



MINUTES
THE TOWN OF INDIAN RIVER SHORES
6001 North Highway A1A, Indian River Shores, FL 32963
SPECIAL CALL TOWN COUNCIL MEETING
ORDINANCE 512, DB PENSION GENERAL EMPLOYEES

Thursday, September 12, 2013
4:30 p.m.

PRESENT: Gerard A. Weick, Vice Mayor
Thomas W. Cadden, Councilman
Thomas F. Slater, Councilman

ABSENT: Brian M. Barefoot, Mayor (*excused*)
Richard M. Haverland, Councilman (*excused, Telephonically Connected*)

STAFF PRESENT: Robert Stabe, Town Manager
Laura Aldrich, Town Clerk
Heather Christmas & Darlene Wiltzius, Finance Department

RESIDENTS: Jerry Solin & John Porta, Finance Committee
Reporter Janet Begley

1. **Call to Order**

- a. Pledge of Allegiance
- b. Invocation (Town Manager Stabe)
- c. Roll Call

The meeting was called to order at 4:30 with the Pledge of Allegiance, invocation and roll call performed as reflected above.

2. **General Employee Defined Benefit Pension Plan Modification**

- a. First Reading Ordinance 512 (Recalled from Table)

Mr. Clem received a **motion to remove this item from the table** by Councilman Cadden with a second from Councilman Slater, which **passed 3-0**. He then proceeded to read the title of the Ordinance as printed below and continued with the remainder, skipping the “whereas” clauses.

ORDINANCE NO. 512

AN ORDINANCE OF THE TOWN OF INDIAN RIVER SHORES, FLORIDA, AMENDING ORDINANCE 511 AND PREVIOUS RELATED ORDINANCES RELATING TO THE TOWN’S DEFINED BENEFIT PENSION PLAN FOR GENERAL EMPLOYEES; ALLOWING EMPLOYEES WHO WERE ENROLLED IN THE PLAN PRIOR TO ITS CLOSING ON MAY 1, 2013, INCLUDING THE RETIREES ALREADY COLLECTING BENEFITS TO REMAIN IN THE PLAN; PROVIDING FOR THE TOWN MANAGER’S NORMAL RETIREMENT DATE AND BENEFIT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

He explained that the changes were made to allow those who were in the plan prior to its closing on May 1, 2013, including the Town Manager and the retirees who were collecting benefits since or before 2006, as stated in section B. In Section G, the Town Manager was added.

Vice Mayor Weick said the final average salary is calculated for 5 years, which if it is in the plan, it does not need to be addressed.

Councilman Haverland said when the Council agreed to this ordinance, the Town Manager was not included. An analysis of the cost of Town Manager joining this plan versus the cost of him remaining in the Defined Contribution Plan has not been received. He was surprised that the issue just appeared on the ordinance

Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the Council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.

two days prior to the meeting, without discussion. There should not be a vote until there is a review of the financial impact of this decision. Vice Mayor Weick said this is the first reading, and Councilman Haverland said there is no need to read something for a first reading unless there is an intention to continue with the second reading. He has done an analysis, and it is an extraordinarily expensive addition. Keeping the two current employees in the plan is well and good, it's been discussed and agreed to by the Council. After additional analysis, there can be another amendment.

Councilman Cadden said one of the concerns he had and one of the reasons he was added to this Ordinance was an effort to keep the Town Manager whole, and this is the appropriate time to add him to the Ordinance based on what he gave up in Public Safety. Councilman Haverland said his analysis is that with his net amount is a \$200,000 bonus to take this job. Based on his analysis, it is without the Town Manager's contributions, and assumes the ability to get a return on the Town's cash fund. It is based on his analysis that has not been reviewed, and is based on today's current analysis spaced out over a long period of time. Vice Mayor Weick said in his analysis it is actually more like \$144,000. We have been through a number of scenarios of how to do this, and this is highly recommended by Paul Shamoun at FLC. Councilman Haverland disagreed, as they have not received any analysis, and we should.

Councilman Slater said someone does need to look at the whole package and situation. He would like to see what parameters the actuary is given to review and then review his work. Vice Mayor Weick said this is being done. He was agreeable to this first reading if the information is provided before the second reading.

Vice Mayor Weick said we are under a time constraint, and he just went through this scenario with Jerry Solin on the Finance Committee for an official analysis, who agreed it is feasible. This is the simplest and most cost effective solution that we've seen. Councilman Haverland mentioned Mr. Stabe's estimated impact of this change of \$7,477 to the budget this year.

A motion to approve the first reading of Ordinance 512 as presented was made by Tom Cadden. Councilman Slater asked they have the information regarding the financial implications prior to the second reading, and supported the motion. It **passed 3-0**.

Mr. Clem said the process is that there is no commitment made based on the first reading. It is only at the second reading, which would have to have substantial changes to not allow this to be considered as a formal reading. He added at the second reading it could be approved as written. Councilman Slater said that part of the process is to make sure that they understand what the actuary is saying, and that they receive it prior to one hour before the meeting. Mr. Stabe could also be removed prior to the second reading, and Councilman Slater said it is important that the two employees are taken care of. The retirees are still covered and this does not impact them at all.

3. **Dental Insurance Plan Update (Town Manager)**

Mr. Stabe said this is for informational purposes only, we received our dental insurance quotes that were bid by four companies. The recommendation is to stay with our current provider who had a 13% increase, with the other three companies - Delta, Humana and FLC - coming in higher. The Town only pays for the employee's portion, and 25% of the dependents. The actual cost of this increase is \$1,128/year to the Town.

4. **Adjourn**

Hearing no further comments, the meeting was adjourned at 4:53 p.m.

Respectfully submitted,

/s _____
Laura Aldrich, Town Clerk

(Approved by the Town Council at the September 25, 2013 meeting)