



**WORK SESSION MEETING
AGENDA
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
MAY 22, 2017
6:00 PM**

CALL TO ORDER

ROLL CALL

DISCUSSION ITEMS

1. Work Session Minutes Dated May 8, 2017

2. FY 18 Budget Review

Summary: Staff will review the proposed FY 18 Budget with the City Council.

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: _____ posted 05/18/2017
Deborah Ryan, MPCC
City Clerk



City Council
300 North New Ballas Rd
Creve-Coeur, MO 63141

SCHEDULED

Meeting: 05/22/17 06:00 PM
Department: Legislative /City Clerk
Category: Report
Prepared By: Debbie Ryan
Initiator: Debbie Ryan
Sponsors:

DRAFT MINUTES (ID # 2467)

DOC ID: 2467

Work Session Minutes Dated May 8, 2017



**JOINT WORK SESSION MEETING
MINUTES
WITH CITY COUNCIL, EMPLOYEE PENSION BOARD,
FINANCE COMMITTEE AND POLICE/SAFETY COMMITTEES
MULTI-PURPOSE ROOM
300 NORTH NEW BALLAS RD
MAY 8, 2017
6:00 PM**

Present: Mayor Glantz, Council Members Saunders, Baseley, D'Alfonso, Ruzicka, Faron, Travers and Lawrence.

Staff Present: Mark Perkins City Administrator, Carl Lumley City Attorney, Jason Jaggi Community Development Director, Jim Heines Public Works Director, Chief Eidman, and Sharon Stott Assistant to the City Administrator

Others Present: Dan Smith, Consultant, Pension Board Members Kelly Sullivan, Steve Unser, Jon McIntosh, David Caldwell, Michael Karasick, Larry Potashnick; Finance Committee Members Adam Shulenburg, John Noce, Marjorie Richter, Philip Hellwege; Police/Safety Committee Members Jeff Rosenthal, Janice Gail, James Gerst and Ashley Gray.

1. Work Session Minutes Dated April 13, 2017

Council Member Saunders moved, seconded by Council Member Baseley to accept the Work Session Meeting Minutes from April 13, 2017.

Approved by unanimous vote.

2. City Retirement Plan

Mark Perkins stated the Pension discussion has taken place over the past couple of years following employee requests to review the city's retirement plan. It has been ten years since we last reviewed the city retirement plan. Defined Benefit is still common place in the public sector and employees are leaving the city in part due to retirement plans. Staff is currently surveying employees to obtain their feedback on the issue.

Dan Smith reviewed the cost summaries. (Exhibit A)

Council Member D'Alfonso asked if the information was available on the website.

Dan Smith stated yes.

Larry Potashnick stated there is no cap on the accrual which would leave the city in a tight position. Pension Board is still considering lowering the assumption of the current plan.

David Caldwell stated the entire actuarial report is available for review, but is more interested in the total actuarial liability which hasn't been reported.

Dan Smith stated the actuarial does not provide total actuarial liability, but could request the information from LAGERS.

Officer Jon McIntosh stated assuming a 7% return based on current investment policy, LAGERS has a higher interest assumption rate of 7.25%.



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Dan Smith stated the city should not be in the pension business due to its small size, and that being part of a larger pension plan makes more sense.

James Gerst asked if LAGERS has any benefit to family in the event of the death of an employee.

Jeff Kempker of LAGERS stated yes and explained the different levels and how benefits would be distributed.

James Gerst read a statement into the record. (Exhibit B)

Janice Gale read a statement into the record (Exhibit C)

Adam Shulenburg stated he has reviewed this information at three different meetings. The concern with LAGERS is the plan is perpetual. The Committee has not taken a stand for or against the plan, but the Finance Committee has not reviewed other programs that are similar. Adam Shulenburg stated on a personal note, municipalities provide services for health and safety to the residents and the Council and committees need to seriously consider what is being requested by the Police Department to maintain a strong department. There is a lot to change in the budget that could cover if an issue does arise in covering LAGERS.

Jon McIntosh stated the unfunded liability in current plan has shorter amortization period. The plan is closed so no new additional funding is being added.

Michael Karasick stated the LT-8 level is one benefit level but there are other levels to consider. This plan is perpetual and asked does the city have the ability to freeze the program or no longer offer to new employees.

Jeff Kempker stated there is no statutory provision for members to leave LAGERS. Service in LAGERS is transferable to certain other public pension plans in Missouri.

Adam Shulenburg asked if exiting the program has ever been challenged in court.

Jeff Kempker stated not in his knowledge and the city has the ability to lower benefits in the future if necessary.

Jeff Rosenthal asked what happened to other LAGERS member cities in 08/09.

Jeff Kempker stated those were some of the most difficult years LAGERS had ever endured, but only 5 out of over 600 members lowered their benefit level.

Marjorie Ritcher asked whether the Council understands why the previous Council changed retirement programs.

Mark Perkins stated in 2000/2001, a significant market correction occurred immediately following an increase in benefits under the Creve Coeur defined benefit plan. The city was concerned with the large spikes in pension cost, and it was believed that many cities would be



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moving from DB to DC plans and therefore the city would not be placed at a competitive disadvantage. The last ten years has not seen a movement to DC plans among cities in the St. Louis region and in fact, three neighboring cities (Town & Country, Webster Groves and Maryland Heights) have moved from DC to DB plans.

Michal Karasick explained to Council the difference between the three different plans and asked the Council to stop focusing on LAGERS and perpetuity. The question Council needs to answer if they want to offer a deferred contribution, deferred benefit or annuity plan.

Ted Ruzicka read a statement for the record. (Exhibit D)

Adjourned at 7:30 p.m.

Submitted by,

Debbie Ryan

City Clerk



City Council
300 North New Ballas Rd
Creve-Coeur, MO 63141

SCHEDULED

Meeting: 05/22/17 06:00 PM
Department: City Administrator
Category: Report
Prepared By: Mark Perkins
Department Head: Carl Lumley

STAFF REPORT

FY 18 Budget Review

Staff will review the proposed FY 18 Budget with the City Council.