MINUTES
PENSION TRUST COMMISSION
SPECIAL MEETING
NEW CITY HALL 3rd FLOOR CONFERENCE ROOM
MARCH 11, 2021 – 10:00 A.M.

Bart Hadley called the meeting to order at 10:00 a.m. in the City Hall Second Floor Conference Room. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT:	James Apple; Teri Bayones; Paul Ellwanger; Bart Hadley; Andy Hill; Ed Petersen; Billie Whipp.
ABSENT:	None
ALSO PRESENT:	Dwayne Burk, Human Resources; Traci Hushbeck, City Clerk, Tim Wilson, City Attorney's Office.

II. Introduction of Visitors

No visitors present.

III. New Business

A. Discuss pension calculations for Early Retirement Reduction as specified by the plan document; receive recommendation from staff and take appropriate action.

Burk stated he has been working with Dean Actuary to resolve some of the issues that came up during the audit of the Pension Records. The specific problem being addressed today is the calculation used to determine early retirement reduction. Historically, if someone takes an early retirement, we reduce their pension by subtracting the number of years where they would have received the earliest opportunity for early retirement instead of using the age of 62. Mr. Dean has advised that he uses the age of 62 for his calculations. Basically, the way the City does this now, it is a greater benefit to the member than the calculation that Mr. Dean uses.

Chairman Hadley stated that Mr. Dean uses this method because it is the more common practice when dealing with retirement.

Burk stated we need to consider what to do moving forward. We can maintain the current practice of calculating the penalty based on the earliest possible eligibility date for retirement, and Mr. Dean will have to modify his calculations on the actuary. The other suggestion is to grandfather everyone who is already vested under the current process, and everyone who is not vested would fall under a new policy of going to the age of 62. This would require a code change. There are currently 122 members not vested that would be affected by this change.

Motion by Petersen, **Second** by Hill, to a proposed code revision that would clarify Section 17-3-4-341, by clarifying that Early Retirement Reductions for vested members of the pension system would be "grandfathered" under the current practice of utilizing the earliest date the member would become eligible for a normal retirement and that non-vested members of the plan would have Early Retirement Reduction calculations completed by reducing from age 62 unless the participant actually completes 30 years. **Aye**: Bayones, Ellwanger, Hadley, Hill, Petersen, Whipp, Apple **Nay**: None. ***Motion Passed.***

B. Receive information, discuss, and/or take action as deemed appropriate, on a limited-time voluntary Retirement Incentive Program that would credit to eligible employees one additional year of creditable service toward their pension, with said program being limited to employees that are either eligible for, or within one year of eligibility of early retirement as defined in Chapter 17; and allow employees to utilize their available leave to qualify for said incentive. Exhibits: Proposed Ordinance and Retirement Incentive Overview.

Burk stated this would be an incentive to employees who are within one year of retirement. The City would pick up the pension contribution on behalf of an employee who is within one year of retirement. For an employee that is using accrued time off to go towards their retirement, the employee would pay their portion of their pension contribution and the City would only pay the City's portion. This is a limited time incentive and is similar to a voluntary reduction in force. We estimate 10 to 15 employees that are currently interested, and that number may go up if the program is approved.

Petersen asked what is the limited time.

Burk stated it would have to be done by the end of the fiscal year. Employees would have a thirty-day window to sign up. The effective date of retirement would have to be by July 11th.

Burk stated this does not affect contract employees, unless they are part of the pension system, and it does not affect police or fire.

Chairman Hadley stated if there is a motion, it needs to be with adjusted dates as required.

Motion by Petersen, **Second** by Hill, to endorse a limited-time voluntary Retirement Incentive Program that would credit eligible employees one additional year of creditable service toward their pension and allow employees to utilize their available leave to qualify for said incentive, with adjusted dates as required. **Aye**: Ellwanger, Hill, Petersen, Apple, Bayones. **Abstain**: Hadley, Whipp **Nay**: None. ***Motion Passed***

IV. Comments

V. Audience Participation

VI. Adjournment

There being no further business the meeting adjourned at 10:34 a.m.

Motion by Apple, **Second** by Bayones, to adjourn. **Aye**: Hadley, Hill, Petersen, Whipp, Apple, Bayones, Ellwanger. **Nay:** None. ***Motion Passed.***