

**MINUTES
CITY COUNCIL WORKSHOP
CITY OF ARCADIA
TUESDAY, MAY 28, 2013
6:00 PM**

CALL TO ORDER, ROLL CALL

The workshop session was called to order at approximately 6:00 PM.

Arcadia City Council

Mayor Keith Keene
Deputy Mayor Alice Frierson
Councilman Robert Allen

Councilman Joseph E. Fink
Councilman Robert Heine

Arcadia City Staff

City Administrator Judi Jankosky
City Clerk Gia S. Lancaster
Finance Director Renee Green

Golf Supervisor Carrie Taylor
Marshal Matt Anderson

DISCUSSION:

1. Police/Fire Pension

Mrs. Jankosky provided a PowerPoint from ICMA (International City Managers Association) regarding the history of pensions from their annual conference. She reviewed the presentation. The investment income is 15% which is the City, employees and State revenues. The other 85% the City must contribute. She stated that the City needs to determine how to afford this plan or change plans. Many Cities are switching to defined contribution plans.

Mrs. Jankosky noted that the 8% assumption rate has not been met thereby increasing the unfunded actuarially accrued liability. She replied to Mayor Keene that the Pension Board establishes the 8% assumption.

Marshal Anderson explained that he was currently the Chair of the Pension Board, however due to the recent change in his position he would have to resign. He stated that the 8% assumption was recommended by Foster and Foster who serves as the Actuary and Bogdahn Consultant is the investment advisory firm. Every year Foster and Foster provides a recommendation as to what other Boards are doing and their counsel has always been 8%. He explained the "smoothing period" which stems over a five-year span.

Mrs. Green explained the difference between the defined benefit and defined contribution plan. Mrs. Jankosky reported on several options: 1) Maintain the current defined benefit plan and hope the economy improves. 2) Change to a defined contribution plan. 3) Terminate the current plan, continue to fund as is but any new employee would fall into a different plan. 4) Enter into the FRS program or a combination.

Councilman Fink asked if the Board was chartered by the City. Marshal Anderson replied that anytime the Board makes an Ordinance change dealing with State law the

Council must approve. Councilman Fink stated that it was his understanding that the Board is structured in such a way that there is a percentage of the pension plan that can engage in speculative ventures. Marshal Anderson replied there are strict guidelines. Mrs. Green stated that previously Police/Fire Pension Boards were not allowed to invest in offshore trading, however, now Boards can legally invest in high risk areas.

Councilman Fink asked if the Council was aware of certain areas of investment. Marshal Anderson replied that every year the investment broker supplies a booklet. Councilman Fink clarified if the Council saw the information since the City has to insure the actuarial soundness of the plan. Marshal Anderson replied that no one ever asked; however Mrs. Baumann can provide copies. Deputy Mayor Heine asked that the City Administrator receive a copy for distribution to Council.

There was some discussion about whether the 8% assumption was reasonable. Mrs. Jankosky explained that the City is looking at a contribution of \$400,000 next year. Councilwoman Frierson asked if that amount was part of the Police budget. Mrs. Jankosky replied yes that it would be added. Marshal Anderson added that the budget would increase by \$100,000 which is already in the budget. He explained that the fifth year was a - 1/2 % return but every year since they have made the 8% assumption. As soon as the fifth year drops the contribution will decrease.

There was discussion about frozen funds to offset expenses. Councilman Fink asked if Mrs. Baumann was the Plan Administrator and why she was not present. Marshal Anderson replied that Mrs. Baumann felt she did not need to attend since she does not oversee the pension. Councilman Fink replied that the City is responsible for the actuarial soundness and should the board need money the City pays.

Mayor Keene interjected that it is vital that Council is informed in all matters so when Council receives questions from the public they can give knowledgeable answers. Mayor Keene asked if a member of the Board could report updates to the Council as the Board should want to share this information with the Council.

Mrs. Green asked what the City's unfunded liability is at this time because according to Governmental Accounting Standards Board (GASB) the City is required to report that liability. Marshal Anderson replied that he believes it is 85% and the State average is 75%. Mrs. Green responded that the 85% is really good, but the unexpected unfunded liability in 2012 was \$2.1 million. She requested to see the whole picture and schedule someone to provide information in layman terms to explain the liability as this will have a big impact on the City's financial statements. Marshal Anderson explained that employees pay 9.6% into the plan, the State pays 3%. The Police Pension retirement is 20 years service at 72%. He responded to Councilwoman Frierson that vesting is six years using a multiplier of 3.6% times the number of service years.

Councilman Fink requested to see all options along with varied plan costs. There was discussion regarding the retirees and consolidation of the Fire Department. There was discussion regarding an Attorney addressing the Council regarding the Pension. Mrs. Green suggested appointing a liaison to the Board. Mayor Keene asked and Councilwoman Frierson agreed to attend the next meeting of the Pension Board.

2. Golf Course

Mayor Keene stated that Mrs. Jankosky went above and beyond the request for information regarding improvements at the Golf Course. Mrs. Jankosky reviewed that plans would include placing Mrs. Carrie Taylor on the turf and hiring a Pro Shop Manager thereby implementing a Country Club atmosphere. There was discussion regarding Visa and MasterCard fees. Mrs. Jankosky confirmed that the Golf Course is considering increasing fees sometime next season following improvement to the course which will amount to an approximate increase of \$1.25 per day. Mrs. Jankosky replied to Councilwoman Frierson that the Pro Shop Manager was advertised in the Sun Herald with a salary in the high \$20,000 - \$30,000 range.

3. Capital Improvement Plan

Mrs. Jankosky reported that a list of streets that require paving is being compiled. Councilwoman Frierson noted that Glendora and Lee were the ones needing the most attention. Mrs. Jankosky stated that the asphalt needs assessing and the company will conduct boring tests. She added that she is speaking with the County to possibly piggy back off their contract in addition to the City's needed water and wastewater projects. Mayor Keene asked for a priority list of projects. Mayor Keene reported that the intersection of Polk and Cypress storm drain is sinking. There was some discussion regarding a stormwater assessment. Mrs. Jankosky replied to Councilman Fink that Kimley Horne primarily locates grants.

4. Fire MSTU/MSBU

Mrs. Jankosky reported that Ms. Linda Nipper, DeSoto County Administrative Services Director, submitted a proposal to the County for a \$250 flat fee fire assessment for commercial properties. Mr. Steve Bauer, Arcadian, reported that he attended the most recent Board of County Commissioners Meeting where they proposed a fee based on square footage. He replied to Councilman Fink that there was some debate regarding lowering the millage. Mrs. Jankosky responded to Councilwoman Frierson that if the MSTU/MSBU is not implemented the City will be short \$400,000. Mrs. Jankosky summarized the current fire contract: \$570,000 per year for the fire services contract. \$245,000 is currently received through MSBU which leaves a shortfall of \$365,000. If the proposed MSTU/MSBU is implemented the City will cover the entire \$570,000 contract. Mayor Keene asked for additional information, options and recommendations following the update from the County.

5. Way Building Termite Treatment (consensus only)

Mrs. Jankosky reported that the Way Building is in need of termite extermination. Mayor Keene asked if the former Police Department could be included. Councilman Fink requested a consensus and Council agreed to direct the City Administrator to obtain quotes for termite extermination of the Way Building and former Police

Department for review and approval at the next regular meeting.

6. Peace River Shopper ad (consensus only)

Mrs. Jankosky reported that the Peace River Shopper asked for Council approval to run the annual graduation ad in the amount of \$175.00. Council gave consensus and asked that the request be placed on the agenda for approval at the next meeting.

PUBLIC COMMENTS - None

COUNCIL MEMBER COMMENTS

Councilman Fink reported caps missing on a hydrant located at the corner of Dade and Whidden.

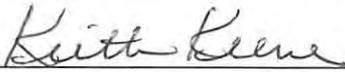
Mayor Keene asked the City Administrators to meet with Coach Bowers regarding the Smith Brown Gym. Mrs. Jankosky stated she would also meet with the Housing Authority.

ADJOURN

Having no further business, the workshop was adjourned at 7:50 PM.

APPROVED THIS 2nd DAY OF JULY , 2013

By:



Keith Keene, Mayor

ATTEST:



Gia S. Lancaster, City Clerk