

**CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF DECEMBER 1, 2014**

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

Present: Councilmembers: Brown, Bruno, Clark, Droscha, Ferris, Mulvany, Naeyaert
Absent: Councilmember: None
Also present: Martin A. Colburn, City Administrator
Deborah J. Cwierniewicz, City Clerk
Eric Smith, Finance Director/Treasurer
Ken Baker, DPW Superintendent
Dennis McGinty, City Attorney
Thomas Hitch, City Attorney

ANNOUNCEMENTS

- Annual Pearl Harbor Remembrance Day at the Monument Site on the Court House Square – December 7, 2014 at 12:55 p.m.
- Councilmember Brown introduced his mother and his friend Gary Whitley from Huntsville Utilities in Huntsville, Alabama; he also serves on the Huntsville Planning Commission. Both are visiting for the holiday.
- Crowd Funding – Michigan Municipal League – December 3, 2014 at City Hall

PEOPLE FROM THE FLOOR

None.

CONSENT AGENDA

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

- A. Approval of Minutes – Regular Council Meeting: November 17, 2014
- B. Approval of Bills: \$59,422.81

MOTION APPROVED

REGULAR BUSINESS

Resolution No. 2014-55—City Officer Appointment—Attorney

Attorney McGinty introduced his partner Tom Hitch. At the November 17, 2014, meeting, Mr. McGinty announced his plans to retire at the end of this year. He stated that he began working for the City of Mason in 1976. The next year Tom Hitch joined the firm serving as a civil attorney as well, and has worked in that capacity since. He feels that if Council were to appoint Tom Hitch as the city attorney, the City of Mason's legal affairs would be in very good hands.

MOTION by Naeyaert, second by Droscha,
to consider Resolution No. 2014-55 read.

MOTION APPROVED

Resolution No. 2014-55 was introduced by Ferris and seconded by Mulvany.

**CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2014-55
RESOLUTION OF CITY OFFICER APPOINTMENT – ATTORNEY
December 1, 2014**

WHEREAS, in accordance with the Charter, City of Mason Michigan, Adopted June 26, 1951; and

WHEREAS, as listed in section 4.6, the Administrative Officers of the City are listed; and

WHEREAS, it is the recommendation of the City Administrator to fill the City Officer vacancy by appointing Thomas M. Hitch as the Attorney for the City of Mason; now

THEREFORE, BE IT RESOLVED, that the City Council of the City of Mason does hereby appoint Thomas M. Hitch as an Administrative Officer to the office of Attorney and is hereby charged with performing the duties and responsibilities of the office.

Yes (6) Brown, Clark, Droscha, Ferris, Mulvany, Naeyaert

No (1) Bruno

RESOLUTION APPROVED

Resolution No. 2014-56—Resolution for Changing MERS Benefits

Colburn stated that effective October 1, 1997, AFSCME Local #1390 (General Union group in MERS) was approved by resolution of the Mason City Council to move from the Defined Benefit Retirement Plan B-2 to the Defined Benefit Retirement Plan B-3. At the time of the change, the employer contribution was 0.00%.

A special conference was called between the City and AFSCME Union to discuss consideration of adjusting the MERS contributions. City Council has agreed that the City pay the remainder of 6.13% for the lifespan of the current contract, which terminates September 2016. The new employee contribution would be 11.89% and the AFSCME Union members are responsible for any increased adjustments for the lifespan of the current contract.

MOTION by Brown, second by Droscha,
to consider Resolution No. 2014-56 read.

MOTION APPROVED

Resolution No. 2014-56 was introduced by Ferris and seconded by Mulvany.

[RESOLUTION BEGINS ON THE NEXT PAGE]

Defined Benefit Plan Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

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: July through June.
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 01), the effective date shall be the first day of December, 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:

01 General Union

(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, 2013

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 Administration/Finance on 06/18/2014
(Board, Finance Cmte, etc.) (mm/dd/yyyy)
- As an authorized representative of this municipality, I _____
(Name)
_____ waive the right for a presentation of the results.
(Title)

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%) 11.89 %
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"/> Future retirees who retire after effective date
<input type="checkbox"/> Retirees who retire between _____/01/____ and _____/01/____ <i>(one time increase only)</i>	
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 1st day of December, 20 14. (Name of Approving Employer)

Authorized signature: _____

Title: City Clerk

Witness signature: _____

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

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

RESOLUTION APPROVED

Discussion—Public Utility Charges

Colburn commented that he requested a legal review regarding water and sewer services, and tap-in-fees for new development due to the issues that have been brought before Council recently. McGinty spoke briefly regarding the process and the laws mandating billing for the city services and whether there is the ability to make adjustments or provide a waiver for residents seeking relief from excessively high bills or hardship. Mr. McGinty cited state law and city code stating that a city does not have the power to waive or forgive the cost of services. A brief discussion ensued to consider increasing meter readings and consideration of updating to a new system. Baker commented on the current meter reading process. Smith stated that increasing the meter reading to monthly rather than quarterly would have a significant impact the finance department resources.

UNFINISHED BUSINESS

The State has not addressed the Kerns Road sign at this point, and the Maine Court street sign has been corrected.

NEW BUSINESS

None.

CORRESPONDENCE

All correspondence was distributed.

LIAISON REPORTS

- Ferris informed Council regarding the Legacy Tree Program. There was no Tree Commission business to report.
- Mulvany stated he was not present at the last Historic District Commission meeting. Historic District Commission Chairperson Mike Waltz informed Council regarding business deliberations of that meeting.
- Brown informed Council regarding the Sesquicentennial Committee business

COUNCILMEMBER REPORTS

None.

ADMINISTRATOR'S REPORT

Colburn informed Council regarding current City business. He stated that Mayor Clark has accepted the request from Lansing Economic Area Partnership (LEAP) to serve as the representative for smaller cities.

ADJOURNMENT

The meeting adjourned at 8:23 p.m.

Deborah J. Cwierniewicz, City Clerk

Leon R. Clark, Mayor