**MINUTES**
**PENSION TRUST COMMISSION**
**SPECIAL MEETING**
**MAYOR'S CONFERENCE ROOM**
**NEW CITY HALL**
**AUGUST 26, 2016 – 9:00 A.M.**

Bart Hadley, called the meeting to order at 9:00 a.m. in the New City Hall Second Floor Conference Room. Notice of meeting and agenda was posted on the City Hall notice board as required by law.

**ROLL CALL**
**PRESENT**: Bayones, Teri; Dentler, Carl; Hadley, Bart; Hill, Andy; Kindt, Bill; Livingston, Steve.
**ABSENT**: Ellwanger, Paul.
**ALSO PRESENT**: Tim Wilson, City Attorney's Office; Denise Ezell, City Clerk's Office; J.I. Johnson and Krystal Urbanski, Financial Services; Chase Massey, Human Resources; Perry Warren and Chad Rother, Morgan Stanley.

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II. Introduction of Visitors

Hadley stated we have several visitors today. Let's go around the room and introduce ourselves.

Scott Powers, Financial Services; Krystal Urbanski, Financial Services; Judy Franco, President of the EAC.

Hadley stated the EAC is the Employee's Advisory Commission for the general employees.

Scott Golden, Southwest Water Treatment Plant and an EAC member; Travis Estep, Planning; J.I. Johnson, Finance Director; Chase Massey, HR Director; Julie Magness, Financial Services; Gregg Stalling, IT; Barbara Burnett, IT.

III. New Business

A. Approve the minutes of July 28 and August 11, 2016.

Hadley stated before the meeting started Ezell brought to our attention that she and Warren made some corrections to the meeting of July $28^{th}$. These corrections were made to Warrren's report. Are there any questions or concerns. If not I would entertain a motion.

Kindt asked will be voting on them separately? I wasn't present on the $28^{th}$.

Hadley stated we can.

**<u>Motion</u>** <u>by Hill,</u> **<u>Second</u>** <u>by Dentler</u>, to approve the minutes of July 28, 2016 with corrections as stated by Perry Warren. **Aye**: Dentler; Hadley; Hill; Livingston; Bayones. **Abstain**: Kindt. **Nay**: None. **Motion Passed**.

**<u>Motion</u>** <u>by Kindt,</u> **<u>Second</u>** <u>by Bayones</u>, to approve the minutes of August 11, 2016. **Aye**: Hadley; Hill; Kindt; Livingston; Bayones; Dentler. **Nay**: None. **Motion Passed**.

B. Consider approving payment of an invoice from McAfee & Taft for services rendered to the Pension Trust.

Wilson stated I have reviewed the invoice and this is all Pension Trust work. Most of it deals with the IRS and the certification letter. The IRS has questions and Papahronis is responding. I recommend the board approve the invoice.

**<u>Motion</u>** <u>by Kindt,</u> **<u>Second</u>** <u>by Livingston</u>, to approve the invoice to McAfee & Taft in the amount of $550.00. **Aye**: Hadley; Hill; Kindt; Livingston; Bayones; Dentler. **Nay**: None. **Motion Passed**.

Wilson stated periodically we might receive invoices from Papahronis. If the Board would authorize Hadley to approve payment then you could ratify the action at the next meeting. We would verify the work and it would keep Papahronis from waiting on payment. What is the thoughts of the Trust?

Dentler stated I don't see a problem with that.

Hadley stated I'll make certain the work has been authorized by the Trust. If it is a substantial amount I would feel more comfortable to bring it before the Trust. If the Trust would prefer it comes before you first I don't have a problem with that either. What is the general consensus?

Hill stated as long as it is legal.

C. Discuss the defined contribution option being considered by the City Council DC Plan Committee, and take action if necessary.

Hadley stated as you know we had a special meeting for Chuck Dean to present his analysis. It was a report on options that the City Council Committee was considering regarding a Defined Contribution Plan. I included in your packet the conclusion page from the analysis. To summarize he indicated that if Council implements a Defined Contribution Plan for all future employees those employees would no longer contribute to our retirement system. They would contribute to their Defined Contribution Plan and the city would match up to a certain percent. It is the responsibility of the Trust to look after the current employee retirement system. We were concerned as to how a Defined Contribution Plan might affect the current plan and if it would negatively affect it. The Council Committee was looking at 3% and at stair stepping that 3%. They would go from 3 to 4 to 5%. Based on recommendations from OMRF they have abandoned the stair stepping idea. They are leaning towards 3.5% for all new employees hired after January 1, 2017. It will be mandatory that all new hires contribute at least 3.5% of their salary into a Defined Contribution Plan and the city would match the 3.5%. The employee can contribute more but the city will only match the 3.5%. Currently the city contributes 10% so there would potentially be a 6.5% savings to the city for all future new hires. Due to concerns of the Trust the Committee has indicated they are committed to taking the entire balance of 6.5% to continue to fund the employee retirement system for all new hires. Dean did not look at 6.5% specifically but he says if the city contributes 6 or 7% for 25 to 30 years financially it helps the retirement system. In fact the retirement system will be better off financially by moving new employees to a Defined Contribution Plan as long as they contribute 6 to 7%. If they contribute 5% it hurts the plan. This is what the Committee is looking at doing. They are willing to place this change into City Code to try and guarantee the percentage. Code can be changed at anytime but if it is in Code it makes it a little harder. Dean was very adamant that it must be funded for at least 25 to 30 years. These are all just predictions. Having said this I'll open the floor up for discussion.

Massey stated the Committee stated they would put the number of years in Code also. Code would say 6.5% for 30 years to help reassure this isn't stopped after 5 or 10 years.

Hadley stated they have indicated all along their plan was to continue contributions until the retirement system was 100% funded. They felt at that point Council could start using that money for other purposes. Maybe even give COLA's to the retirees which hasn't occurred in many years. It is the primary responsibility of the Trust to take care of the Employee Retirement System. We want to make certain it stays intact. The Committee has indicated they will ask for 6.5% and 30 years be placed into Code but we don't know what Council will approve. I felt it would be a good idea for the Trust to make a strong recommendation that if they go to a Defined Contribution Plan that the current plan needs to be funded at that level. I think it would be a good idea for the Trust to do all we can to protect the retirement system and make that recommendation. If the Trust gives us the direction Wilson and I will put a letter of recommendation together for the Council. What they are recommending to do will actually take care of the current system even better. There has been discussion by Trust members of whether it is a good idea for the city to go to a Defined Contribution Plan. I don't know if the Trust wants to make a recommendation on that or not. Personally I see both sides. It's hard to argue against it when financially it takes better care of the retirement system.

Wilson stated Dean admits this does a better job long term but he also stated that 5 years ago we did the Tier II and under his predictions it will eventually get us to where we will be self sufficient or 100% funded. It takes longer and there are certain predictions/benchmarks that have to come true. That is why he says not to rush into anything.

Ezell stated as a general employee I would like to ask that your recommendation to Council would be to leave things as they are. At the last meeting Hill stated most of the retirees live within the city and spend their retirement here. They know exactly how much they have on a monthly basis to spend. He also stated annuities were very expensive and an employee would have to double the amount in an annuity to live the life they would on their pension. This change does not affect me but it does affect the future of my children and grandchildren. Looking at their future what happens if they don't have this benefit. Who is going to take care of them?

You can't live off social security. Everything that I have heard from a financial advisor is you cannot live off a Defined Contribution Plan. Your money doesn't out live you. That scares me for the future of our children. Being in Code is not guarantee because it is easily changed.

Hadley stated most experts say you need a 3 prong approach. If you have a DC Plan you also need other savings and social security. Those 3 together might get you there.

Ezell stated choosing the right investments also worries me. Most employees will not understand investing.

Hadley stated we talked about having different options for employees. The way they are leaning today is to have OMRF manage the plan much like Warren does our pension.

Massey stated the Oklahoma Municipal Retirement Fund manages 270 cities in the state. Broken Arrow is very similar to us and they are under them. It would be a Target Date Retirement Funds managed by OMRF. The employees wouldn't have to do anything. The fund would be based on their age and when they expected to retire. Typically the younger you are the more risk there is and as you progress in age and longevity with the city they get less risky. In the last 5 to 10 years they are not risky at all. There will be that option and that would be the default. If the employee doesn't choose an option it would default to this.

Burnett stated I'm concerned about doing this. Again we are doing something different for general employees than what is being done for fire and police as far as what the city is contributing to their pension.

Hadley stated I think the Council Committee would say they are continuing to fund this to make up the difference.

Burnett stated this will not affect me but the individual general employee will be funded differently than fire and police.

Hadley stated fire and police will still have a retirement they can count on as opposed to a Defined Contribution Plan.

Wilson stated they pay a higher percentage than the general employees do. That might be something the EAC wants to address to see if the general employees would be willing to contribute 8.3% instead of 6.3% to keep the DB Plan.

Kindt stated I believe we have filled our obligation as a Trust when we provided the information from the last meeting. I do have concerns and perhaps I'm influenced by working for Social Security Administration for 20 years. If it was such a great deal social security would have gone to it and then we would have a poverty level that would have jumped tremendously. The only people that will make money from a Defined Contribution Plan will be the investors. This is a terrible way to go. That probably has nothing to do with the responsibility as the Trust but I wouldn't mind letting Council know how we do or do not feel. I believe we made the right tweak to correct the pension as it sits now and eventually it will be corrected. I hate to lose that.

Hadley stated for the visitors our last full actuarial report indicated it took a step back because market dipped. We didn't meet our goal but long term it is still predicted that making the changes we made by cutting benefits to employees hired after July 1, 2011 we will. This was either a 30 or 35% reduction in overall benefits. That reduction in benefits and the increased contributions from both the City and the employees may have fixed the problem. It takes a long time to get there but it is better than no change.

Stallings asked is this where we think Council is leaning? If you come with the years and percentages at least you mitigate that down. They may come with a different percentage. Are you worried about that?

Hadley stated yes. I haven't heard from the full Council but the sub-committee is unanimous in favor of the plan. The primary reason I have heard is the citizens pay our salaries and the city's contribution. As an employee we contribute to the plan but the City contributes more. The citizens have a big investment in this. Can the City and the citizens continue to afford that long term? The DC Plan will cost the City 10% for at least 25 to 30 years or when it becomes fully funded. The savings is coming from a reduced benefit for future employees.

Wilson stated as this goes forward this Trust becomes more important. You will have to closely watch the plan. As current administrators retire or leave the new ones will be on the DC Plan. You will have a new Council and they will have less of an interest in protecting this plan. There might be a strong temptation to throttle back the 6.3% to 4%. This is where the Trust will need to become more of a watch dog to make certain the plan is protected.

Bayones stated something I thought about is sometime in the future contributions may need to be adjusted. If they go to a DC Plan and there is any kind of increase to the pension will it fall on the employees if the plan needs additional contributions? In the past when there has been an increase it was split between the City and the employees. I don't want to support the DC Plan if it means current employees of the ERS will pay the full load because the City is trying to save money by reducing employee benefits.

Hadley stated none of us know what is going to happen in the future. The analysis the actuary did tries to take those factors into account. He feels getting an additional 6.5% for all future employees over time the DC Plan would be better for the system than if we were to stay on course.

Massey stated while we can't predict the future I don't believe the answer would be any different if we have a DC Plan. I believe it is the same decision for the City whether it is all on the employee or whether it is split.

Bayones stated the precedence that has been set in the past it was split.

Massey stated I don't believe that answer is any different with or without a DC Plan.

Hadley stated we budgeted 10% this fiscal years and will continue to budget 10% even under a DC Plan it will just be split differently. If it is going to cost us more money we will have to cut something in the budget if they change the City's contribution. The City will have to determine if they can afford another percent. That is a decision that would have to be made at that time.

Ezell stated I understand all of this is just predictions. What happens in 17 years if things don't go as predicted?

Hadley stated I believe it will be funded. The contributions being made today is being invested and earning interest. That money is going to cover my money and the City's contribute. It will build up, earn interest and theoretically is going to cover my retirement down the road.

Livingston stated I have a different prospective on it. I was here when we started the Defined Benefit Plan. We contributed to those who had paid nothing into the plan. One aspect we haven't talked about is what it does to the administration of the City. The reason we had a retirement is we needed management and a system that we could hire people and keep them. Good people. You have to have a personnel infrastructure that will encourage them to come and to stay.

Hadley stated I agree with you.

Livingston stated when I was working City Council got off on one of these cost savings and voted down all our benefits for new hires. Employees were noticing that everyone wasn't treated the same and it became very difficult. After about 3 years Council restored the benefits and this change will do the same thing. Ten years from now you will have a DC Plan with 3% and you have employees with a good retirement. This will make it difficult to manage your employees when they are doing the same job. Council needs to think about this because they are really big points.

Hadley stated I have a couple different hats. I'm in the city administration and sitting here as the Pension Trust Chair. As an administrator this plan will eventually provide additional funds to future administrators. Also my biggest concern is recruitment and retention. If I were under a Defined Contribution Plan I wouldn't be looking at staying another 6.5 years. At that time I'll be vested. This is a huge carrot that is keeping me here during the good and bad. I have another retirement so if it was just a Defined Contribution Plan there is probably no way I would be looking at staying that long. I do believe it will affect recruitment. Council Committee is right in that the world is shifting towards Defined Contribution Plans. If we have a Defined Contribution Plan and everyone else has one we are not behind the 8 ball in that regard. Currently this is one of the few benefits we can say we are better than some others. That can help with recruiting employees. Retention is a bigger issue I'm concerned about. From as financial standpoint this appears to take care of our plan better. I'll not see any of the additional money that the City might save.

Wilson stated I would like to say whatever the Trust recommends you may want to consider inviting Chuck Dean to attend the Council meeting. If they do decide to go with a DC

Plan for new hires it needs to be stressed it has to be funded long term. You can't stop this in year 10 because if you do the current plan tanks.

Hadley stated at 7% for 10 years will drastically affect the plan negatively.

Wilson stated the whole Council has not heard this. The agenda item for Council would need to have this report attached so they could read it. If the Trust recommends not doing this Dean could still talk about the report and provide input.

Warren stated here are some points to consider. In 25 years we think we might be able to save some money. There will be employees with different benefits and if there wasn't a retirement would I have gone somewhere else or if I did take the job how long would I stay. I believe the employee that will commit for 10 years is a better employee than one that is going to commit yearly. If you go to a DC Plan you will have to have more money. In a Pension you are pooled. Not everyone lives the same length of time. When you are in a DC Plan it is you and your bucket of money against time. The reason it takes less money for a pension is because you are in a pool. That needs to be something to consider as a recommendation. Based on changes we made 5 years ago our cost for employee is 5.8%. For that little bit of savings it hurts all new employees on the retention and puts that employee on their own. It is their account against the world. Those are things to consider because there is a difference between a DC and DB Plan.

Hadley stated sometimes Massey and I joke about being on the Tier II and others being on the Tier I but we still have a guaranteed retirement. I know I'll receive X amount of dollars as opposed to a 457(A). I've tried to give both sides. Councilman Wells has talked to us about why in a lot of instances a DC Plan would be better for the employees. It is more portable. I know he has had more recent conversation with Wilson so maybe you can give that side.

Wilson stated I think the position of Councilman Wells is first the citizens are paying for our retirement except for the 6.3% the employees pays. He states this cost has gone up over the years. When he started working here the contribution was 4.3% or less and it is up to 6.3%. The City also paid less and is now at 10%. The cost continues to escalate.

Hadley stated salaries have gone up which means the retirement benefit goes up.

Wilson stated yes. He will also note that the actuary report for the last 2 years will state we need to put more money into the plan. This isn't being done so our unfunded liability is not improving and could potentially get worse. He believes that new employees are not interested in a Defined Benefit Plan. He states they want the portability of a Defined Contribution Plan to take their money if they go elsewhere. He believes you can do well in the market with a Defined Contribution Plan. He will indicate he has done quite well with his 457 Plan. He believes a Defined Contribution Plan will save the City money in the long term and allow employees to have some type of benefit. I believe he will concede the DC Plan is not as good as a DB Plan but he doesn't believe the DB Plan is affordable over long term and we need to stop the increased liability as soon as possible.

Ezell asked explain portability.

Wilson stated the ability to take you money and put it into another retirement.

Hadley stated employees and employers contributions.

Ezell asked can't I do that now. I can't take the City's unless I'm vested.

Hadley stated you vest much earlier in the DC Plan so you take yours and the City's. What that means is you earn 100% interest on the 3.5% because the City matches it dollar for dollar. So you double your money.

Massey stated the vesting period hasn't been set and they are considering step vesting. After 2 years you would vest 25%, 4 years 50%, 6 years 75% and 8 years 100%. I'll admit from a recruiting and retention standpoint the DB Plan is a better pension system but the next generation of employees wants to take more home. The average employees stay is 18 to 36 months. So if at 2 years when I'm bored and ready to leave I see that if I stay 2 more years I'll be 50% vested maybe I stay to get more money as opposed to 2 years and I'm bored and don't vest for another 8 years. That is way too long and I think you can bring the retention either way.

Hadley stated initially Councilman Wells was interested in allowing those employees to have the portability right from the beginning with all of the City's contribution. Because of concerns of recruitment and retention I requested we do steps as a carrot for new hires to stay a little longer. Sometimes we are ready to leave today but if we have a carrot dangling you might stay longer. You may end up and leave but we have kept you another 2 years.

Wilson stated I tend to agree with Livingston. I believe recruitment will be more of a problem. One of the reasons I came here and have stayed was due to the DB Plan. That was a major attraction to me. If there hadn't been a DB Plan I probably wouldn't have had the same interest.

Hadley stated I joined the Fire Department for that reason. The pay wasn't as good as it is today. The retirement at 20 years was half pay or ¾ pay at 30 year. That was huge for me.

Livingston stated Councilman Wells made the comment he did quite well on his 457 Plan and he did alright. The plan we had with ICMA you had an option of investing in high risk, a pond over here or a plan in between. You could move your money almost daily. That requires a lot of time and it required a lot of Councilman Wells time. I would go over and he would be moving his money. He and Mike Shaw from Public Works would be on the phone and computer moving money. I can just see a garbage collector or myself doing that. I didn't want to fool with my money that much. It was almost a level of a sporting operation over there. They moved money and moved it quite often. You have decisions you have to make on a DC Plan. Theoretically as you get around 55 you want to move it into a safe place and when you retire you have to figure out how and where to put it. You have to make a bunch of personal decision that the City is not going to be involved in. There are people that just doesn't want to spend that much time fooling with it. That was a personal observation but you do have to spend time on a DC Plan if you want it to work well for you.

Wilson stated the market was different in the 90's than what we have now.

Hadley asked are there any other comments. What is the pleasure of the Trust?

Hill stated I believe that Dean's conclusions need to be included in whatever we recommend. We need to highlight those and highlight that 6.5% is a minimum.

Hadley stated 6% has a very small margin.

Hill stated 5.8% was to break even.

Hadley stated I feel more comfortable with 6.5%.

Hill asked you said there are about 200 cities involved in the state.

Massey stated the last time they were here it was over 210.

Hill asked has Broken Arrow gone to a Defined Contribution.

Massey stated I don't know if they have gone to a Defined Contribution but they are under OMRF.

Livingston asked how many participants.

Massey stated they said it was 50/50.

Wilson stated there are still cities with a Defined Benefit Plan and some have both.

Livingston asked how about Oklahoma City, Tulsa, Norman and Edmond.

Massey stated Oklahoma City is a Defined Benefit but I don't know about Tulsa and Norman.

Hill stated I would think there were good stats about turnover rate, cost to retrain, and to hire with approved training. I would think the expense could get pretty astronomical. A new employee versus a trained employee, the proficiency and safety. Is that on the table? Is that being considered?

Massey stated it is. Our turnover rate is almost 22% with a DB Plan. Obviously something is not going right as it is. Councils thought process was if we tell them they are going to vest at a certain percentage in 2, 5, 6, or 10 years does that help recruitment. From a HR standpoint we can sell whichever one we want as a highlight. The state has gone to a DC Plan and Councilman Wells stated the military is going to it also. The DB Plan is a recruitment benefit because we can say they are all DC and we are DB. It is difficult to get a majority of our younger generation of employees to think about 10 years down the road.

Wilson stated the higher turnover rate has helped us with the Tier II people.

Hadley stated Dean said the reason we have gotten to this point faster than predicted was due to the turnover rate.

Massey stated next year we have to increase the employee percentage and health insurance premiums we are asking employees to take more from their pockets to keep up. That would be a difficult message to send to current employees.

Hadley stated I see with a lot of younger employees and entry level position if you gave them the option of a DB Plan or DC Plan they will say they want more money in their check.

Wilson stated that depends on your priorities at the time.

Ezell stated that isn't any different today than it was 40 years ago. That isn't an argument to me because at 20 years of age you are not looking at your future.

Hadley stated it isn't an argument for what is best for them in the long run but it is an argument for getting employee to go to work here.

Massey stated they don't stick around for more than a year.

Ezell stated at that time if I was offered a job with more pay I took it.

Hadley stated there are definitely 2 sides to this.

Hill stated I would say we recommend and identify the 6.5% and 30 years as a minimum. We paid to have the professionals look at this and lay out the conclusions and ramifications. We need to encourage them to look at this when making their decision. I don't know what else we can do.

Hadley stated I was hoping for that at the very least. I hoped we would make a recommendation that if they went to a DC Plan that they continue to fund the current retirement at 6.5% indefinitely. Do I have a motion.

Hill stated I don't mind putting this into a motion. What I see is 30 years down the road we will see some savings for the City. To make a decision based on that and that alone without considering the ramifications to the employees and the other areas that will be affected I don't know how it will work. I believe a Defined Benefit will prove in the long term to be more beneficial stability wise. I would really like to encourage them to make sure and consider all the points. We may save money 30 years down the road but in the meantime what is it doing to us. What do we really want here. Do we want a cheap operation or to have something that is worth bragging about. Maybe I'm just too old.

Ezell asked Wilson can you help us with the wording of the motion.

Wilson stated what I'm hearing is the committee believes the Defined Benefit Plan is the better option and would recommend staying with this plan but in the alternative if Council moves forward with a Defined Contribution that they fund the current pension at a rate of at least 6.5% indefinitely.

Hill stated we recommend staying with a Defined Benefit Plan based on the actuarial report. We need to base this on a professional decision.

Wilson stated what Dean came up with is going to the Defined Contribution Plan and the Defined Benefit Plan is still funded it is actually better for the plan. If you are trying to make that statement it would be based on the changes made 5 years ago by going to the Tier II group the Pension Trust recommends staying with the Defined Benefit Plan but if the Council is insistent upon changing to a Defined Contribution Plan for new hires that they continue to fund the Defined Benefit Plan with 6.5% of the new hire equivalent of their salary indefinitely.

Hill stated you have to be careful here because just like that chart Dean said with the employees going off the Defined Benefit and going to Defined Contribution for future hires and give us 6.5% our line is looking better and better for the remaining people on Defined Benefit but it is not looking any better for the ones that aren't on there. Dean's conclusion says Defined Benefit or Defined Contribution the cost are not that different in the long haul. There are benefits to the Defined Benefit that you don't have on a Defined Contribution and you are looking at people retiring with nothing. I think the conclusion that Dean drew doesn't necessarily say that Defined Contribution is really going to improve anything.

Wilson stated I think that in Dean's recommendation ultimately there was no need to change and there is certainly no need to rush into a change.

Hill stated that is correct.

Wilson stated Hadley and I will have to work on a letter. The way I envision this is Hadley will speak at the Council meeting as the Chair of the Trust on what their recommendation is.

Hadley stated based on our previous actuary we believe staying the course is the best option. If Council moves to a Defined Contribution Plan we feel that a minimum of 6.5% continued contribution on future new hires salaries would be required indefinitely.

Kindt stated I think you would want it 100% funded.

Hadley stated yes indefinitely or until 100% funded.

**Motion** by Hill, **Second** by Dentler, based on the previous actuary report the Pension Trust believes staying the course of a Defined Benefit Plan is the best option. However, if Council moves to a Defined Contribution Plan we feel that a minimum of 6.5% continued contribution for future new hires salaries would be required indefinitely or until the plan is 100% funded.

Hadley stated I will take the motion and write a letter expanding on the points of our recommendation to Council. I will also present this at the Council meeting and explain our position.

**Aye**: Hill; Kindt; Livingston; Bayones; Dentler; Hadley. **Nay**: None. **Motion Passed**.

Wilson asked do we want to extend an invitation to Dean to attend the meeting.

Hill asked if we ask Dean to come would we pay for that. I'm not certain he would do that for free.

Hadley stated if he does charge I would assume it wouldn't be too expensive. Probably his mileage and time.

Bayones stated I believe it would be worth it. There will be Councilmembers that may have questions to further expand on the results he came up with in this study.

Wilson stated it may be helpful if they hear what he told the committee. He can also talk about what was done 5 years ago with the Tier II and how in theory that could work out in 25 plus years.

Hadley stated and be able to answer detailed questions.

Livingston stated I think it should be made plain to all Councilmembers. The Trust and employees in the past have been willing to make changes to the plan to make it better. We probably didn't make those changes quick enough or as we went along. We ignored it until it go to a critical point. They need to know to stay with the plan employees have been agreeable to making the kind of changes to make it healthier. They don't have to go belly up in 40 years and have unlimited liabilities. They need to look at the whole picture. What do they want for employees and a retirement? What kind of benefit do they want for hiring? What kind of limitations do you want to put into place to keep from having these unlimited liabilities that you are exposing in the future? If they do that they will come up with and keep a plan that works. In 20 years you will see a move back away from Defined Contribution Plans because people are going to get into them and when the approach 60 years old won't be able to make a house payment. Then they will have to figure out how to get back in the ballgame.

Hadley asked what are the thoughts of the Trust if Dean is going to charge us to come.

Dentler stated I think you need to get our letter together talk to Dean.

Wilson stated you could cap an amount not to exceed.

Hill stated I would cap it at $500.

Bayones stated I agree.

**Motion** by Dentler, **Second** by Bayones, to give Hadley the authority to ask Chuck Dean to attend the Council meeting on September 13, 2016 as long as it will not cost the Pension more than $500. **Aye**: Kindt; Livingston; Bayones; Dentler; Hadley; Hill. **Nay**: None. **Motion Passed.**

IV. Comments

V. Adjournment

There being no further business the meeting adjourned at 10:23 a.m.

**Motion** by Hill, **Second** by Livingston, to adjourn. **Aye**: Livingston; Bayones; Dentler; Hadley; Hill; Kindt. **Nay**: None. **Motion Passed.**