

**CITY OF CHARLOTTE
COUNCIL PROCEEDINGS**

**Workshop Meeting
May 11, 2021**

CALL TO ORDER:

By Mayor Armitage on Tuesday, May 11, 2021 at 7:00 p.m

PRESENT:

Councilmembers: McRae, Baker, Weissenborn, Hoogstra, VanStee, Dyer & Mayor Armitage. All reported their remote meeting location as being in the City of Charlotte, County of Eaton and State of Michigan. Staff: Manager LaPere

APPROVAL OF AGENDA:

Motion by Baker, second by Hoogstra to approve the agenda as published. Carried. 7 Yes. 0 No. 1 Absent.

Council Member Weissenborn joined the meeting at 7:10 pm.

EXCUSE ABSENT MEMBERS:

All members were present.

PUBLIC COMMENT:

None.

DISCUSSION ITEM:

- a. MERS presentation and discussion on pension system

Marne Daggett, Regional Manager, MERS Retirement System presented an overview of the most recent Actuarial Valuation for the city's pension system. Daggett detailed recent MERS Board changes to the demographic and economic factors that are part of the basis for formulating the valuation. These changes are the result of a periodic study conducted by MERS which reviews the prior 5 years to ensure accurate assumptions are made going forward.

Changes made to the return on investment took effect for the 2021-2022 fiscal year which resulted in an increase to the city's annual required contribution. Changes made to the demographics to incorporate generational tables will take effect in 2022 and are projected to increase the city's pension liability and annual required contributions.

There was discussion about the requirements to reach 60% funded status per state statute and options to accelerate the city's funding of its pension liabilities. It was noted that the changes made by the city in 2012 and 2013 have resulted in newer plans being fully funded and the unfunded liabilities are due to legacy costs for plans adopted prior to those changes.

Daggett noted that the city has more beneficiaries drawing out of the system than active employees which is also affecting the ability to fund the pension system. She provided information on MERS and options to review additional information about pensions at www.mersofmich.com for interested persons.

There were questions posed about rules regarding rehiring of retired employees, how final average compensation is calculated, and options to utilizing bonding to fund the liabilities.

Conversation ensued regarding the current fiscal year budget and financial priorities for the next fiscal year.

PUBLIC COMMENTS:

Dave Bankhead commented that the financial situation facing the city is difficult and thanked Council for their work.

MAYOR AND COUNCIL COMMENTS:

None.

ADJOURNMENT:

Motion by Dyer, second by Baker, to adjourn the meeting at 8:26 p.m. Carried. 7 Yes. 0 No. 0 Absent.

Mayor Armitage

Pearl Tidwell, City Clerk