

PENSION DEFICIT COMMITTEE

6-29-16

5:30

DOWNSTAIRS CONFERENCE ROOM

AGENDA — PENSION DEFICIT OF MUNICIPAL DECISIONS/RECOMMENDATIONS

PRESENT AND ALLARE, DONAHUE, BLOOMER
ALSO JOAN RENCAR, MEMBER OF COMMITTEE
ALSO KOLA DUFOUR, SETH BELDE, WENDY
WILTON, CHARLES ROME

THE MEETING BEGAN WITH THE CHAIR
RECAPPING THE DISCUSSION OVER THE
LAST 9 MONTHS, THE CHARGE THE COMM.
WAS GIVEN UPON ITS CREATION, AND THE
GOALS AND FINALLY THE HOPED FOR
RECOMMENDATIONS COMING OUT TONITE.

THE COMMITTEE AGREED AT ITS FIRST
MEETING THE DEFICIT WAS REAL, WAS
GROWING, AND CONCRETE STEPS AND RECOMMEN-
DATIONS WERE NEEDED TO START ADDRESSING
THIS GROWING PROBLEM.

THE COMMITTEE HEARD FROM AUGARAY, TRACY BEAUM, HER TAKE ON THE DEFICIT AND ANY POSSIBLE IDEAS OR RECOMMENDATIONS TO MOVE THE PENSION TOWARDS LONG-TERM SOLVENCY. THAT RECOMMENDATION WAS TO BUDGET AN AMOUNT OF 1.352 MILLION STARTING WITH FISCAL YEAR '18, AN INCREASE OF APPROX. 500,000 FROM THE AMOUNT BUDGETED IN FISCAL '17.

THE COMMITTEE HAD PREVIOUSLY DEBATED AND DISCARDED THE IDEA OF BORROWING TO IMMEDIATELY ADDRESS THE DEFICIT, BECAUSE OF INTEREST COSTS WHICH WERE DEEMED TOO MUCH FOR TAXPAYERS TO BEAR.

AGAIN, THIS IS A CLOSED PLAN WITH ALL NEW EMPLOYEES GOING TO VMERS, WHICH HAS AN EFFECT ON THE PENSION BALANCE IN + OF ITSELF.

THE CITY ATTY POINTED OUT THAT THROUGH HIS RESEARCH OF OTHER COMMUNITIES AND THEIR APPROACH TO SIMILAR DEFICITS, THE PENSION CONTRIBUTION BY THE MUNIC. IS OFTEN BROKEN UP INTO 2 LINE ITEMS IN THE BUDGET. ONE TO CONTINUE TO MEET NORMAL COSTS AND THE SECOND TO ADDRESS THE DEBT.

THE COMMITTEE AGREED THIS MADE SENSE.

AFTER SOME DEBATE, THE COMMITTEE AGREED TO MOVE FORWARD AND TO ASK THE RECOMMENDATIONS TO BE CRAFTED INTO A RESOLUTION TO BE CIRCULATED AT THE NEXT MEETING.

MOTION — THE COMMITTEE RECOMMENDS THAT THE BOARD APPROVE THE FOLLOWING RECOMMENDATIONS TO BE FORWARDED TO THE CITY ATTY FOR DRAFTING OF A RESOLUTION, AND TO BEING BACK TO THE FULL BOARD TO CIRCULATE FOR SIGNATURES AT THE NEXT FULL BOARD OF ADDENDUM MEETING ON JULY 18th.

RECOMMENDATIONS ARE:

TO BUDGET 1.352M IN FISCAL YR. 2018 BUDGET AND EVERY YEAR THEREAFTER.

HAVE A 5 YEAR LOOKBACK TO REVIEW HOW THE PENSION IS PERFORMING

HAVE THE TOTAL EMPLOYER CONTRIBUTION SHALL BE COMPRISED OF THE REQUIRED EMPLOYER CONTRIBUTION AS SPECIFIED IN THE CONTRACTS AND AN ADDITIONAL LUMP SUM AMOUNT TO ARRIVE AT THE TOTAL EMPLOYER CONTRIBUTION RECOMMENDATION AS SPECIFIED TO ADEQUATELY FUND THE PLAN. (1.352M) AND I SO MOVE. 16

Also one other thing.

ANDERMAN BROOKER AND THE COMMITTEE WANT TO STRESS THAT THESE RECOMMENDATIONS ARE NOT THE END ALL, BE ALL, BY ANY MEANS, AND STRONGLY URGE THE PENSION BOARD TO CONTINUE TO DISCUSS ANY OTHER OPTIONS THAT THEY DEEM NECESSARY THAT ARE UNDER THEIR PURVIEW, BUYOUTS, EMPLOYEE BENEFITS ETC.