



City of Springfield

Minutes

City Council Special Meeting

Ken McClure, Mayor

Zone Councilmembers

Monica Horton, Zone 1
Abe McGull, Zone 2
Brandon Jenson, Zone 3
Matthew Simpson, Zone 4

General Councilmembers

Heather Hardinger, General A
Craig Hosmer, General B
Callie Carroll, General C
Derek Lee, General D

December 19, 2023

11:30 AM

**Councilman Denny
Wayne Conference Room
Busch Building, 4th Floor
840 Boonville Avenue**

1. ROLL CALL.

Present: Councilmember Jenson, Councilmember Horton, Councilmember McGull, Mayor Pro Tem Simpson, Councilmember Hosmer, Councilmember Hardinger, Councilmember Carroll, Councilmember Lee, and Mayor McClure. Absent: None.

2. SECOND READING AND FINAL PASSAGE.

Citizens Have Spoken. May Be Voted On.

2.1. Council Bill 2023-297 (Carroll)

A special ordinance authorizing the City to participate in the Missouri Fire Fighters Critical Illness Trust and Pool, and further authorizing the City Manager, or designee, to execute such documents as may be necessary for the City's participation therein.

Mayor Pro Tem Simpson expressed his support for the proposed and for those that serve the community. He thanked the State for their support.

Council Bill 2023-297 (Carroll) was by the following vote: Ayes: Councilmember Jenson, Councilmember Horton, Councilmember McGull, Mayor Pro Tem Simpson, Councilmember Hosmer, Councilmember Hardinger, Councilmember Carroll, Councilmember Lee, and Mayor McClure. Nays: None. Absent: None. Abstain: None.

2.2. Council Bill 2023-298 (Hosmer)

A special ordinance approving a Memorandum Agreement between the City and the International Association of Fire Fighters, Southern Missouri Professional Fire Fighters Local 152, regarding applying for enrollment in the Missouri Fire Fighters Critical Illness

Trust and Pool for calendar year 2024 for eligible bargaining unit members; and authorizing the City Manager, or his designee, to execute the Memorandum Agreement.

Councilmember Horton asked if the proposed renews each year. Jason Gage, City Manager, noted it did not renew each year, however, to meet the timeline for 2024, it was necessary to vote on the item.

Council Bill 2023-298 (Hosmer) was by the following vote: Ayes: Councilmember Jenson, Councilmember Horton, Councilmember McGull, Mayor Pro Tem Simpson, Councilmember Hosmer, Councilmember Hardinger, Councilmember Carroll, Councilmember Lee, and Mayor McClure. Nays: None. Absent: None. Abstain: None.

2.3. Council Bill 2023-299 (Hardinger)

A special ordinance approving a Memorandum Agreement between the City and the International Brotherhood of Electrical Workers AFL-CIO Local Union Number 753, the representative for a bargaining unit within the City's Crafts, Trades and Labor employee group, regarding applying for enrollment in the Missouri Fire Fighters Critical Illness Trust and Pool for calendar year 2024 for eligible bargaining unit members; and authorizing the City Manager, or designee, to execute the Memorandum Agreement.

Council Bill 2023-299 (Hardinger) was by the following vote: Ayes: Councilmember Jenson, Councilmember Horton, Councilmember McGull, Mayor Pro Tem Simpson, Councilmember Hosmer, Councilmember Hardinger, Councilmember Carroll, Councilmember Lee, and Mayor McClure. Nays: None. Absent: None. Abstain: None.

2.4. Council Bill 2023-300 (Lee)

A general ordinance amending the Springfield City Code, Section 2-92, known as the 'Salary Ordinance,' to create a new subsection relating to participation in the Missouri Fire Fighters Critical Illness Trust and Pool.

Council Bill 2023-300 (Lee) was by the following vote: Ayes: Councilmember Jenson, Councilmember Horton, Councilmember McGull, Mayor Pro Tem Simpson, Councilmember Hosmer, Councilmember Hardinger, Councilmember Carroll, Councilmember Lee, and Mayor McClure. Nays: None. Absent: None. Abstain: None.

3. NEW BUSINESS.

3.1. Springfield Police Officers' and Fire Fighters' Retirement System Board of Trustees Update.

Tony Kelley, Police and Firefighters Pension Board Administrative Director, provided an update. Mr. Kelley noted the pension is a defined benefit retirement system based on age, age plus service, or disability. The benefit is paid monthly, and the calculations are performed yearly. Mr. Kelley noted the system calculations are performed yearly to determine what the contribution will be. This number is based on accrued and unfunded liabilities and determined by the actuary. The 2023 required contribution was approximately \$12 million. The requirement is decreasing as the number of active members decreases. The system is funded in four ways. employer contributions, the Pension Sales Tax, settlement funds, and through investment returns.

Employer contributions are 35 percent of payroll of members of the Police and Fire Pension. The employer contributions are based on a percentage of pay. Mr. Kelley noted the Pension Sales Tax, which adds approximately \$45 million per year to the fund, is set to expire in 2025. Settlement funds added approximately \$23 million, and investment funds will be the largest funding mechanism for the plan once the sales tax funding expires.

Mr. Kelley noted the plan was 90.7 percent actuarially funded as of June 2023 with a declining population. They are attempting to de-risk the portfolio. The strategy will be moved forward to City Council in the coming months. Previous commitments regarding assets will move more slowly, taking approximately seven to ten years to implement a new strategy. He added the new Investment Policy Statement (IPS) will be much more concise. The plan has improved from an approximately 30 percent market value to nearly 90 percent market value of assets. There is a need to meet the actuarial requirements of the plan. Mr. Kelley noted there is a continued commitment of the Retirement System Board to partnering with the community, City Council, City Administration, and the participants to maintain a healthy retirement system.

Mayor McClure noted the plan is 90.7% funded with fifteen months of sales tax receipts upcoming. He noted the LAGERS system is nearly 95% funded. Mayor McClure reiterated this is a closed plan.

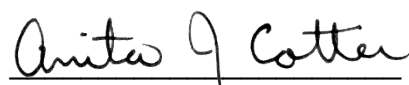
Councilmember Lee asked what the settlement funds were from and if they are ongoing. Mr. Kelley noted the funds were received from a lawsuit. David Holtmann, Director of Finance, responded the funds were approximately \$24 million from telecommunications settlements and are not ongoing.

Mayor Pro Tem Simpson complimented Mr. Kelley on the work of the Board. He asked what a reasonable contribution level would be based on the analysis that had been conducted. Mr. Kelley responded it would be difficult to give a specific number. He added if all assumptions were met, they would theoretically be close to the 100 percent level. Jason Gage, City Manager, noted the report from Milliman showed a range of \$3.5 million to \$6 million was needed.

Councilmember Hosmer asked if the 780 current participants were retirees plus active employees. Mr. Kelley responded affirmatively. Councilmember Hosmer asked how many active employees fall under the Police and Fire Pension Fund. Mr. Kelley responded approximately 100. Councilmember Hosmer asked for a breakdown of police and fire participants. Mr. Kelley responded he would get the information for City Council. Councilmember Hosmer asked if the benefit would also be paid to a spouse in case of death. Mr. Kelley responded a reduced benefit would be paid to eligible spouses. David Holtmann, Director of Finance, noted there were approximately 69 active police and 49 active fire employees in the plan as of June 30, 2023.

4. ADJOURN.

Prepared by : Michelle Brown


Anita J. Cotter, MMC/MRCC
City Clerk