

August 18, 2016

MINOT CITY COUNCIL - SPECIAL MEETING – August 18, 2016 AT 4:15 P.M.

ROLL CALL:

Members Present:

Berg, Frantsvog, Hedberg, Jantzer, Lehner, Olson, Pankow, Podrygula, Schuler, Shomento, Sipma, Straight, Withus

Members Absent:

Kossan

Mayor Barney presiding and led the Council in the Pledge of Allegiance.

INFORMATIONAL – REVIEW OF THE MOST RECENT CITY EMPLOYEES’ PENSION FUND ACTUARIAL VALUATION

The Finance Director gave an overview of the City’s two types of pension plans. She explained, there is the defined benefit plan in which vested members are eligible for a monthly pension commencing at age 60. Upon retirement, eligible members are entitled to a monthly health benefit. This plan was closed to new employees as of January 1, 2014. She stated, the actuarial value as of 2015 was 50.1% and in 2016 increased to 51.5%. The annual recommended contribution for 2017 is \$7,657,836 which includes an employee contribution of 14.74% and City contribution of 30.98%. In response to previous questions about the 7.5% rate of return, the Finance Director explained, she does not recommend changing it as it will affect interest rates.

The Finance Director then explained the defined contribution plan, managed by Mass Mutual under a local firm, Raymond James. She said there is a mandatory 7.5% contribution as a replacement for social security. She continued by saying, if an employee contributes an additional 2% the City will match 8% giving a total potential contribution of 17.5%.

ADJOURNMENT

There being no further business, Alderman Frantsvog moved the meeting be adjourned. Motion seconded by Alderman Hedberg and carried unanimously. The meeting was adjourned at 4:23 pm.

ATTEST:

APPROVED:

Kelly Matalka, City Clerk

Chuck Barney, Mayor