CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
SEPTEMBER 11, 1991, 7:00 P.M., COUNCIL CHAMBERS

The Finance Meeting was called to order by Tom Martinbianco at 7:00 P.M.

Members Present: Martinbianco, Abbey and Hammon.

Members Absent: None.

Others Present: Mayor Jane L. Nimcheski; B. Becker, Treasurer/Controller; D. Lowthian, Assessor; S. Perez, Purchasing Agent; B. Walworth, City Clerk; H. Clark, Police Chief; A. Walls, Councilwoman and E. Card, Councilman.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE RECOMMENDATION CONCERNING MERS AND OTHER MATTERS THAT MIGHT ARISE.

PRESENTATION:

Mr. Martinbianco went over the MERS program and raised the following issues. 1. Cost effectiveness and the City's ability to pay. 2. Legal ramifications and accural details. 3. Should the program be part of ordinance 68 and 4. Other alternatives. He noted that the City also has other unsettled contracts.

Mr. Becker said he had nothing to add to his previous presentation except that he was in error concerning the memo date. It was 1991 not 1990 but the MERS program has been under discussion since early 1990. He was in error on the date.

Mr. Martinbianco read the August 21, 1991 memo into the record. (see attachment to the minutes).

AUDIENCE PARTICIPATION:

Pauline Dargel, 6119 Hugh asked a series of questions about MERS. She was concerned that benefits could be raised but not lowered once in the program.

John Stapish, 5160 E. Atherton expressed concern about the MERS program and asked a series of questions about MERS.

Jim Townsend, 2051 Covert spoke about the MERS program. He also expressed concern that the number of commissioner seats may be reduced which would not improve our representation at the county level.

Mr. LaDuke said that his group will want MERS and hopes that the Council will not hold up their final settlement on this issue.

COMMITTEE DISCUSSION:

Chief Clark expressed disappointment in the lack of receptivity by the Council for the administrative MERS program. He noted that there would be no cost to the City.
Mr. Martinbianco said the Council would decide the matter at their own pace.

Mr. Becker noted that in a particularly good year the program could cost nothing depending on the funds balance.

Mr. Abbey noted that the different groups will not be wanting the same programs or the same timetable.

Mr. Collard noted that the Council can place the employees in MERS and then define the sub groups.

Mr. Becker said that our present program has a 20 month waiting period. He also noted that individuals could opt out initially if they don't like the mers program or the cost, but positions would be in the program once a new employee was hired.

It was noted that the Council controls the future direction of the program as they are the body that must approve union contracts and administrative benefits. It was also noted that if a person did not stay 6 years that he/she would get their portion of their contribution back at at least 6% interest.

Mrs. Walls asked how the Council fit in the program. Mr. Martinbianco said it should be done by ordinance and that the Council needs to look at it's own program. The Council could opt into the administrative group if they so desired.

Mr. Abbey said his concerns were cleared up and now that we have ventured into a new area for the POAM that the Council must address the non-union request.
Mr. Martinbianco concurred and said they deserve a decision.

Mr. Hammon said that his concern was of timliness and did not want any legal problems by addressing the issue outside the ordinance.

Mr. Hammon said that the committee should make no recommendation and let the total Council make the decision. He wanted the request to address positions and not people. He said that historically the Council usually handled the non-union group last.

Mr. Abbey said that it would be best to define the group and not positions. For example: Non-union non-chartered, non-union chartered, non-union less Council or Administrative and non-union employees.

Mr. Martinbianco asked for an accural study for the group and for Council. He said he would ask the Attorney to explore language for the pension in the ordinance at the next council meeting.
Mr. Card asked that the Attorney be directed to bring the information back at Monday's meeting. Mr. Martinbianco reminded Mr. Card that the Council President had directed that all requests for Attorney opinions go through the President with Council approval.

The Mayor said that the administration could make a request of the Attorney if she knew what they wanted him to investigate.

Mrs. Walls commended Mr. Martinbianco on how he had conducted the meeting this evening.

COMMITTEE RECOMMENDATIONS:

Mr. Martinbianco outlined the points he would like addressed.

1. The attorney should review the recommendations of this and future groups.
2. The charter should be reviewed for any possible concerns.
3. The ordinance and revisions to it should be looked at.
4. Accrual studies should be made concerning each group.

Meeting Adjourned at 9:10 P.M.

Respectfully Submitted,

William R. Walworth,
City Clerk

TO: Mayor Jane L. Nimcheski OK JLN

FROM: Administrative/Non-Union Personnel

RE: Recommendation for a Change in Pension Programs

DATE: August 21, 1991

We the undersigned do hereby request that the City Council adopt a resolution approving the Municipal Employee Retirement System (MERS) for the group to be designated as "Administrative/Non-Union Personnel". The group is further requesting that the following benefit programs and/or options be incorporated into the resolution:

- Benefit Program B-4, with all prior years of service credited from date of hire
- Benefit Program E-2
- Vesting Program V-6
- Retirement Option F-55, with 15 years of credited service

Please consider placing this resolution on the Council Agenda of September 3, 1991, with an effective date for the new plan of October 1, 1991.

It is clearly understood by the undersigned that we will pay any additional cost above the City's current 15% obligation for the implementation of the new pension program. The additional cost is currently estimated to be between 5 and 10%.

Bradley C. Becker

Patricia Pero-McArdle

Herman Clark

Stephen Perez

Arnold James

Charles Sanford

Dennis W. Lowthian

William Walworth

Mayor Jane L. Nimcheski