

9. ~~COMMENTS~~

Ms. Lisa Asadoorian, 3217 Doral Court, thanked the community for the generosity exhibited on behalf of the Holiday Helpers of Rochester Hills, which will benefit families in need.

Mr. Lee Zender, 1575 Dutton, recommended spending Seven Thousand (\$7,000) Dollars to train all City employees to use defibrillators. He referenced information obtained via the Internet, which indicated there are four (4) items important to surviving cardiac arrest: early access to emergency medical care, early CPR, early defibrillation, and early advanced cardiac support. He noted Metro Airport recently purchased seventy (70) AEDs.

10. ORDINANCE ADOPTION

The following item was moved to the November 1, 2000 meeting at the request of the Applicant.

10a. Proposed Ordinance Amendment First Reading to amend Ordinance No. 200, the zoning Ordinance of the City of Rochester Hills, to rezone 9.6 acres of land, identified as Parcel No. 15-02-300-013, located on the east side of Rochester Road, north of Tienken Road, from R-3, One Family Residential, to ORT, Office Research Technology; Shure Investments, Applicant.

Due to the number of employees in attendance, the Agenda was revised to proceed with Item 13a.

13a. Approval of a City Sponsored Retiree Health Savings Program comprised of ICMA Retirement Corporation VantageCare Retiree Health Savings (RHS) Plan and supplemental benefit for qualified employees. (Members received copy of memo dated October 13, 2000, from Marilyn Paulsen-Tomaszewski, Clerk's Office, with attachment.)

Ms. Holder provided a letter to Council indicating a conflict of interest; therefore, removed herself from the table. Ms. Holder's husband is a full-time employee of the City of Rochester Hills.

(Exit Ms. Holder 8:05 p.m.)

Ms. Lee, Mr. Boyer, Mr. Spanan and Mr. Ott appeared before Council to answer questions related to the proposal.

Ms. Marie Mallia, 689 Spartan Drive, a City employee for sixteen (16) years and a resident for twenty three (23) years, believes a plan for retirement health is a benefit needed for all employees. She feels it will be an important step for the City to retain and attract employees.

Mr. Greg Windingland, DPS employee since 1979, thanked the Mayor and team for coming forward with the proposal. He encouraged Council to pass the proposal and indicated all employees he has spoken to have expressed overwhelming support.

Mr. Dalton stated the City of Rochester Hills is the only municipality in southeast Michigan without this benefit, which has hampered the City's ability to retain and recruit employees. It is unique in that a Supplemental Benefit will be allowed to employees with many years of service to lessen the burden when they retire. He expressed the following concerns:

- The continuation of the 457-match in addition to the Supplemental Benefit.
- That a person becomes vested after five (5) years.

Mr. Dalton noted that items contained in union collective bargaining agreements cannot be changed at this time, but suggested it would be reasonable to only offer the 457-match to those persons not receiving the Supplemental Benefit.

Ms. Lee summarized the two (2) major program components; the ICMA VantageCare Defined Contribution Retiree Health Savings Plan and a Supplemental Benefit (available to all employees with ten (10) or more years of seniority at plan inception). The Supplemental Benefit (Defined Benefit) is intended to benefit long term employees without enough working years still available to accumulate monies in an individual account.

Ms. Golden noted the first proposed plan had been presented to the Administration & Information Services Committee (AIS). The first proposal suggested persons become eligible for the Supplemental Benefit after fifteen (15) or more years of service. After obtaining employee feedback, eligibility had been lowered to ten (10) or more years of service. Ms. Golden conducted a survey of City employees, which indicated very few negative comments after the Supplemental Benefit had been revised. She feels the 457-match should be retained to help employees better plan for their retirement.

Mr. Ott reported the 457-match was not included in the first draft proposal, but was returned to the plan after employee response and other adjustments were made.

Ms. Lee reported, the first draft of the proposed plan reflected a five (5%) percent contribution, with the 457-match discontinued. After evaluating employee comments, the initial five (5%) percent was reduced to three (3%) percent, the 457-match will continue for current employees and if an employee accrues an additional two (2) annual leave days, the City will contribute an additional one (1%) percent. It was noted once the plan begins, new employees will not receive the 457-match; therefore, the 457-match will end over time. Ms. Lee reported both the VantageCare and 457-match are administered by ICMA Retirement Corporation and for the City to have VantageCare, the 457 Plan must also be administered by ICMA Retirement Corporation. At this time, there are two (2) bargaining units and non-union personnel receiving the 457-match. Ms. Lee noted employees must meet plan qualifications prior to receiving any benefit and there will be some persons who will not remain to meet the years of service.

President Hill concurred with Mr. Dalton and expressed support to some type of reduction in the City's 457-matching contribution.

Mr. Bob Grace, 2199 Warrington, City employee and resident, stated the employees support retaining the 457-match, because if an employee does not remain employed with the City long enough to meet the requirements of the plan, they still earn something to take with them. He believes it is a major benefit, which should remain in the program.

Resolution 2000-0370

MOTION by Barnett, seconded by Robbins,

Whereas, the establishment of a retiree health savings plan and supplemental retirement health benefit for employees rendering valuable services to the City serves the interests of the City by enabling it to provide reasonable security regarding such employees' health needs during retirement thereby assisting in the attraction and retention of competent personnel; and

Whereas, the City has determined that the establishment of a retiree health savings plan to be administered by the ICMA Retirement Corporation and/or its affiliates, as well as a self-administered supplemental benefit, together comprising the City's Retiree Health Program (the "Program"), serves the above objectives; and

Whereas, the City desires that its retiree health savings plan (the "ICMA Plan") be administered by the ICMA Retirement Corporation and/or its affiliates, and that the supplemental benefit be self-administered;

Resolved, that the Rochester Hills City Council hereby adopts the Program in the form of the ICMA Retirement Corporation's VantageCare Retiree Health

Savings Plan and the City's supplemental benefit, and authorizes a blanket purchase order not to exceed \$1,500,000 to fund ICMA contributions during the first three years of the program.

Be it Further Resolved, that the assets of the ICMA Plan shall be held in trust, with the City or its designee(s) serving as trustee, for the exclusive benefit of ICMA Plan participants and their beneficiaries, and the assets of the ICMA Plan shall not be diverted to any other purpose.

Be it Further Resolved, that the Mayor shall be authorized to execute all documents pertinent to the ICMA Plan.

Be it Further Resolved, that the Finance Director shall be the coordinator and contact for the ICMA Plan and shall receive necessary reports, notices, etc.

Be it Further Resolved, that the Human Resources Director shall be the coordinator and contact for the City's supplemental benefit.

Ayes: Hill, Barnett, Dalton, Duistermars, Golden, Robbins

Nays: None

Abstain: Holder

Absent: None

MOTION CARRIED

(Reenter Ms. Holder 8:35 p.m.)
(Recess 8:35 p.m. – 8:50 p.m.)

11. ADOPTION OF 2001 BUDGETS (Members received copy of memo dated October 11, 2000 from Robert Spurney, Finance Director, with attachments.)

11a. General and Special Revenue Funds

President Hill noted the Administration made revisions pursuant to City Council's request.

Ms. Golden expressed disappointment no funding was provided for the Rails to Trails project. It was noted there were various grants that could be utilized toward funding the project.

Resolution 2000-0371

MOTION by Dalton, seconded by Robbins,

Whereas, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, and the Charter for the City of Rochester Hills, Chapter III, Section 3.2, the Mayor as the Chief Executive Officer shall prepare the budget proposal for the ensuing year and shall submit it to the Council at its first meeting in August; and

Whereas, at its August 2, 2000 meeting City Council acknowledged receipt from the Mayor of the proposed 2001 Budget Plan and set a Public Hearing to be held September 6, 2000 at 7:30 p.m. to hear comments on the proposed Budget Plan; and

Whereas, the City Council, following the September 6, 2000 Public Hearing on the Proposed Budgets, did adopt the tax rates in accordance with Chapter IV, Taxation, specifically Section 4.1, Power to Tax and Secure Revenue, and Section 4.2, Charter Tax Rate & Special Voted Millages Limitation, to be levied in December 2000 to provide the tax revenues included in the Proposed 2001 Budget.