

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF CITY COMMISSIONERS
HELD MARCH 5, 2013

Pursuant to due call and notice thereof, a special meeting of the Board of City Commissioners of the City of Devils Lake, North Dakota was held at the City Office on Tuesday, March 5, 2013 at 12:00 P.M. with the following members present: Commissioners Tim Heisler, Craig Stromme, Rick Morse, Dale Robbins and President Johnson. None were absent.

President Johnson stated the purpose of the meeting was to learn about the NDPERS retirement plan and to review the City's classification and compensation plan.

Marcy Aldinger, Benefit Program Specialist from NDPERS, presented information via videoconference on the retirement plan offered by NDPERS. The plan is a defined benefit hybrid retirement plan consisting of contributions, investments and a guaranteed account balance.

If the City was to join NDPERS, current employees would have the right to waive joining NDPERS and still be able to join at a later date. New hires would be obligated to join NDPERS. Currently the employee's contribution amount is 6% and the employer's share is 7.26%. This is based on gross wages and not overtime. The employee's 6% goes to the member's account balance while 6.12% of employer's share goes to the retirement pool fund (funds the lifetime annuity) and 1.14% of employer's share goes to the health credit contribution (retiree health credit fund) which offsets the premium of the individual after they retire if they have insurance with NDPERS.

An employee becomes vested after thirty-six months (does not have to be continuous months) or when they attain the age of 65.

Also discussed were the way to buy service credits, the way to convert sick leave, options available upon leaving employment, surviving spouse benefits and disability retirement benefits.

Retirement is at age 65 or rule of 85; however, early retirement can be taken at age 55 with benefits being reduced by 6% for each year.

Discussion from the audience included the following:

1. NDPERS does not have a loan feature so an employee cannot borrow against it.
2. Sick leave conversion and buying years of service are not the same thing.
3. NDPERS has requested the legislature to increase the contributions 2% for the next two years.
4. Employer can pay any or all of the employee's share.
5. NDPERS is approximately 70% funded. With the requested contribution increases, NDPERS hopes to be 100% funded.
6. Interest is compounded monthly at 7.5%.
7. Upon retirement, options available – single life benefit or joint survivor.
8. The retirement plan for law enforcement officials differs.
 - a. Higher contributions if join as current member – 5% employee & 9.31% employer
 - b. Lower contributions if join as new member – 5% employee & 7.43 employer
 - c. Planned increase is only .5%
 - d. Retirement age is 55 and not 65.
 - e. Early retirement can be taken at 50 without benefits being reduced.

Consensus of the City Commission was to have NDPERS come to Devils Lake to meet with the employees.

The City Administrator reviewed the memo from the Tanya Wieler, Human Resource Personnel, regarding the reclassification of a position.

The job description for this position has evolved and entails more leadership and management skills. Discussion followed on the loss of the city planner, the increased activity in the engineering department and the budget impacts of this change. The current position would go from an 8H to a 10G (on new pay scale) on July 1, 2013.

Commissioner Stromme moved to approve the reclassification of the administrative assistant position in the engineering department to engineering administrative tech with the position changing from a grade 8 to a grade 10 effective July 1, 2013. The motion was seconded by Commissioner Morse. Discussion followed on the change in pay from \$3,633 (8H on current pay scale) to \$3,778 (10G on new pay scale). The motion carried unanimously.

The City Administrator reviewed the memo from the Tanya Wieler, Human Resource Personnel, concerning the revision to the pay scale. The proposed pay scale would be spread out with the steps being higher in the beginning for the learning curve. The pay scale would be effective July 1, 2013. The impact would be \$13,000 to the general fund and just under \$17,000 to the entire budget. The budget has \$80,000 extra built in for salaries.

Commissioner Stromme moved to adopt the proposed pay scale as recommended by the City Administrator. The motion was seconded by Commissioner Morse. Discussion followed on the impact to the top step on each grade. The motion carried unanimously.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 1:20 P.M.

LINDA LYBECK
CITY AUDITOR

RICHARD S. JOHNSON
PRESIDENT