

**CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF OCTOBER 20, 2014**

Mayor Clark called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Mayor Clark led the Pledge of Allegiance and offered the invocation.

Present: Councilmembers: Brown, Bruno, Clark, Droscha, Ferris, Naeyaert
Absent: Councilmember: Mulvany
Also present: Martin A. Colburn, City Administrator
Deborah J. Cwierniewicz, City Clerk
Eric Smith, Finance Director/Treasurer
David Haywood, Zoning & Development Director
Dennis McGinty, City Attorney

ANNOUNCEMENTS

No announcements at this time.

PEOPLE FROM THE FLOOR

Jeff Rewerts, City of Mason employee/Union 1390 Representative, stated that he was present to explain how the employees came to their position regarding the MERS Benefit Plan, that has been discussed at previous meetings. Mayor Clark asked Attorney McGinty to advise whether it would be appropriate to discuss this matter at this time. McGinty stated that in accordance with the Public Employee Relations Act, it would not be appropriate because it is a matter currently in negotiations. Under the law, when a unit of employees is represented by a collective bargaining agent, it is not permitted to discuss a labor agreement without going through the formal negotiations, or to engage in statements of relative positions, or anything that could be construed as collective bargaining in this manner.

Carol Bowman of 869 South Lansing Street stated that her water bill is inconsistent and feels that she has overpaid the actual usage in the past two years.

Marta Ford, member of Civitan, stated that she and her husband would like to build a Civitan Club in Mason.

John Greathouse of 306 State Street, Eaton Rapids, stated that he was representing the American Postal Workers Union, and is an employee of the Lansing Distribution Center. He asked Council to inform Mason residents regarding consolidation of mail processing plants across the nation, which is slated to begin in Michigan within the next few months.

Teresa Forbush, City of Mason employee, asked Council to clarify the reason Council would not hear from City of Mason employee/Union 1390 Representative Jeff Rewerts.

PRESENTATION

Amanda Garber, Abraham & Gaffney—Audit Review/Financial Statements

Amanda Garber, CPA from Abraham & Gaffney presented details of the audit review and financial statements. She stated that the City has received an “unqualified opinion.” This means that our records and financial statements are accurately accounted for and presented. They are also in conformity with generally accepted accounting principles.

MOTION by Naeyaert, second by Brown,
to accept the City of Mason 2013-2014 Financial Statements and place them on file.
MOTION APPROVED

CONSENT AGENDA

The October 6, 2014 Minutes were removed from the Consent Agenda.

MOTION by Naeyaert, second by Droscha,
to approve the Consent Agenda as follows:

A. Approval of Bills - \$103,896.45

MOTION APPROVED

REGULAR BUSINESS

Approval of Minutes - Regular Council Meeting: October 6, 2014

Bruno asked that the spelling of his wife's name be corrected in the Minutes of October 6, 2014.

MOTION by Naeyaert, second by Droscha,
to approve the Minutes of October 6, 2014 with a typographical change.

MOTION APPROVED

Resolution No. 2014-51—Resolution to Change MERS Benefit

MOTION by Naeyaert, second by Droscha,
to consider Resolution No. 2014-51 read.

MOTION APPROVED UNANIMOUSLY

Resolution No. 2014-51 was introduced by Droscha and seconded by Brown

[RESOLUTION BEGINS ON THE NEXT PAGE]

Defined Benefit Plan Adoption Agreement



934 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 617.703.9711

The Employer, a participating municipality or participating court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with the MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Employer Name City of Mason Municipality #: 3304

If new to MERS, please provide your municipality's fiscal year: _____ through _____.
Month Month

II. Effective Date

Check one:

A. If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of _____, 20__.

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible participant shall be credited as follows (choose one):

- All prior service from date of hire
- Prior service proportional to assets transferred; all service used for vesting
- Prior service and vesting service proportional to assets transferred
- No prior service but grant vesting credit
- No prior service or vesting credit

Link this new division to division number _____ for purposes of determining contributions (Unless otherwise specified, the standard transfer/rehire rules apply)

B. If this is an **amendment** of an existing Adoption Agreement (Defined Benefit division number 02), the effective date shall be the first day of November, 2014. *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.

C. If this is a **temporary benefit** that lasts 2-6 months, the effective dates of this temporary benefit are from ___/01/___ through ___/___/___ for Defined Benefit division number _____.
Last day of month
Please note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

D. If this is to **separate employees from an existing Defined Benefit division** (existing division number(s) _____) into a new division, the effective date shall be the first day of _____, 20__.

E. If this is to merge division(s) _____ into division(s) _____, the effective date shall be the first of _____, 20__.

Defined Benefit Plan Adoption Agreement

III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Defined Benefit Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following groups of employees are eligible to participate:

02 Police Other

(Name of Defined Benefit division – e.g. All Full Time Employees, or General after 7/01/13)

Only retirees will be in this division.

These employees are (check one or both):

- In a collective bargaining unit (attach cover page, retirement section, signature page)
 Subject to the same personnel policy

To receive one month of service credit (check one):

- An employee shall work 10 _____ hour days.
 An employee shall work _____ hours in a month.

All employees as classified under eligible employees, whether full or part time, who meet this criteria must be reported to MERS. If you change your current day of work definition to be more restrictive, the new definition only applies to employees hired after the effective date.

To further define eligibility, check all that apply:

- Probationary Periods** are allowed in one-month increments, no longer than 12 months. During this introductory period, the Employer will not report or provide service time for this period, including retroactively. Service will begin after the probationary period has been satisfied.
The probationary period will be _____ month(s).
- Temporary employees** in a position normally requiring less than a total of 12 whole months of work in the position may be *excluded* from membership. These employees must be notified in writing by the participating municipality that they are excluded from membership within 10 business days of date of hire or execution of this Agreement.
The temporary exclusion period will be _____ month(s).

IV. Provisions

Valuation Date: December 31, 20 13

1. Review the valuation results

It is recommended that your MERS representative presents and explains the valuation results to your municipality before adopting. Please choose one:

- Our MERS representative presented and explained the valuation results to the _____ on _____.
(Board, Finance Cmte, etc.) (mm/dd/yyyy)
- As an authorized representative of this municipality, I Martin A. Colburn
City Administrator (Name)
(Title) waive the right for a presentation of the results.

Defined Benefit Plan Adoption Agreement

2. This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.
3. Annually, the MERS actuary will conduct an actuarial valuation to determine the employers' contribution rates. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.
4. Benefit Multiplier (1%-2.5%, increments of 0.05%) _____ % (max 80% for multipliers over 2.25%)

Check here if multiplier will be effective for existing active members' future service only (Bridged Benefit as of effective date on page 1)

If checked, select one below:

- Termination Final Average Compensation (calculated over the members entire wage history)
- Frozen Final Average Compensation (FAC is calculated twice, once for the timeframe that matches the original multiplier, and once for the new multiplier)

5. Final Average Compensation (Min 3 yr, increments of 1 yr) _____ years
6. Vesting (5 -10 yrs, increments of 1 yr) _____ years
7. Required employee contribution (Max 10%, increments of 0.01%) 11.50 %
8. Compensation, for retirement purposes, is defined as base wages and all of the following. Check applicable boxes to *exclude* these types from your MERS reported wages:
 - Longevity pay
 - Overtime pay
 - Shift differentials
 - Pay for periods of absence from work by reason of vacation, holiday, and sickness
 - Workers' compensation weekly benefits (if reported and are higher than regular earnings)
 - A member's pre-tax contributions to a plan established under Section 125 of the IRC
 - Transcript fees paid to a court reporter
 - A taxable car allowance
 - Short term or long term disability payments
 - Payments for achievement of established annual (or similar period) performance goals
 - Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
 - Lump sum payments attributable to the member's personal service rendered during the FAC period
 - Other: _____
 - Other 2: _____

Defined Benefit Plan Adoption Agreement

9. Early Normal Retirement with unreduced benefits

- Age 50 with 25 years of service Age 50 with 30 years of service
 Age 55 with 15 years of service Age 55 with 20 years of service
 Age 55 with 25 years of service Age 55 with 30 years of service
 Any age with (20-30 yrs, in 1 yr increments) _____ years of service

10. Other

- Surviving Spouse will receive _____% of Straight Life benefit without a reduction to the participant's benefit
 Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)
 DROP + with _____%

11. Cost-of-Living Adjustment

| | |
|--|---|
| <input type="checkbox"/> All current retirees as of effective date <input type="checkbox"/> Retirees who retire between ____/01/____ and ____/01/____ <i>(one time increase only)</i> | <input type="checkbox"/> Future retirees who retire after effective date |
| Increase of ____% or \$____ per month | Increase of ____% or \$____ per month |
| Select one: <input type="checkbox"/> Annual automatic increase <input type="checkbox"/> One-time increase | <input type="checkbox"/> Annual automatic increase |
| Select one: <input type="checkbox"/> Compounding <input type="checkbox"/> Non-compounding | Select one: <input type="checkbox"/> Compounding <input type="checkbox"/> Non-compounding |
| Employees must be retired ____ months (6-12 months, increments of 1 month) | Employees must be retired ____ months (6-12 months, increments of 1 month) |

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Benefit Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event any conflict between MERS Plan Document and the MERS Defined Benefit Plan, the provisions of the Plan Document control.

Defined Benefit Plan Adoption Agreement

VI. Modification Of The Terms Of The Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

VII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired, and prohibits the use of the Employer's required current service funding to finance unfunded accrued liabilities.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. In accordance with the Constitution and this Agreement, if at any time the balance standing to the Employer's credit in the reserve for employer contributions and benefit payments is insufficient to pay all service benefits due and payable to the entity's retirees and beneficiaries, the Employer agrees and covenants to promptly remit to MERS the amount of such deficiency as determined by the Retirement Board within thirty (30) days notice of such deficiency.
4. The Employer acknowledges that wage and service reports are due monthly, and the employee contributions (if any) and Employer contributions are due and payable monthly, and must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference.
5. Should the Employer fail to make its required contribution(s) when due, the retirement benefits due and payable by MERS on behalf of the entity to its retirees and beneficiaries may be suspended until the delinquent payment is received by MERS. MERS may implement any applicable interest charges and penalties pursuant to the MERS Enforcement Procedure for Prompt Reporting and Payment and Plan Document Section 45A(3), and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. The Employer acknowledges that changes to the Employer's MERS Defined Benefit Plan must be made in accordance with the MERS Plan Document and applicable law, and agrees that MERS will not administer any such changes unless the MERS Plan Document and applicable law permit same, and MERS is capable of administering same.

Defined Benefit Plan Adoption Agreement

VIII. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by City of Mason on
the 20 day of October, 2014. (Name of Approving Employer)

Authorized signature: *Robert J. Wirtniewicz*

Title: *City Clerk*

Witness signature: *Rebekah Lemley*

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)

RESOLUTION APPROVED

Resolution No. 2014-52 – A Resolution to Adopt the 80/20 Cost Sharing Model as Set Forth in Section 4 of Public Act 152

MOTION by Droscha, second by Brown,
to consider Resolution No. 2014-52 read.

MOTION APPROVED

Resolution No. 2014-52 was introduced by Bruno and seconded by Ferris.

**CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2014-52
A RESOLUTION TO ADOPT THE 80/20 COST SHARING MODEL
AS SET FORTH IN SECTION 4 OF PUBLIC ACT 152
October 20, 2014**

WHEREAS, Public Act 152 (PA 152) was designed to lessen the burden of employee healthcare costs on public employers; and

WHEREAS, the communities are given three options for complying with the requirements of PA 152; and

WHEREAS, the options available to the city are:

- 1) Apply the hard cap (capped dollar amount each employer may pay towards an employee's health care costs;
- 2) Adopt by majority vote the 80%/20% cost-sharing model;
- 3) Opt out (exempt itself from) the cost-sharing model as set forth in the act and revisit it prior to the next plan year; and

NOW THEREFORE BE IT RESOLVED, the City of Mason will comply with the contribution limits contained in Section 4 of the Act, the 80%/20% cost sharing option, subject to the limitations contained in Section 5 of the Act pertaining to collective bargaining agreements.

RESOLUTION APPROVED

Motion—1020 E. Ash St. – Quote for Asbestos Abatement Services

Haywood elaborated on his report regarding the quote for asbestos abatement for the property located at 1020 East Ash Street. Discussion ensued to request statements of work from the companies who submitted quotes.

MOTION by Bruno, second by Droscha,

To defer consideration of the quote for asbestos abatement services to the next regular meeting.

MOTION APPROVED

Motion—Three (3) Year Bio-Solids Removal Contract Extension

Colburn elaborated on the POTW Superintendent's submitted report recommending extending the contract with Gawne Trucking for the removal of bio-solids for an additional three years.

MOTION by Naeyaert, second by Droscha,

to waive the bidding process and extend the contract between the City of Mason and Gawne Trucking for the removal of the bio-solids for an additional three (3) years.

MOTION APPROVED

Discussion—Medical Marijuana House Bills 4271 and 5104

Naeyaert stated that in her experience working in the Legislature, she felt that it was unlikely that the two House bills would be moved in the remaining few days left of session. She added that she could obtain information on legislative matters for staff.

Stressman stated that he was presenting House Bills 4271 and 5104 for discussion because they were scheduled to go to the Senate floor October 22, 2014. At the request of Police Chief Stressman, it was the consensus of Council to authorize administration to contact its area Senator stating the City's desire to have House Bills 4271 and 5104 returned to the House.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Staff was requested to include an update of action taken by the City regarding Medical Marihuana on the November 17, 2014, meeting agenda. Also requested was any recent case law or information that Attorney McGinty could provide.

A brief discussion was held regarding tap-in fees charged for existing businesses that expand in square footage.

CORRESPONDENCE

All correspondence was distributed.

LIAISON REPORTS

- Brown informed Council regarding the Sesquicentennial Committee business
- Naeyaert informed Council regarding Planning Commission business

COUNCILMEMBER REPORTS

Mayor Clark, Councilmember Brown, and Administrator Colburn gave individual reports of the MML Convention seminars they attended.

ADMINISTRATOR'S REPORT

Colburn informed Council regarding current City business.

McGinty stated that the next matter of business by the City Administrator is a request to hold an executive session to review an attorney/client communication from the City's labor counsel, dated September 15, 2014. Since that communication there have been meetings with the bargaining unit. The Open Meetings Act allows meeting in executive session for another related purpose. McGinty stated that if Council planned to move to go into executive session to discuss that communication, he would recommend that the motion should include the purpose of discussing with the City's collective bargaining representative, the bargaining progress and strategies to allow discussion regarding what has happened since the communication of September 15, 2014.

EXECUTIVE SESSION - REVIEW LEGAL OPINION

MOTION by Naeyaert,
to adjourn to executive session to review a legal opinion and to meet with the City's bargaining representative to discuss bargaining status, progress, and/or strategies.
Yes (6) Brown, Bruno, Droscha, Ferris, Naeyaert, Clark
No (0)
Absent (1) Mulvany
MOTION APPROVED UNANIMOUSLY

The meeting adjourned to executive session at 9:17 p.m. and reconvened at 10:02 p.m.

ADJOURNMENT

The meeting adjourned at 10:03 p.m.

Deborah J. Cwierniewicz, City Clerk

Leon R. Clark, Mayor