



WHERE COMMUNITY AND SPIRIT MEET™

WORK SESSION MINUTES

A work session of the Kirkwood City Council was held on January 12, 2017, at 7:00 a.m. Present were Mayor Griffin, Council Members Duwe, Edman, Luetzow, Sears, Ward, and Zimmer. Also in attendance were Chief Administrative Officer Russell Hawes, Assistant Chief Administrative Officer Georgia Ragland, City Clerk Betty Montañó and City Attorney John Hessel.

APPROVAL OF WORK SESSION MINUTES

Motion was made by Council Member Duwe and seconded by Council Member Zimmer to approve the meeting minutes of January 5, 2017. The minutes were unanimously approved.

DISCUSSION OF CITY CURRENT PENSION PLANS

The purpose of the discussion was to provide information on the history of the pensions plans and the current plans. Some of the issues discussed were as follows:

- Assistant CAO Georgia Ragland gave a general synopsis of the plans; the first Police and Fire Pension Plan was in 1948 which was a defined benefit; Civilian Pension Plan started in 1968 as a defined benefit plan.
- In the 1980's employees had concerns that there were two different plans at which time the City Council commissioned a study. It was the recommendation of the commission that the current plans were not comparable and that the plans be combined with different make-ups of the boards.
- A Charter Initiative Petition was filed and voted on by citizens. The Police and Fire Pension Board is made up of members of the Police and Fire Departments with one citizen as the Mayor's representative. The Civilian Plan has two at large civilian employees that are elected and the rest of the board is made up of appointed citizens.
- A discussion took place about Trust I and Trust II. Trust II is money from the old defined benefit plans; Trust I & II are invested by the decisions of the board members.
- Years ago a decision was made by the City Council, with support of police and fire employees, to opt out of Social Security for police and fire personnel. This was a one-time opportunity and cannot be changed.
- The members of both pension boards participate in annual training courses.
- Next week there will be a resolution on the legislative agenda with the recommendation to hire TIAA as the pension plans record-keeper.
- A discussion took place about Target funds with TIAA.
- The Police and Fire Pension Plans are funded through a set property tax rate specifically for this pension fund. At some point as the balance for the pension fund is drawn down the City will need to go to voters for an increase in the property tax rate.
- The City Council is interested in seeing what other options may be available with regard to the pension plans besides defined benefit.
- TIAA will conduct training sessions up to 12 times a year for employees.
- If the deferred compensation plan is an avenue to other options, the council would like to see how much it would cost and could it be used to do something to fill the health care gap after retirement.

At the end of the discussion, the City Council requested that staff provide them with options for potential changes to the current pension plans.

There being no further matters to come before the council, the meeting was adjourned

Betty Montañó, MMC/MPCC
City Clerk