous employer and the Clerk will fall under her spouse. He said he still thinks this is a win situation for the City. Any future
Chiefs and Clerk will go into the plan and take a 3% rollback, which is still a savings to the City.

Discussion was held concerning Section 8, B-4. Mr. Abbey said if this proposal passes, they will sign off that benefit And in lieu of that will get a 3% increase in wages.

Mrs. Tinnin asked what happens if they have health benefits when they start in the position.

Mr. Abbey said this would still have to be discussed.

Mr. Becker stated they are still getting $1,200 per year in lieu of the health insurance.

Mr. Martinbianco said this shouldn't be done in the future.

Discussion continued regarding the health care benefit.

Mrs. Tinnin was concerned about the equity adjustment.

Mr. Abbey stated that there has to be an inequity for an adjustment to happen. He said the clerical staff does very well so there should be an equity adjustment given. He said when comparisons are made around the state, the administrative staff is underpaid.

Mrs. Tinnin questioned Section 8-J, unused sick/personal days and vacation days and the accumulation of 90 days. She asked, if they cash out each year, how can they have 90 days accumulated?

Mr. Abbey replied that the statement reads they "may" accumulate, but they choose not to do this. Our days are capped and our people take their days and don't accumulate them. Discussion continued concerning this issue.

Mr. Abbey said the City has long term employees and we will have large pay outs because of seniority.

Mr. Cross said if the administrators take all their time off, then the City would have to use other people and pay overtime.

Mr. Abbey said some of the people cannot assume some of the responsibilities of the administrator.

Mr. Abbey said they are proposing to delete Section 6, but the final decision is left up to the Council. This is more fair and equitable as a staff. He said this was deleted in 68-C several times ago. The Mayor is suggesting we add this section back into the ordinance, but I don't think this would be fair. He said the document presently in front of the Council omits Section 6, as deleted four years ago.

Mr. Cross agreed that Section 6 should stay omitted from the ordinance.

Mr. Martinbianco noted that Section 6 was deleted in the passage of Ordinance No. 69-20 C.

Mrs. Tinnin said she has an Attorney General's Opinion that states we can't pay retroactive wages.

Mr. Abbey said he could have Brad recalculate the figures and increase the numbers or just pay retroactive to July 1, 2000.

Mr. Martinbianco said he thinks the thrust of the Attorney General's Opinion dealt with the City Attorney being paid Retroactive, because he is a contract employee.

Mr. Cross stated that the City has never paid the City Attorney retroactive pay. He said he thinks the opinion originally started out including the whole administration, but was narrowed down to the City Attorney.

Mrs. Tinnin said she would not support anything dating back to July 1, 2000.

A lengthy discussion was held concerning the retroactive pay and the Attorney General's Opinion.

Mr. Abbey explained that previously he asked that the administration compensation be dealt with first, but that backfired and was a disaster. You have to look at these and compare as job classifications.

Mr. Martinbianco said he can't justify getting a study every year.

Mr. Abbey said the administration understands that they will not be anywhere near their counterparts and they accept that. He said he doesn't anticipate looking at other municipalities every year, but he thinks this should be done every
five to seven years. He said economically, things are right.

Discussion continued regarding job comparisons. Mr. Abbey said there are certain jobs that require certification and these employees need to take the necessary courses. He said since he has been at the City, he has upgraded 33% of the AFSCME Union, which is 11 out of 33 people.

Mrs. Tinnin asked if the City opens the early retirement, would this include the SEIU group?

Mr. Abbey said previously there was discussion about opening the window period, but we decided against the window period for several reasons. One of the main reasons we decided against this is because there are a number of employees who would be eligible and who could retire all at one time. He said if the 25/50 for Administrators is granted, the SEIU group will in no way expect to get this benefit. You can have different benefits for each group because this is a negotiated item. They may negotiate this benefit down the road, but this doesn't bind us to offer this to the other groups. He explained that under the MERS plan, if the window is opened to one group, it must be opened to all groups. We are not doing that in this ordinance.

Mr. Abbey said MERS now reads 25/55 and because of the age factor, many of the people can't retire. We can't let one person go and not another when the window is opened.

Discussion was held concerning Section 8-F, Pensions.

Mr. Martinbianco asked who was left in the Defined Contribution Plan.

Mr. Abbey replied that Mayor Smiley and Jean Morgan are in the Defined Contribution Plan. They opted to stay in that plan. Our contributions ceased in that plan when we opted to go into MERS.

A lengthy discussion was held concerning the Pension and the affects this would have on the City. He noted that under the SEIU Contract, new employees would not get tenure.

Mrs. Tinnin suggested it would be difficult to replace an administrator with another, if they are as qualified, and not offer them the same benefits.

Mr. Abbey agreed, but stated that the defined contribution plan is more attractive because he doesn't see many administrators getting 25 years here in the future.

Mrs. Tinnin asked what this year's funding level is at.

Mr. Becker said they are 37% funded and previously it was at 31%.

Discussion continued regarding the defined contribution and the possibility of the City getting back in this type of pension in the future.

Mrs. Tinnin asked what the cost is for the benefit of 25/50 plan.

Mr. Becker replied that the cost is $20,606.00. We can't adopt a new coverage without an actuarial be done.

Discussion was held concerning Section 8-B-3. Mrs. Tinnin said this is an option available and she doesn't think the City should pay someone to not take the benefit when they retire.

Mr. Martinbianco agreed with Mrs. Tinnin. He said the City shouldn't pay now and pay later.

Mr. Martinbianco asked how much of the cost of the 25/50 benefit is being borne to the three administrators that are affected.

Mr. Becker replied that this group previously was before Council requesting this benefit and was denied. Since that time, we have a couple new people and some have retired. The cost for this year is 28.62%.

Mrs. Tinnin asked how many people are currently drawing out of MERS.

Mr. Abbey replied there are three.

Mr. Becker said in the entire City only 15 receiving benefits. Out of this group, there are two receiving the benefits and one deferred because of the age factor.

Discussion was held concerning Section 8-E, Optical. Mr. Abbey said an increase up to $500.00 per family was added which is in line with the union contracts.

Mr. Abbey noted that all health care benefits ceases when Medicare takes over.

Mr. Abbey said another item that was not incorporated into the ordinance is whether the Council want to address the contribution rate to your plan. This should be looked at, but this is entirely up to you as a Council. Some kind of adjustment would be in order.

Mr. Cross said Council has done anything for 11 years and he doesn't see a problem with adjusting the pension contribution at this time. Economic times are good now and we should take these adjustments now.

Mr. Abbey said the City of Burton should be a leader. He said the Council job has gotten tougher over the years.

Mr. Cross said there is more time spent away from our families and he thinks all elected officials should have the same contribution.

Discussion continued regarding the Council contribution for pension.

Mr. Martinbianco said this should be equal to what the Mayor is getting.

Mr. Abbey said, as long as you justify what you are doing, the dollars and cents shouldn't become a political issue. We are in line with the increases.

Mr. Brawner said he also agreed.

Mr. Martinbianco asked Mr. Lowthian if there is a problem with the Board of Review remaining at $100 per diem.

Mr. Lowthian suggested Section 10 being raised to $125 per diem.

Mr. Martinbianco said he agreed to increase the amount in Section 10 to $125.00 per diem.

Mr. Martinbianco gave a brief overview of the changes. (See Attached).

Discussions continued regarding the issue of retroactive pay. Mrs. Tinnin said to pass this retroactive to July 1st is a violation of the constitution.

Mr. Abbey said it has been past practice to pay retroactive pay for the past 25 plus years.

Mr. Martinbianco said he may agree with her if the administrators were elected officials, but they are not. The City is governed by Home Rule and we have appointed administrators.

Mr. Abbey said if this is so, then there would only be five people being penalized, those covered under the Charter.

Mr. Brawner suggested that Mrs. Tinnin vote here conscience and the Council move forward.

Mr. Martinbianco suggested that Mrs. Tinnin could amend that section and still have the ability to vote for the increases.

Mr. Abbey said he do some research on the Attorney General's Opinion and he thinks that by definition of MERK, this is not the same.

COUNCIL DISCUSSION/RECOMMENDATION:

Martinbianco moved and Cross seconded the following motion:

1. Approve and authorize forwarding the document as reviewed and Council finalized, to the Clerk's Office for final
   write-up in anticipation of provisions of the Council in ultimate passage on November 20, 2000 for seconding reading.
   Motion carried 6-0

Meeting Adjourned at 8:30 P.M.

Cheryl M. Ladd, CMC
Deputy City Clerk