

COUNCIL PROCEEDINGS
Special Meeting
Monday, June 15, 2020

CALL TO ORDER: By Mayor Ridge on Monday, June 15, 2020 at 7:00 p.m.

PRESENT: Councilmembers Baker, Dyer, Weissenborn, Hoogstra, Mayor Ridge, City Clerk Terpstra and City Manager Guetschow.

ABSENT: Mayor Pro-Tem Armitage and Council member McRae.

Council member Dyer moved, supported by Hoogstra to excuse both due to illness.

PUBLIC COMMENT: None.

ITEMS OF BUSINESS:

A. SETTING GOALS TO IMPLEMENT VISION 2025 STRATEGIC PLAN:

Council member Weissenborn stated that she feels that the council needs to have a deeper discussion on pension funding before voting on the budget. She would like to look for a way to offset this cost in the budget if possible.

City Manager Guetschow gave an overview of the current pension structure. Prior to 2012 all city employees were on a Defined Benefit plan. Some changes were made in FY 2006/2007 and the police department employees were changed from a 2.5% to 3% multiplier. This caused the city funding to drop from around 80% funded down to 56% funding. In 2012 a two-tier system was implemented with all new hires being hired into a Hybrid plan. This is a combination of a defined benefit and defined contribution plan. The retirement system has become very concerned about cities liabilities and are requiring them to be 100% funded over the next twenty years. Our pension is

\$10 million unfunded as of 2018. The city is still awaiting the 2019 actuarial for complete numbers. This is expected by the end of June. In order to get where the funding needs to be in that amount of time would be to cut \$60,000 each year over the next twenty years. The only way to get this kind of money is to cut staff.

Discussion was held on a special assessment and what millage would need to be assessed.

Mayor Ridge suggested taking time to assess each pension plan and the possibility of bridging pensions before using a special assessment or millage to help with these costs. Also, to look at employees contributing more into the plans than they currently are. She stated that the hybrid plans have a cap on the amount that the City contributes and that the employees do not contribute to those plans. She suggested that with contracts being negotiated in 2021 she feels that each and every pension plan should be looked at and assessed at that time. She feels the plans need to be changed before finding a funding mechanism.

City Manager Guetschow stated that the current proposed budget contemplates additional revenues from special assessments in the amount of \$330,000, therefore without that an equal amount would need to be cut out of the general fund budget.

Discussion was held about changing the special assessment amount after implemented and how that would work. The possibility of a general operating bond to pay for pension was also discussed. If a General Operating Bond was desired all employees would need to be moved to a Defined Compensation Plan.

Mayor Ridge suggested looking at bridging pensions going forward. Therefore, the employees current pension would be froze and they would have a new plan going forward from that point.

Discussion was held on how many mills would be needed to fund the pension through a special assessment.

Council member Baker stated that he feels that assessing 2.5 mills that would be specific to paying for pension costs would be the way to proceed.

Council member Dyer moved to move forward with a special assessment to address the pension liability. No Second.

A. CONSIDER FIRST READING OF RESOLUTION NO. 2020-70 TO ADOPT FY 20/21 BUDGET:

Mayor Ridge began by summarizing the strategic plan and noting the organization of goals under the seven elements. She noted that other organizations in the community would be involved in implementing portions of the plan. Council members offered comments about objectives listed under each of the elements.

Arts and Culture. Members favored expanding outdoor art experiences in conjunction with expanding music in downtown with the Community Development Director acting as a liaison to other groups working on arts activities.

Basic Needs. It was noted that the Council would be addressing rental inspections in the fall. Mayor Ridge said she would contact Claudine Williams for additional information about food security.

Neighborhoods and Communities. It was suggested that the Planning Commission identify neighborhoods as part of the strategic plan update. The objectives related to communications would be taken up by the ad hoc communications committee.

Economic Opportunity. It was felt that the community development director should increase his participation with Tri-County Regional Planning and should coordinate with the Chamber and

CharlotteRising to establish a business roundtable. The city manager was asked to find out how a vote is conducted to include our area in the Lansing Community College district.

Education. A joint meeting with the school board was proposed. It was felt that references to adult education should be clarified and might relate to the need for life-long learning.

Environment. Objectives 6.2 and 6.3 were assigned to the DPW director. It was suggested that the Parks Advisory Board should look into an adopt-a-park program.

Health and Wellness. Discussion focused on sidewalks and how sidewalk conditions are measured. It was suggested that Eaton Community Health might be involved in measuring satisfaction with health offerings.

PUBLIC COMMENT: None.

Council member Baker moved, seconded by Dyer to adjourn at 8:21 P.M. Carried. 5 Yes. 0 No

Mayor Yvonne Ridge

Ginger Terpstra, City Clerk, CMMC