JOINT CITY COUNCIL WORK SESSION MEETING WITH PLANNING AND ZONING COMMISSION
AGENDA
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
MAY 22, 2023
6:00 PM

CALL TO ORDER

ROLL CALL

DISCUSSION ITEMS

1. **Approval of May 8, 2023 City Council Work Session Minutes**
2. **Bayer West Campus Development Preview**
   Summary: The new owners of the 95 - acre Bayer West Campus, Fireside Financial LLC of Edwardsville, IL, and their development team will provide an overview of their development plans for the property.

ADJOURNMENT

Pursuant to Section 610.022 RSMo., the City Council could, at any time during the meeting, vote to close the public meeting and move to closed session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under Section 610.021(1) RSMo. and/or personnel matters under Section 610.021(13) RSMo. And/or employee matters under Section 610.021(3) RSMo. and/or real estate matters under Section 610.021(2) or other matters as permitted by Chapter 610.

Posted by: ____________________

Date/Time posted: ____________________

If you need special accommodations to attend a meeting, services may be arranged by contacting the Office of the City Administrator in advance.

WORK SESSION MEETING
MINUTES
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
MAY 8, 2023
6:00 PM

CALL TO ORDER

A work session meeting of the City Council of the City of Creve Coeur was called to order by Mayor Robert Hoffman at the City Council Chamber, 300 North New Ballas Rd, City of Creve Coeur Government Center, Creve Coeur, MO 63141 on Monday, May 8, 2023 at 6:00 PM.

ROLL CALL

Mayor Robert Hoffman
Council Member, Ward 1 Mark Manlin
Council Member, Ward 1 Heather Silverman
Council Member, Ward 2 Tim Carney
Council Member, Ward 2 Nicole Greer
Council Member, Ward 3 Sari Neudorf
Council Member, Ward 4 Joseph Martinich
Council Member, Ward 4 Dan Tierney

Council Member, Ward 3 David Hoffman arrived at 6:35 PM

Staff Present: City Administrator Mark Perkins, City Attorney Carl Lumley, Director of Community Development Jason Jaggi, Director of Finance Lori Obermoeller, Director of Public Works Jim Heines, Director of Recreation Jason Valvero, Assistant City Administrator Sharon Stott, HR Generalist Janet Rueschhoff, Public Information Officer Melissa Bradford, Senior Accounting Associate Tracy Brothers, Accounting Associate Krista Akers, and City Clerk Kellie Henke.

Others Present: Mike Karasick, Employee Pension Fund Board of Trustee, and Jeff Kempker, of LAGERS, via Zoom.

DISCUSSION ITEMS

1. **Approval of April 24, 2023 City Council Work Session Minutes**

RESULT: APPROVED (UNANIMOUS)
MOVER: Council Member Ward 4 Tierney
SECONDER: Council Member Ward 1 Silverman
AYES: Manlin, Greer, Tierney, Martinich, Carney, Neudorf, Silverman

The vote on the motion being 7 ayes and 0 nays, motion carried.

2. Retirement Plan Follow Up Discussion

Director of Finance Lori Obermoeller provided an overview of the pension plan work session objectives, which included determining the LAGERS plan level and determining the Cost-of-Living Adjustment (COLA) amount and allocation of the COLA for current Legacy Plan retirees.

Ms. Obermoeller provided a background of the Legacy Plan and LAGERS and discussed the benefits of LAGERS administering the Legacy Plan, moving all active employees to LAGERS, and upgrading the LAGERS Plan. Mr. Perkins referenced the higher funding ratio of the LAGERS plan and stated LAGERS is a statewide plan and enhancements to the pension plan would be more attractive from a recruitment standpoint. Ms. Obermoeller provided a side-by-side comparison of the Legacy Plan and LAGERS, annual conversion costs, and an overview of cities and counties in each of the LAGERS plans.

City Administrator Mark Perkins stated in 2006 the City closed the Legacy Plan, and any new employees were enrolled into a 401A Plan with a City Contribution. When the City joined LAGERS, employees enrolled in the 401A plan were moved to LAGERS.

Ms. Obermoeller discussed the Cost-of-Living Adjustment (COLA) options for current Legacy Plan retirees, including a COLA for each year of retirement and a compounding COLA. Ms. Obermoeller stated funding for the COLA would come from the General and Public Safety Funds and provided an approximate timeline for a transition from the Legacy Plan to LAGERS.

Mayor Hoffman confirmed the current Public Safety Fund balance does not include the projected revenues from Proposition M. Mr. Perkins stated the Missouri Municipal league estimates a revenue between $100,000-$150,000 per dispensary and will begin collection on October 1, 2023.

Council consensus is to upgrade the current LAGERS plan LT-8(65) to a LAGERS L6 plan.

Council Member Neudorf suggested a 1.25% COLA for current Legacy plan retirees.

Mr. Perkins stated if the Council wants to proceed with a total 1.25% COLA, he suggests allocating .50% COLA for each year since retirement and .75% COLA going forward. To which Ms. Obermoeller and Assistant City Administrator Sharon Stott agreed.

Council Member Martinich suggested allocating a .75% COLA for each year since retirement and .50% COLA going forward to better aid long-term retirees.

Council Member Tierney stated the savings from administrative costs could supplement some of the costs of the COLA.

Employee Pension Board of Trustee Michael Karasick stated that advantages of changing administration to LAGERS include an extensive board and a larger funding rate. Mr. Karasick shared his concerns regarding LAGERS using a rate of return of 7% as it could make administrative costs look low. These costs, which are paid for through investments, could increase as returns of the fund may be less than 7%. Mr. Karasick recommended LAGERS look at potential administrative costs with a rate of return of 5.5%. Mr. Karasick asked if LAGERS was going to re-evaluate its assumed rate of return.

Jeff Kempker, of LAGERS, stated the assumed rate of return was reduced to 7% in 2021 and is evaluated every five years with the completion of an experience and asset liability study. Mr. Kempker stated an asset liability study projects the expected rate of return, based on capital market assumptions, for different mixes of portfolios and investment diversification. Mr. Kempker stated it is very unlikely LAGERS would reduce its rate of assumption to five and a half percent as they have the ability to invest more aggressively and diversely within the public and private markets. Mr. Kempker stated long range interest earnings over the last ten to twenty years have ranged between 8% and 8.5%

Retiree Steve Collins shared his support for the transition from the Legacy Plan to LAGERS. Mr. Collins stated LAGERS has an excellent track record and maintains the same type of investment mindset over time.

Retiree Don Kayser shared his support for the transition from the Legacy Plan to LAGERS.

Retiree Tom Gooch thanked the City for inviting him to participate in the Retirement Plan discussion.

Council consensus is to proceed with allocating a .75% COLA for each year since retirement and .50% COLA going forward.

Mayor Hoffman thanked all of the retirees for attending and participating in the Pension Plan discussions.

3. Proposed Employee Benefit Enhancements

Assistant City Administrator Sharon Stott discussed the proposed employee benefit enhancements including paid time off, dental and vision insurance for retirees, and educational and professional development; Ms. Stott did not discuss Defined Benefit Retirement Plan changes as this was previously discussed earlier in the Work Session (See Exhibit A). Ms. Stott stated recommendations made by staff are based on the Comprehensive Benefit Survey results and feedback from employees during informational meetings and on the questionnaire results.

Ms. Stott discussed paid time off suggestions, including modifying the City's existing vacation schedule to incrementally increase vacation accrual sooner in employment, increasing the accrual of sick leave only within the first year of employment, and increasing the number of hours of Personal Leave. Ms. Stott stated an increase in vacation accrual may result in a cost to the City at separation of employment and if the employee has a vacation balance and is not in their initial probationary period. Ms. Stott stated vacation is paid out at the employee's hourly rate at the time of separation. However, if there is a separation of employment before the employee successfully completes their one-year probationary period, the employee is ineligible for payout of vacation. Ms. Stott stated an employee is eligible to carry over forty hours more than their annual accrual.

Ms. Stott discussed Group Insurance suggestions, including revisiting the quality of the dental and vision insurance plans and adding retirees as an eligible class to both dental and vision insurance, without a City cost-share. Ms. Stott stated an increase in the level and quality of dental and vision insurance could result in additional costs for the City and any such changes require City Council approval if changes were made at contract renewals.

Ms. Stott discussed FY2024 pay enhancements including a COLA for merit-based and step-based employees, adjustments to employee merit and police step pay plans, salary grade ranges, market equity and salary reclassifications.

Ms. Stott discussed Educational and Professional Development suggestions, including increasing tuition reimbursement. Ms. Stott stated if there is a separation of employment within two years of receiving reimbursement, the funds must be returned to the City.

Ms. Stott discussed future proposed employee benefits enhancements, including retiree health insurance, paid holidays, and paid parental leave and/or paid Family Medical Leave Act (FMLA) leave.

Council Member Tierney shared his concerns regarding the increase in paid time off and maintaining proper service levels. Ms. Stott stated that increasing the amount of time off may have its challenges for smaller cities and departments but, time off requires supervisor or director approval.

Ms. Stott stated the enhancements will be brought to the Council for approval through an update to the personnel manual effective July 1, 2023, while others are in the proposed budget.

4. **Fiscal Year 2024 Proposed Budget Follow Up**

City Administrator Mark Perkins finished the review of the FY2024 Budget with the Council and discussed the proposed amendments, including Excess Olive TDD Funds, First Bank Utility Burial Expenditures, Economic Development Agreement with 39N, and the Parks& Stormwater Fund.

ADJOURNMENT

RESULT: APPROVED (UNANIMOUS)
MOVER: Council Member Ward 4 Tierney
SECONDER: Council Member Ward 1 Silverman
AYES: Manlin, Greer, Hoffman, Tierney, Martinich, Carney, Neudorf, Silverman

The vote on the motion being 8 ayes and 0 nays, motion carried.

The meeting adjourned at 7:18 PM.

Submitted by:

Kellie Henke
City Clerk

Dr. Robert Hoffman
Mayor

CREVE COEUR

Proposed New/Enhanced Employee Benefits

WHY ADD NEW OR ENHANCE?

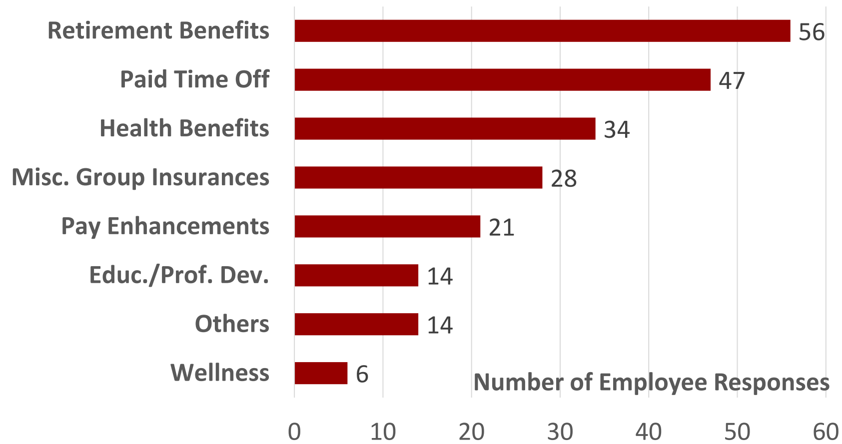
Creve Coeur Strategic Plan 2023-2025

Goal 1. *Invest in city services to make them effective and efficient.*

Strategy: *Retain and attract qualified employees through competitive pay and benefits.*

1st Year Action Item: *Conduct a comprehensive review of city's benefit package.* ***[Completed Fall 2022]***

EMPLOYEE QUESTIONNAIRE RESULTS



FY 2024 PROPOSED ENHANCEMENTS

Defined Benefit Retirement - *#1 EE Choice*

- **LAGERS Upgrade/Transition**
  - Present cost and feasibility of L6 or LT14-(65)
  - Transfer current LEGACY employees to LAGERS - **$**
- **Creve Coeur Legacy Plan**
  - Present estimated costs and feasibility of providing a COLA to retirees; modify plan accordingly - **$**
  - Transfer administration of Legacy Plan to LAGERS

FY 2024 PROPOSED ENHANCEMENTS
(CONTINUED…)

Paid Time Off - *#2 EE Choice*

- Vacation Leave: ***(Enhancement)*** Modify accrual schedule by adding 20 hours more at years 3 and 15 years of service - **$**
- Sick Leave: ***(Enhancement)*** Modify accrual schedule only during 1st year of service by adding 48 hours more to accrual; reduce to 96 hours thereafter
- Personal Leave: ***(New)*** Make a one-time deposit of 16 hours at 30 days of full-time service; ***(Enhancement)*** increase from 8 hours to 16 hours annually for all employees

FY 2024 PROPOSED ENHANCEMENTS
(CONTINUED…)

Dental / Vision Insurances - *#4 EE Choice*

- Retiree Dental/Vision Insurances: ***(New)*** Add retirees as an approved class to dental & vision until age 65
- Dental/Vision Insurance Coverages **- $** ***(Enhancement)***: Review level/quality of insurance coverages at renewal in October 2023 for new contracts effective January 1, 2024.
- Cost: increase in level/quality of dental and vision insurance could result in additional cost share to City the City and would require Council approval.

FY 2024 PROPOSED ENHANCEMENTS
(CONTINUED…)

Pay Enhancements - *#5 EE Choice*

- Cost of Living Adjustment (COLA):
  - 3% for merit-based employees & 3.5% step-based employees (POs/Sergeants) - **$**
- Compensation:
  - 4% average for merit increases & 3.5% step increases (POs/Sergeants) - **$**
- Market Equities: 2%-5% for a few positions to more closely align with similar positions in select cities - **$**
- Cost: $484K total included in FY 2024 budget

FY 2024 PROPOSED ENHANCEMENTS
(CONTINUED…)

Educational and Professional Development - *#6 EE Choice*

- Tuition Reimbursement: Increase tuition reimbursement from $2,500 to $3,600/annually - **$**
- Book Reimbursement: Increase book reimbursement from $200 to $400/annually - **$**
  - Cost: Increase of approximately $10,400/annually; included in FY 2024 budget.

FUTURE PROPOSED ENHANCEMENTS (FY 2025/2026)

Retiree Health - *#3 EE Choice*

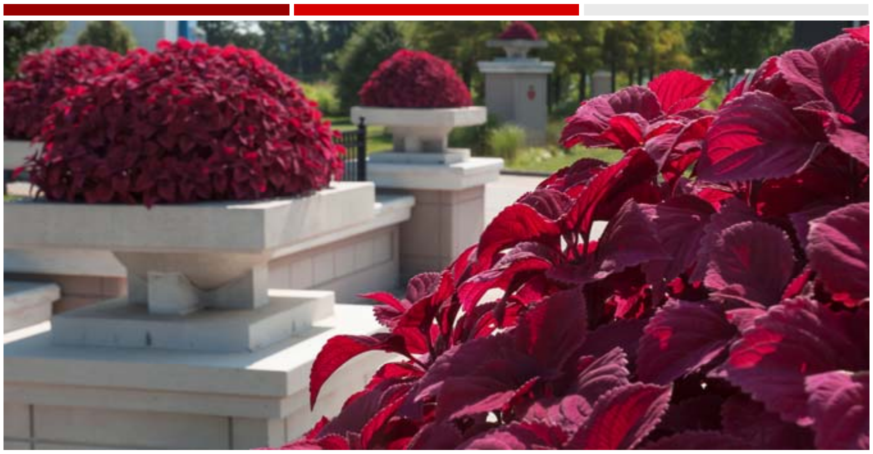
- Consider a fixed monthly City-paid contribution toward retiree only health premium cost @ $250/month - **$**

Paid Holidays - *#2 EE Choice*

- Consider increasing paid Holiday Schedule by 4 hours or 8 hours (4 hrs/Christmas Eve; or 8 hrs/Juneteenth) - **$**

Paid Parental Leave/Paid FMLA Leave - *#2 EE Choice*

- Consider new benefit of 40 to 80 hrs of paid parental and/or Family & Medical Leave qualifying events



Questions?

CITY OF CREVE COEUR, MO • 1949 •