

# CITY OF MASON

201 West Ash St.  
Mason, MI 48854-0370

City Hall 517-676-9155  
Fax 517-676-1330

## CITY COUNCIL MEETING - COUNCIL CHAMBER

Monday, July 7, 2014

7:30 p.m.

### AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance and Invocation
4. Announcements
5. People from the Floor
6. Presentation—Don Vickers
  - A. Resolution 2014-36—A Resolution of Non Support of a Dedicated Parks Millage of an Ingham County-wide Half Mill in the November 4, 2014 Election
7. Consent Agenda
  - A. Approval of Minutes
    - Regular Council Meeting: June 16, 2014
  - B. Approval of Bills
8. Regular Business
  - A. Second Reading and Adoption – Ordinance 198—An Ordinance to Amend the Code of the City of Mason by Repealing in its Entirety Chapter 60 – Soil Erosion and Sedimentation Control
  - B. Resolution 2014-35—Resolution for Changing MERS Benefits
9. Unfinished Business
10. New Business
11. Correspondence
  - Invitation to Ribbon Cutting Ceremony and Historical Marker Dedication for the Ingham County Fair
12. Liaison Reports
13. Councilmember Reports
14. Executive Session—Fraternal Order of Police Supervisory Contract
15. Adjournment

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

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**Meeting Date:** July 7, 2014

**Agenda Item:** 6 (A)

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### **AGENDA ITEM**

Resolution 2014-36—A Resolution of Non Support of a Dedicated Parks Millage of an Ingham County-wide Half Mill in the November 4, 2014 Election

### **EXHIBITS**

- Proposed Millage Language as recommended by the Millage Task Force to the County Services Committee

### **STAFF REVIEW**

Administration

### **SUMMARY STATEMENT**

Staff has reported that the Ingham County Parks Commission has been developing a ballot question for a dedicated Countywide millage to fund parks operated by Ingham County, or other municipal parks located within Ingham County. Dialogue has included this funding source specifically to fund the Lansing trails system and potentially other municipal parks within the County.

In recent years, Ingham County has demonstrated a reduction of parks services in Mason and the out county area. This is demonstrated by Ingham County turning over Rayner Park to the City of Mason and Baldwin park to Onondaga Township. This has also been inclusive of other parks in Williamston, Leslie in past years. It is the intent of the Ingham County Parks Commission to forward language to the Ingham County Board of Commissioners requesting support of this millage increase. Final language is currently not formulated, but I have included as an attachment language currently drafted and being worked on by a Task Force by Ingham County.

Ingham County Commissioner Don Vickers will be present at the July 7, 2014 Council meeting to address the discussion and progress within the task force. We will also be making a recommendation that is consistent with the dialogue you have had on this issue at a recent meeting.

### **RECOMMENDED ACTION**

Discussion with Ingham County Commissioner Don Vickers

Move to approve Resolution 2014-36

Introduced:  
Second:

**CITY OF MASON  
CITY COUNCIL RESOLUTION 2014-36**

**A RESOLUTION OF NON SUPPORT OF A DEDICATED PARKS MILLAGE OF AN  
INGHAM COUNTY-WIDE HALF MILL IN THE NOVEMBER 4, 2014 ELECTION**

**July 7, 2014**

**WHEREAS**, the Ingham County Parks Commission created a Parks and Trails Task Force to research the needs of parks within the County system; and

**WHEREAS**, the Parks and Trails Task Force is comprised of Ingham County Parks Commissioners and members of the Ingham County Board of Commissioners; and

**WHEREAS**, their review has initiated a proposal of a half mill increase ballot question to be placed on the November 4, 2014 ballot; and

**WHEREAS**, this millage is being dedicated as a funding source for parks operated by the County of Ingham or other municipal parks located in Ingham County and existing river trails and pathways owned by other government agencies within Ingham County and the construction of new trailways within government agencies within Ingham County; and

**WHEREAS**, Ingham County chose to discontinue maintenances and services of Rayner Park in the year 2010, and the City of Mason stepped up to ensure that this asset was maintained for the good of the people within Ingham County; and

**WHEREAS**, the City of Mason has demonstrated in good faith that we maintained our own parks system as well as providing services during challenging economic times by allocating local resources as well as organizing significant volunteer efforts to maintain our park system.

**WHEREAS**, the current ballot language is interpreted as providing other cities and entities with financial assets to take care of their park system without the consideration of focusing solely on Ingham County parks as should be the interest of County government.

**THEREFORE BE IT RESOLVED** by the City Council of the City of Mason that implores the Ingham County Commissioners not to support this millage ballot question as written; and

**BE IT FURTHER RESOLVED** that the Mason City Council encourages Mason Citizens and Ingham County citizens not to support the special parks millage question as written.

Yes:

No:

**CLERK'S CERTIFICATION:** I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, July 7, 2014, the original of which is part of the Council's minutes.

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Deborah J. Cwierniewicz, City Clerk  
City of Mason  
Ingham County, Michigan

**Proposed Millage Language as recommended by the Millage Task Force to the County Services Committee:**

Ingham County proposes to create and maintain a county system of recreational trails and adjacent parks. This system may incorporate trails or parks previously created by local units of government, including Lansing's River Trail, and may acquire rights of way to connect and extend existing trails. For the purpose of creating and maintaining such a county trail system, shall Ingham County be permitted to levy a tax of not more than 0.50 mills, that being...

**CITY OF MASON  
REGULAR CITY COUNCIL MEETING  
MINUTES OF JUNE 16, 2014**

Mayor Clark called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Mulvany 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  
David Haywood, Zoning & Development Director  
John Stressman, Chief of Police

**ANNOUNCEMENTS**

- Rayner Park Stage Ribbon Cutting - Thursday, June 19, 2014
- Rayner Park Rally Club Fund Raiser – Saturday, June 21, 2014

**PEOPLE FROM THE FLOOR**

No comments were offered from the public at this time.

**CONSENT AGENDA**

A very brief discussion was held regarding the number of soil erosion inspections.

MOTION by Droscha, second by Naeyaert,  
to move Agenda Items No. 8 (B-F) to the Consent Agenda as Items 7(D-H) and  
adjust the remaining items under Regular Business accordingly.

**MOTION APPROVED UNANIMOUSLY**

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

- A. Approval of Minutes – Regular Council Meeting: June 2, 2014**
- B. Motion – Approval of Bills - \$40,956.55**
- C. Resolution No. 2014-30 – Designate Authorizing Signatories**

**CITY OF MASON  
CITY COUNCIL RESOLUTION 2014-30  
DESIGNATE AUTHORIZING SIGNATORIES  
June 16, 2014**

**BE IT HEREBY RESOLVED**, that Mason State Bank and Dart National Bank, as designated depositories of the City of Mason, be, and it is hereby requested, authorized, and directed to honor checks, drafts, or other orders for the payment of money drawn in the City's name, including those payable to the individual order of any persons whose names appear thereon as signers thereof, when bearing or purporting to bear the facsimile signatures of the two following names: Martin A. Colburn, City Administrator; Eric E. Smith, Finance Director/Treasurer, and the above banks shall be entitled to honor and charge the City of Mason for such checks, drafts, or other orders, regardless of by whom or by what means the actual or purported facsimile signatures thereon may have been affixed thereto, if such signature resembles the facsimile specimens duly certified to or filed with the above banks by the Clerk of the City of Mason.

**D. Resolution No. 2014-31 – Amend the 2013-2014 Fiscal Year Budget**

CITY OF MASON  
CITY COUNCIL RESOLUTION 2014-31  
AMEND THE 2013-2014 FISCAL YEAR BUDGET  
June 16, 2014

BE IT HEREBY RESOLVED by the City Council of the City of Mason that the 2013-2014 fiscal year Budget is hereby amended as per the attached "Exhibit A."

**E. Resolution No. 2014-32 – Return Delinquent Water and Sewer Bills to the July 2014 Tax Roll**

CITY OF MASON  
CITY COUNCIL RESOLUTION 2014-32  
RETURN DELINQUENT WATER AND SEWER BILLS TO THE JULY 2014 TAX ROLL  
June 16, 2014

BE IT HEREBY RESOLVED by the City Council of the City of Mason that the City Treasurer is hereby authorized to return the attached "Exhibit A" entitled Delinquent Water and Sewer Bills, to the July 2014 Tax Roll, pursuant to Mason City Code Section 82-246 (a).

**F. Resolution No. 2014-33 – Levy 1% Tax Administration Fee**

CITY OF MASON  
CITY COUNCIL RESOLUTION 2014-33  
LEVY 1% TAX ADMINISTRATION FEE  
June 16, 2014

BE IT HEREBY RESOLVED by the City Council of the City of Mason that the City Treasurer is to levy a 1% tax administration fee on all Ingham County, Mason Public School, Ingham Intermediate School, State Education, Capital Area District Library and Lansing Community College taxes levied on the July and December 2014 tax rolls of the City of Mason;

FURTHER RESOLVED, that the City Treasurer is hereby authorized to collect 4% interest on any taxes that remain unpaid from the July tax roll after August 31, 2014 and 3% penalty from the December tax roll after February 14, 2015.

**G. Resolution No. 2014-34 – Return Miscellaneous Bills to the July 2014 Tax Roll**

CITY OF MASON  
CITY COUNCIL RESOLUTION 2014-34  
RETURN MISCELLANEOUS BILLS TO THE JULY 2014 TAX ROLL  
June 16, 2014

BE IT HEREBY RESOLVED by the City Council of the City of Mason that the City Treasurer is hereby authorized to return the attached "Exhibit A" entitled Miscellaneous Bills, to the July 2014 Tax Roll.

MOTION APPROVED UNANIMOUSLY

**REGULAR BUSINESS**

**First Reading – Ordinance No. 198 – An Ordinance to Amend the Code of the City of Mason by Repealing in its Entirety Chapter 60 – Soil Erosion and Sedimentation Control**

Haywood elaborated on his submitted report regarding repealing Chapter 60 from the Mason Code.

MOTION by Naeyaert, second by Droscha,  
to introduce Ordinance No.189 and consider it read for the first time.

MOTION APPROVED UNANIMOUSLY

**Motion—Directory of Charges**

Colburn summarized the proposed changes to the Directory of Charges.

MOTION by Naeyaert, second by Droscha,  
to approve the Directory of Charges dated June 16, 2014.

**MOTION APPROVED UNANIMOUSLY**

**Motion – Assign 1% of Unassigned Fund Balance for Grant Matching**

City Council recommended the City assign 1% of fund balance to be used for grant matching during the 2013/2014 budget workshops. The audit for fiscal year ending June 30, 2013 resulted in an Unassigned fund balance of \$2,467,200. The 1% grant matching assignment for FY 2013/2014 would equate to \$24,672.

MOTION by Naeyaert, second by Droscha,  
to assign 1% or \$24,672 of the audited Unassigned fund balance for fiscal year ended June 30, 2014 to be used for grant matching.

Discussion was held to allow an increase for the Unassigned fund balance to be used for grant matching and public art.

MOTION by Brown, second by Mulvany,  
to amend the main motion by striking 1% or \$24,672, and inserting 1.2% or \$29,672.

Yes (0)

No (7) Brown, Bruno, Clark, Droscha, Ferris, Mulvany, Naeyaert

**MOTION FAILED**

VOTE ON THE MAIN MOTION:

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

No (1) Mulvany

**MOTION APPROVED**

**Discussion – Fire Department Apron Project**

Colburn informed Council that there was a misprint on the Staff Agenda Report dated March 3, 2014, regarding the depth of the asphalt on the replacement of the drive apron at Mason Fire Station No. 1. The bid document in the packet had the correct unit amounts listed, 8" of aggregate with 6" of asphalt over the top. However, necessary adjustments have been proposed to provide the best grade for the fire trucks. The adjustment would require removing thirty foot of curb and gutter on the west side of the project, as well as five feet of concrete adjacent to the building. In addition, it would comply with the Americans with Disabilities Act (ADA) requirements for the sidewalk. The estimate, based on unit prices of the original bid, would be an additional \$4,228.00.

**UNFINISHED BUSINESS**

It was stated that there has not been any resolution regarding the defective City Council DVD of May 19, 2014, as yet.

**NEW BUSINESS**

Droscha stated that the Public Art Policy may need to be reviewed for possible updates.



MOTION by Brown, second by Droscha,  
to assign \$5,000 of the audited Unassigned fund balance for fiscal year ended June 30,  
2013 to be used for public art purposes.

Discussion ensued regarding particulars of the motion including what fiscal year the funds  
would be used, and in what manner.

VOTE ON THE MOTION:

Yes (3) Brown, Droscha, Ferris,

No (4) Bruno, Mulvany, Naeyaert, Clark

MOTION FAILED

City street closures were discussed, including West South Street and Barnes Street.

### CORRESPONDENCE

All correspondence was distributed.

### LIAISON REPORTS

- Brown informed Council regarding the Sesquicentennial Committee business
- Naeyaert informed Council regarding Planning Commission business
- Clark informed Council regarding the special meeting held by the Downtown Development Authority

### COUNCILMEMBER REPORTS

No reports at this time.

### ADMINISTRATOR'S REPORT

Colburn informed Council regarding city business.

### EXECUTIVE SESSION - PERSONNEL - CITY ADMINISTRATOR'S PERIODIC PERFORMANCE REVIEW

MOTION by Naeyaert,

to adjourn to executive session to discuss the City Administrator's periodic performance review.

Yes (7) Brown, Bruno, Droscha, Ferris, Mulvany, Naeyaert, Clark

No (0)

MOTION APPROVED UNANIMOUSLY

The meeting adjourned to executive session at 8:30 p.m. and reconvened at 10:56 p.m.

### ADJOURNMENT

The meeting adjourned at 10:57 p.m.

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Deborah J. Cwiertniewicz, City Clerk

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Leon R. Clark, Mayor

07/03/2014 11:53 AM  
 User: TF  
 DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON  
 EXP CHECK RUN DATES 07/01/2014 - 07/09/2014  
 BOTH JOURNALIZED AND UNJOURNALIZED  
 BOTH OPEN AND PAID  
 COUNCIL REPORT  
 MONDAY, JULY 7, 2014

Vendor Code Invoice GL Number	Vendor Name Invoice Description GL Description	Invoice Date	Amount
07800	BLUE CROSS BLUE SHIELD OF MICHIGAN		
G#7029499710DV#00&02 750-000.00-231.015	JULY HEALTH INS CITY EXPENSE JULY HEALTH INS CITY EXPENSE	07/01/2014	12,037.34
G#7029499DIV#001 101-855.00-874.001	JULY RETIREES INS CITY EXPENSE JULY RETIREES INS CITY EXPENSE	07/01/2014	7,378.57
		VENDOR TOTAL:	19,415.91
07777	BLUE GRASS LAWN & LANDSCAPE		
10000 101-000.00-202.001	CITY HALL LANDSCAPE IMPROVEMENTS CITY HALL LANDSCAPE IMPROVEMENTS	07/07/2014	19,995.00
		VENDOR TOTAL:	19,995.00
08001	CONCORD EXCAVATING & GRADING, INC		
PAY EST 2 592-000.00-202.001	WELL #9 PAY ESTIMATE 2 WELL #9 PAY ESTIMATE 2	07/07/2014	42,085.69
		VENDOR TOTAL:	42,085.69
06474	CONSUMERS ENERGY		
JULY 2014 592-555.00-920.000 592-559.00-920.000	ELECTRICITY 5/22 - 6/23 ELECTRIC 5/23 - 6/23 ELECTRIC 5/22 - 6/16	07/07/2014	10,733.10 6,322.21
			17,055.31
		VENDOR TOTAL:	17,055.31
05016	GRANGER		
JUNE 2014 101-528.00-818.000	JUNE REFUSE #2290 CUSTOMERS JUNE REFUSE #2290 CUSTOMERS	07/07/2014	27,228.10
		VENDOR TOTAL:	27,228.10
06205	KEMIRA WATER SOLUTIONS		
9017395450 592-000.00-202.001	9.99 DRY TONS FERRIC CHLORIDE 9.99 DRY TONS FERRIC CHLORIDE	07/07/2014	5,266.13
		VENDOR TOTAL:	5,266.13
05050	LANSING ICE & FUEL		
1418101 1-83053 661-568.00-731.000	1836.2 GALLONS FUEL FOR JUNE DPW 1836.2 GALLONS FUEL FOR JUNE DPW	07/07/2014	5,845.97
		VENDOR TOTAL:	5,845.97
07550	RIETH-RILEY CONSTRUCTION CO INC		
PAY EST #4 202-000.00-202.001 203-000.00-202.001	COLUMBIA & 2013 LOCAL STREETS PAY ESTIMATE 4 COLUMBIA ST PAY ESTIMATE 4 2013 LOCAL STREETS PAY EST 4	07/07/2014	120,933.33 232,726.56
			353,659.89
PAY EST 1 248-000.00-202.001	RECONSTRUCTION OF PARKING LOT #4 RECONSTRUCTION OF PARKING LOT #4	07/07/2014	30,930.71
		VENDOR TOTAL:	384,590.60

07/03/2014 11:53 AM  
User: TF  
DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON  
EXP CHECK RUN DATES 07/01/2014 - 07/09/2014  
BOTH JOURNALIZED AND UNJOURNALIZED  
BOTH OPEN AND PAID  
COUNCIL REPORT  
MONDAY, JULY 7, 2014

Vendor Code Invoice GL Number	Vendor Name Invoice Description GL Description	Invoice Date	Amount
05363	WOLVERINE ENGINEERS INC		
20140346 202-000.00-202.001	MDOT SAFETY GRANT KIPP INTERSECTIONS MDOT SAFETY GRANT KIPP INTERSECTIONS	07/07/2014	12,038.25
VENDOR TOTAL:			12,038.25
TOTAL - ALL VENDORS:			533,520.96

I hereby certify that I have reviewed the above bills and expenses and to the best of my knowledge and belief, they cover expenditures of City services and materials and are within current budget appropriations.



Martin A. Colburn  
City Administrator

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

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Meeting Date: July 7, 2014

Agenda Item: 8 (A)

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### **AGENDA ITEM**

Ordinance No. 198 – An Ordinance to Amend the Code of the City of Mason by Repealing in its Entirety Chapter 60 – Soil Erosion and Sedimentation Control

### **EXHIBITS**

- Ordinance No. 198
- Ordinance No. 198, with edits
- Email from City Attorney – June 25, 2014

### **STAFF REVIEW**

Zoning & Development Department

### **SUMMARY STATEMENT**

At the June 16, 2014, the City Council expressed interest in adopting Ordinance No. 198 as an emergency to expedite the process. Staff, in coordination with the City Attorney, has prepared a suggested amendment to the ordinance to adopt it as an emergency basis.

### **RECOMMENDED ACTION**

Amend Ordinance No. 198 by striking “20 days after adoption and upon publication” and replacing with “immediately upon adoption and publication by the City Clerk posting a copy hereof in conspicuous locations in ten public places in the city”.

Move to consider Ordinance No. 198 read for the second time and adopted.

Introduced: June 16, 2014  
First Reading: June 16, 2014  
Second Reading: \_\_\_\_\_  
Adoption: \_\_\_\_\_  
Effective: \_\_\_\_\_

CITY OF MASON  
ORDINANCE NO. 198

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF MASON BY  
REPEALING IN ITS ENTIRETY CHAPTER 60 – SOIL EROSION AND  
SEDIMENTATION CONTROL

THE CITY OF MASON ORDAINS:

That Chapter 60 – Soil Erosion and Sedimentation Control – of the Code of the City of East Lansing, previously enacted by Ordinance No. 165 and adopted June 1, 2009, is hereby repealed in its entirety from the Code of the City of Mason.

This ordinance shall become effective immediately upon its adoption and publication by the City Clerk posting a copy hereof in conspicuous locations in ten public places in the city.

The foregoing Ordinance was moved for adoption by Council Member \_\_\_\_\_ and supported by Council Member \_\_\_\_\_, with a vote thereon being: YES ( ) NO ( ), at a regular meeting of the City Council held pursuant to public notice in compliance with the Michigan Open Meetings Act, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014. Ordinance No. 198 declared adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Leon Clark, Mayor

\_\_\_\_\_  
Deborah J. Cwierniewicz, City Clerk

Introduced: June 16, 2014  
First Reading: June 16, 2014  
Second Reading: \_\_\_\_\_  
Adoption: \_\_\_\_\_  
Effective: \_\_\_\_\_

CITY OF MASON  
ORDINANCE NO. 198

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF MASON BY  
REPEALING IN ITS ENTIRETY CHAPTER 60 – SOIL EROSION AND  
SEDIMENTATION CONTROL

THE CITY OF MASON ORDAINS:

That Chapter 60 – Soil Erosion and Sedimentation Control – of the Code of the City of East Lansing, previously enacted by Ordinance No. 165 and adopted June 1, 2009, is hereby repealed in its entirety from the Code of the City of Mason.

This ordinance shall become effective ~~20 days after adoption and upon publication.~~ immediately upon its adoption and publication by the City Clerk posting a copy hereof in conspicuous locations in ten public places in the city.

The foregoing Ordinance was moved for adoption by Council Member \_\_\_\_\_ and supported by Council Member \_\_\_\_\_, with a vote thereon being: YES ( ) NO ( ), at a regular meeting of the City Council held pursuant to public notice in compliance with the Michigan Open Meetings Act, on the \_\_\_\_\_ day of \_\_\_\_\_, 2014. Ordinance No. 198 declared adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Leon Clark, Mayor

\_\_\_\_\_  
Deborah J. Cwiertniewicz, City Clerk

## Ingrid Nova

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**From:** David Haywood  
**Sent:** Wednesday, July 02, 2014 8:56 AM  
**To:** Ingrid Nova  
**Subject:** FW: Soil Erosion Ordinance 198

This is the email that I was referencing for the Council packet.

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**From:** Brenda Stock [<mailto:Brenda@mcgintylaw.com>]  
**Sent:** Wednesday, June 25, 2014 12:05 PM  
**To:** David Haywood  
**Subject:** RE: Soil Erosion Ordinance 198

Absolutely. I'll make the change in my document as well.

Brenda Stock  
McGinty, Hitch, Housefield,  
Person, Yeadon & Anderson, P.C.  
601 Abbot Road, PO Box 2502  
East Lansing, MI 48826-2502  
(517) 351-0280

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**From:** David Haywood [<mailto:davidh@mason.mi.us>]  
**Sent:** Wednesday, June 25, 2014 11:59 AM  
**To:** Brenda Stock  
**Subject:** RE: Soil Erosion Ordinance 198

Thanks, Brenda!

For the record, I took the liberty of adding "and sedimentation" in two areas (Title block and first full paragraph after The City of Mason Ordains) to more accurately reflect the true title of Chapter 60. I also did the same when the ordinance was first introduced, so the ordinance is the same from when it was introduced earlier this month. I trust that's ok.

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**From:** Brenda Stock [<mailto:Brenda@mcgintylaw.com>]  
**Sent:** Wednesday, June 25, 2014 11:46 AM  
**To:** David Haywood  
**Subject:** Soil Erosion Ordinance 198

Enclosed is a draft of amended Ordinance No. 198 which we have revised to make the ordinance immediately effective upon adoption and the City Clerk posting a copy in conspicuous locations in ten public places in the city. Please note Council will need to amend Ordinance 198 by substituting this amended ordinance and for it to become immediately effective, it will require five affirmative votes of the Council per section 7.4 of the City Charter.

Brenda Stock  
McGinty, Hitch, Housefield,  
Person, Yeadon & Anderson, P.C.  
601 Abbot Road, PO Box 2502  
East Lansing, MI 48826-2502  
(517) 351-0280

**CITY OF MASON**  
**STAFF AGENDA REPORT TO CITY COUNCIL**

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**Meeting Date:** July 7, 2014

**Agenda Item:** 8 (B)

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**AGENDA ITEM**

- Resolution No. 2014-35—Resolution For Changing MERS Benefits

**EXHIBITS**

- Article 30. Retirement, Local #1390 AFSCME Agreement
- General Union Benefit Provision History from MERS Annual Actuarial Valuation, December 31, 2013 (most current)
- E-mail correspondence from Marne Carlson, MERS Representative

**STAFF REVIEW**

Administration

**SUMMARY STATEMENT**

Effective October 1, 1997 AFSME 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. The B-2 plan has a 2.0% benefit multiplier, and the B-3 plan has a 2.25% benefit multiplier. At the time of the change, the employer contribution was 0.00%. The AFSCME employees agreed, when requesting the B-3 plan, to fund the additional benefit. The contract language and a history of plan changes are attached.

The attached email from Marne Carlson of MERS notes that the new employee contribution would be 17.76% to keep the employer contribution at 0.00%. The increase in the employee contribution for this additional benefit is consistent with the current AFSCME agreement.

**RECOMMENDED ACTION**

Approve Resolution No. 2014-35.



# 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 July, 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, 20 12

### 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 0.1%) 17.76 %
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 <b>current</b> retirees as of effective date <input type="checkbox"/> Retirees who retire <b>between</b> ____/01/____ and ____/01/____ <i>(one time increase only)</i>	<input type="checkbox"/> <b>Future</b> 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

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## 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

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## 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 7th day of July, 2014. (Name of Approving Employer)

Authorized signature: \_\_\_\_\_

Title: Mayor \_\_\_\_\_

Witness signature: \_\_\_\_\_

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

Dated: \_\_\_\_\_, 20\_\_\_\_ Signature: \_\_\_\_\_  
(Authorized MERS Signatory)

## ARTICLE 30. RETIREMENT

The Employer shall continue the existing pension program with the Michigan Municipal Employees Retirement System. The Benefit Plan **for employees hired prior to July 1, 2013** will be B-3 with F-55/15 Rider. Any and all increased costs between the old B-2 and the new B-3 with F-55/15 Rider shall be paid by employees through payroll deduction.

Effective July 1, 2002, the amount the employees are currently contributing into the existing pension program shall be reduced by one percent (1%). Effective July 1, 2003, the amount the employees are contributing into the program shall be reduced by an additional one percent (1%).

**Employees hired on or after July 1, 2013 will participate in the MERS C-1 New Plan with the F 55/15 rider, ten (10) year vesting, FAC5 with a maximum of two hundred forty (240) hours of vacation leave includible in computing the FAC. Benefits will be paid on base compensation only. C-1 New covered employees will initially make a four percent (4%) contribution. In no event will the Employer's contribution exceed ten percent (10%) of base compensation.**

## ARTICLE 31. LONGEVITY

Each full-time employee who has completed five (5) years of continuous employment by December 1 shall be eligible for the following longevity payment with a maximum amount of \$780.00:

YEARS OF COMPLETED SERVICE	LONGEVITY BONUS
5 years	\$150.00
6 years	\$180.00
7 years	\$210.00
8 years	\$240.00
9 years	\$270.00
10 years	\$300.00

## Benefit Provision History

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The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

### 01 - General Union

7/1/2013	Member Contribution Rate 17.15%
7/1/2011	Member Contribution Rate 15.27%
2/1/2011	Exclude Temporary Employees requiring less than 12 months
10/1/2010	Member Contribution Rate 12.41%
8/1/2010	A Day of Work Shall consist of 8 hours.
7/1/2003	Member Contribution Rate 9.89%
7/1/2002	Member Contribution Rate 10.89%
10/1/1997	Benefit B-3 (80% max)
10/1/1997	Member Contribution Rate 11.89%
1/1/1994	E2 2.5% COLA for future retirees (01/01/1994)
7/1/1992	Member Contribution Rate 9.08%
7/1/1992	Benefit F55 (With 15 Years of Service)
6/30/1992	Member Contribution Rate 0.00%
1/1/1992	E1 2.5% COLA for past retirees (01/01/1992)
11/1/1991	Benefit B-2
11/1/1991	Member Contribution Rate 7.80%
1/1/1988	E1 2.5% COLA for past retirees (01/01/1988)
1/1/1987	Flexible E 2% COLA Adopted (01/01/1987)
1/1/1987	E Cola Adoption Date 01-01-1987
1/1/1987	E Cola Increase Amount 2
1/1/1987	E Cola Increase Type Percent
3/21/1977	Covered by Act 88
8/1/1968	Benefit C-1 (Old)
11/1/1962	Benefit FAC-5 (5 Year Final Average Compensation)
11/1/1962	10 Year Vesting
11/1/1962	Benefit C (Old)
11/1/1962	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
11/1/1962	Fiscal Month - July



## Kathy Revels

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**From:** Marne Carlson [mcarlson@mersofmich.com]  
**Sent:** Wednesday, June 25, 2014 4:58 PM  
**To:** Kathy Revels; Eric Smith  
**Cc:** Kelli Davis  
**Subject:** Div 01 numbers for the City of Mason#3304 CRM:0067587  
**Attachments:** DB adoption agreement.pdf

Kathy and Eric,

Here are the numbers you requested for your closed Division #01 from our Finance Dept.

Here are the EE rates they will need to adopt in order to have an ER rate of \$0 for the next two fiscal years:

7/1/2014: EE Rate = 17.76% to have an ER Rate = \$0.00

7/1/2015: EE Rate = 20.90% to have an ER Rate = \$0.00

I have also attached the DB adoption agreement that we will need to have filled out and signed to make these changes in our system.

Please let me know if you have any other questions.

Regards,

*Marne J Carlson*

**Marne J Carlson**  
**Regional Manager**  
Municipal Employees' Retirement System of Michigan  
1134 Municipal Way  
Lansing, MI 48917  
Phone: 800.767.MERS (6377)  
Fax: 517.703.9707  
[www.mersofmich.com](http://www.mersofmich.com)

This year MERS will be hosting meetings throughout the state focusing on topics of interest to employers as well as employee-focused retirement plan seminars. Please visit this [link](#) for additional information about upcoming events.

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*You are cordially invited to attend  
a Ribbon Cutting Ceremony & Historical Marker Dedication  
presented by The Historical Society of Michigan for  
160 years of the Ingham County Fair  
on Opening Day of the Fair, Monday, the 28<sup>th</sup> of July  
10 o'clock in the morning at the Fair Office on the Fairgrounds  
700 East Ash Street, Mason, Michigan*

*Please RSVP to Sandy Dargatz at [Sdargatz@ingham.org](mailto:Sdargatz@ingham.org) or (517) 676-2857 with number of people attending*