

CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
FEBRUARY 3, 2010, 4:00 P.M., COUNCIL CHAMBERS
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The Special Council Meeting was called to order by President Steven Heffner at 4:00 p.m.

MEMBERS PRESENT: Ellenburg, Haskins, Heffner, Smith and Wells.

MEMBERS ABSENT: Martinbianco and Zelenko.

OTHERS PRESENT: Mayor C. Smiley; K. Foster, Controller and G. Webster, City Clerk.

PURPOSE OF THE MEETING: MERS Generic Service Credit Purchases.

PRESENTATION:

Mrs. Foster provided information regarding the purchase of generic service time. When we first entered MERS in the early 90's, employees had the ability to buy prior governmental service and military time at their cost. When they buy time, they are paying both the employee and employer share. In 1996, the ability to purchase up to five years of generic service time was added. As long as we implement that across the board, we are allowed to do it. Every union and MERS member has the ability to purchase any of this time at no cost to the City. Since 2003, eleven people have had their purchase approved by Council. One person had two different purchases. It is something that has been utilized in the past. This is not new. She was unsure why this business was not acted upon at the last council meeting.

Mr. Heffner indicated the Council approved a generic service purchase last year for Mr. Sorenson. Mrs. Foster agreed that action took place.

The Mayor was available to answer any questions Council might have on this issue.

AUDIENCE PARTICIPATION:

None.

COUNCIL DISCUSSION:

Mrs. Ellenburg said she yielded to a Council member at the previous meeting. She gave him the courtesy to table the motion. He is not present tonight, so obviously it wasn't that important to him. He did not ask questions prior to the meeting. She felt tonight's meeting was a waste of everyone's time. She felt he should have returned the courtesy by coming to the meeting to get his questions answered. She was sorry that she voted to table this issue. If anyone knew the answers, they should have come forward. She said we have addressed this type of business in the past.

Mr. Smith has only been on the Council for four months and realizes that he has a lot to learn. He yielded to his colleague's expertise, because he thought there was something that needed to be addressed. That is why he supported the tabling motion. He said the Mayor has graciously provided information on this topic and he feels more comfortable voting on this issue.

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Mr. Wells asked for clarification on the \$36,656.00 employee's cost. He wanted to know if these funds were being paid out of the employee's retirement accounts.

Mrs. Foster said the \$36,656.00 payment was to purchase Mr. Phillips' generic service time. You can do a trustee-to-trustee transfer if you have an ICMA account. Or if you were here prior to MERS, we have another pension that is now at IMCA. You can transfer funds from either of those accounts to MERS to buy this time. As long as the money does not enter your hands, you do not have to pay taxes. It is considered to be a trustee-to-trustee transfer.

Mr. Wells wanted to know if the advantage to this was to retire early. They are not only buying up time from the contract, they are buying time ahead.

Mrs. Foster agreed with those comments. Typically the younger you are the cheaper it is to buy time. MERS does an actuarial when an employee wants to request generic service.

Mr. Wells apologized for not addressing the issue at the previous meeting. Mr. Martinbianco asked a legitimate question and Mr. Wells had not been on Council for a year. He said Mr. Kray could not answer the questions. He didn't think the two-week delay would make a difference and it would give him time to investigate the issue. Now that he has more information, he does not have a problem with it. He thanked Mrs. Foster for answering his questions.

Mr. Haskins researched the information in advance, however, he felt uncomfortable explaining all aspects of the issue. He did not think anyone would table the motion. He said information was provided in the backup material.

Mr. Wells suggested Mr. Haskins should have spoken up to change his mind. He could have said all the information was available in the backup material.

Mr. Haskins understood the material, however, he did not want to get in a debate over the terminology. This has been done before. He assumed Council members would have done their homework to get the answers.

Mr. Heffner didn't think anyone had to apologize. He said one of our colleagues had a question, whether it was legitimate or not he didn't get the answer he wanted, so he chose to table it. Mr. Heffner didn't see anything in the backup that indicated this was time sensitive, so he didn't see a problem with tabling it. It has been brought to his attention that it was time sensitive. That's why we are here tonight.

COUNCIL ACTION:

Haskins moved and Wells seconded the following motion:

1. Approve and authorize Paul Phillips to purchase two (2) years of MERS pension generic service

time. The total cost of \$36,656.00 will be at the employee's expense.

Motion carried 5-0.

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Haskins moved and Ellenburg seconded the following motion:

2. Approve and authorize Karen Foster to purchase one (1) year of MERS pension generic service time. The total cost of \$25,843.00 will be at the employee's expense.

Motion carried 5-0.

Meeting adjourned at 4:20 p.m.

Gayle Webster, MMC
City Clerk