

REVISED COUNCIL AGENDA

Special Meeting

May 11, 2015 5:00 p.m.
Council Chamber

PRAYER AND PLEDGE OF ALLEGIANCE:

ROLL CALL:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

(A list will be provided following submittal deadline.)

REMARKS OF COUNCIL:

REPORTS FROM MANAGER:

Management Update:

1. Continued overview of the Fiscal Year 2015-2016 Proposed Budget.
 - Overview of the 2015/2016 Special Revenue Funds
 - Overview of the 2015/2016 Enterprise Funds
 - Overview of the 2015/2016 Internal Service Funds
 - Overview of the 2015/2016 Fiduciary Funds
2. Update on the transition of the Police Department from the Police and Fire Pension System to MERS, Dennis Jordan, Director of Human Resources.

CONSENT AGENDA:

1. Approve the MERS Adoption Agreements and Administrative Agreements to facilitate the transition of the Patrol and Command Police Unions from the Police and Fire Pension System to the MERS pension system.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES AND APPOINTMENT OF BOARD AND COMMISSION MEMBERS:

INTRODUCTION OF ORDINANCES:

1. An Ordinance to amend Chapter 16, titled "Police Officers and Firefighters Retirement System," §16.03(B), §16.03(C), titled "Retirement System Continued," and §16.04(A)(1), §16.04(A)(2)(c), §16.04(A)(2)(e), §16.04(A)(3), §16.04(C), §16.04(E)(1), §16.04(E)(2), §16.04(E)(3), and §16.04(E)(4), titled

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“Board of Trustees,” and §16.27(A), titled “Management of Funds,” shall be amended in the City of Saginaw Code of Ordinances, O-1.

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

1. Consideration of motion to go into a closed session under MCL 15.268(c) for a strategy session connected with the negotiation of a collective bargaining agreement.

ADJOURN:

Timothy Morales
City Manager

IF YOU ARE DISABLED AND NEED ACCOMMODATION TO PROVIDE YOU WITH AN OPPORTUNITY TO PARTICIPATE OR OBSERVE IN PROGRAMS, SERVICES, OR ACTIVITIES, PLEASE CALL THE SAGINAW CITY CLERK, 1315 S. WASHINGTON AVE., 759-1480.

From: Timothy Morales, City Manager
Subject: MERS Adoption and Administrative Service Agreements
Prepared by: Dennis Jordan, Director of Human Resources

Manager's Recommendation:

I recommend approval of the MERS Adoption Agreements and Administrative Agreements to facilitate the transition of the Patrol and Command Police Unions from the Police and Fire Pension System to the MERS pension system. This agreement has been approved by me as to substance and the City Attorney as to form. It is also recommended that the City Council authorize the City Manager or his designee to sign all documents related to this agreement.

Justification:

Through collective bargaining, the City and both the Command and Patrol Police Unions have agreed to move their assets and liabilities from the Police and Fire Pension System over to the Municipal Employees' Retirement System (MERS). This means that MERS will now administer police retiree pension benefits and manage the investments held for the two bargaining units.

The primary reason to move to MERS was to reduce overall costs to the City. Through an actuarial valuation, it was determined the move would reduce the Annual Required Contributions (ARC) and overall payments to the system as a result of improved investment returns, lower management fees and reduced administrative costs.

The Fire Union will remain in the current Fire system until such time the City and the Union can mutually agree on terms and conditions for a move.

Retirees affected by the move will not have any adverse impact to benefit payments other than MERS will be issuing payments through direct deposit on a monthly basis.

As a result of the Police Unions agreeing to the move, the City will need to approve an "Adoption Agreement and an Administrative Service Agreement" with MERS. These agreements simply allow MERS to administer the plans. Since the City is already a client of MERS, and there are no benefit enhancements, no other Council resolution will be required.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: Police and Fire Pension Ordinance Amendment
Prepared by: Dennis Jordan, Director of Human Resources

Manager's Recommendation:

I recommend that Council approve the Change to the Police and Fire Pension Ordinance that will allow MERS (Municipal Employees' Retirement System), to become the administrator and investment manager for the Patrol Officers and the Command Officers Pension Benefits. This ordinance amendment has been approved by me as to substance and the City Attorney as to form.

Justification:

Through Collective Bargaining, The City and both the Command and Patrol Police Unions have agreed to move their assets and liabilities from the Police and Fire Pension System over to the Municipal Employees' Retirement System (MERS). This means that MERS will now administer police retiree pension benefits and manage the investments held for the two bargaining units.

The primary reason to move to MERS was to reduce overall costs to the City. Through an actuarial valuation, it was determined the move would reduce the Annual Required Contributions (ARC) and overall payments to the system as a result of improved investment returns, lower management fees and reduced administrative costs.

The Fire Union will remain in the current Fire system until such time the City and the Union can mutually agree on terms and conditions for a move.

Retirees affected by the move will not have any adverse impact to benefit payments other than MERS will be issuing payments through direct deposit on a monthly basis.

As a result of the Police Unions agreeing to the move, the City will need to approve an Ordinance amendment that will comply with the collective bargaining agreements and provide clarification that the current police retirees will also be subject to transitioning to the Municipal Employees' Retirement System. Since the City is already a client of MERS, and there are no benefit enhancements as a result of the move, no Council Resolution will be required.

Council Action:

This council communication is for explanation purposes only of the ordinance to be introduced.

Moved by Council Member _____, seconded by Council Member _____ to introduce an Ordinance entitled and reading as follows:

AN ORDINANCE TO AMEND CHAPTER 16, TITLED "POLICE OFFICERS AND FIREFIGHTERS RETIREMENT SYSTEM," SECTION 16.03(B) & 16.03(C), SECTION 16.04(A)(1), 16.04(A)(2)(c), 16.04(A)(2)(e), 16.04(A)(3), 16.04(C), 16.04(E)(1)(2)&(4) AND SECTION 16.27(A) SHALL BE AMENDED IN THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

Laid over under the Charter Provision.

REVISED ORDINANCE

O- 1

Moved by Council Member _____, seconded by Council Member _____ that an ordinance introduced on May 11, 2015, be taken up and enacted, entitled and reading as follows:

O- _____

AN ORDINANCE TO AMEND CHAPTER 16, TITLED "POLICE OFFICERS AND FIREFIGHTERS RETIREMENT SYSTEM," §16.03(B), §16.03(C), TITLED "RETIEMENT SYSTEM CONTINUED," AND §16.04(A)(1), §16.04(A)(2)(c), 16.04(A)(2)(e), §16.04(A)(3), §16.04(C), §16.04(E)(1), §16.04(E)(2), §16.04(E)(3), AND §16.04(E)(4), TITLED "BOARD OF TRUSTEES," AND §16.27(A), TITLED "MANAGEMENT OF FUNDS," SHALL BE AMENDED IN THE OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

THE CITY OF SAGINAW HEREBY ORDAINS:

§ 16.03 RETIREMENT SYSTEM CONTINUED.

(B) The Board of Trustees established by the aforesaid Chapter XVI, as amended, and now existing pursuant thereto is hereby designated and continued as the Board of Trustees authorized and empowered to administer the retirement system established by this chapter **for the firefighters only and all other active employees previously covered by this ordinance and all retired police plans will be administrated and managed by the Municipal Employees' Retirement System ("MERS"), effective June 1, 2015.**

(C) ~~All assets of every description~~ **Fifty seven point nine three percent (57.93%) of assets at the time of transfer if before July 1, 2015, for active and retired police officers** belonging to the City of Saginaw Police Officer and Firefighter Retirement System established by the aforesaid Chapter XVI, as amended, shall be transferred to **MERS** and ~~become the assets of the City of Saginaw Police Officer and Firefighter Retirement System~~ **shall be administered by MERS as** established under this chapter. **Remaining assets shall be allocated for the firefighters and managed by the Board of Trustees.** When transferred, ~~the Board of Trustees~~ **MERS** shall credit said assets to the various funds and accounts provided for in this chapter, according to the purpose for which such assets were held and credited in the retirement system created under the aforesaid Chapter XVI, as amended.

§ 16.04 BOARD OF TRUSTEES.

(A) *Generally.*

(1) The Board of Trustees of the retirement system shall have the responsibility for the general administration and management of the system **for the firefighters,** and for making effective and construing the provisions of this chapter. It shall have the power to negotiate and execute legal documents provided that any such legal document be approved by the Board of Trustees. The ~~police officer member~~ **City Manager or his designee** and firefighter member shall sign any such legal document.

(2) The Board shall consist of five (5) trustees, as follows:

~~(c) A police officer member to be elected by the police officer members:~~
Two duly registered tax-paying electors of the City who hold no other City position, to be selected by the City Manager;

~~(e) A duly registered tax paying electors of the City who hold no other City position, to be selected by a majority vote of the other trustees.~~

(3) The elections of the ~~police officer and~~ firefighter trustees shall be held under such rules and regulations as the Board of Trustees shall from time to time adopt. Only members of the defined benefit plan are eligible to serve as trustees or vote in the selection of trustees.

(C) *Vacancy on Board; how filled.* If a trustee leaves the employ of the City, or if a trustee provided for in ~~divisions~~ **sections** (A)(2)(c) **or** (d) ~~or (e)~~ fails to attend three (3) consecutive scheduled meetings of the Board of Trustees, unless in each case excused for cause by the remaining trustees attending such meetings, he or she shall be considered to have resigned from the Board and the Board shall, by motion, declare his or her office of trustee vacated as of the date of adoption of such motion. If a vacancy occurs it shall be filled, within sixty (60) days from and after the date of the vacancy, for the unexpired portion of the term, in the same manner as the office was previously filled.

(E) *Alternate trustees.*

(1) The ~~police officer members and~~ firefighter members may elect an alternate trustee at their respective elections to determine the ~~police officer member and~~ firefighter member on the Board of Trustees. The election for an alternate trustee shall be held under the same rules and regulations applicable to elections for the respective fire fighter member on the Board of Trustees. The election for an alternative trustee shall be held under the same rules and regulations applicable to elections for the respective ~~police officer member and~~ firefighter member on the Board of Trustees.

(2) The term of office for each alternate trustee shall be for the same duration as that of his or her respective ~~police officer member and~~ fire fighter member on the Board of Trustees. An alternate trustee shall, within ten (10) days from and after his or her election, take an oath of office to be administered by the City Clerk. An alternate trustee shall serve without compensation for his or her services as an alternate trustee.

(3) An alternate trustee shall be subject to the provisions of division (C) above, except that said alternate trustee shall not be required to attend scheduled meetings of the Board of Trustees unless previously notified to do so by his or her respective ~~police officer or~~ firefighter member on the Board of Trustees.

(4) Only in the event of an absence of his or her respective ~~police officer or fire fighter member~~ on the Board of Trustees shall each alternate trustee be entitled to one (1) vote on each question before the Board of Trustees and be counted for purposes of constituting a quorum for said Board.

§ 16.27 MANAGEMENT OF FUNDS.

(A) **MERS and** the Board of Trustees shall be the trustees of their **respective** assets of the retirement system and shall have full power to invest and reinvest such assets subject to the terms, conditions, limitations, and restrictions imposed by law of the state upon domestic life insurance companies in the making and disposing of their investments, and by law pertaining to the investments of public employee retirement system assets. **MERS and the Board of Trustees** shall have full power to hold, sell, assign, transfer, and dispose of any securities and investments in which any of the **respective monies under their management** of the system have been invested as well as the proceeds of such investments and any monies belonging to the system.

This ordinance shall become effective June 18, 2015.

Enacted: June 8, 2015.

Yeas:

Nays:

Absent:

Abstain:

ORDINANCE DECLARED ADOPTED

Dennis D. Browning
Mayor

Janet Santos, CMMC/CMC/MMC
City Clerk

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the ordinance adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on June 8, 2015; the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Janet Santos, CMMC/CMC/MMC
City Clerk