



City of Grand Island

Tuesday, December 18, 2012

Council Session

Item G3

Approving Minutes of December 11, 2012 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

December 11, 2012

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on December 11, 2012. Notice of the meeting was given in the *Grand Island Independent* on December 5, 2012.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmembers were present: Vaughn Minton, Mike Paulick, John Gericke, Peg Gilbert, Mitch Nickerson, Julie Hehnke, Chuck Haase, and Bob Niemann. Councilmembers Scott Dugan and Linna Dee Donaldson were absent. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Attorney Robert Sivick, Interim Public Works Director Terry Brown and Finance Director Jaye Monter.

INVOCATION was given by Community Youth Council member Miranda Wieczorek followed by the PLEDGE OF ALLEGIANCE.

SPECIAL ITEMS:

Update on Metropolitan Planning Organization (MPO). Regional Planning Director Chad Nability introduced Joe Warner, Division Administrator and Randy Peters, Director from the Nebraska Department of Roads who congratulated the City on becoming an MPO and commented on the opportunities of reaching an MPO designation.

Mr. Nability introduced Brad Zumwalt, Highway Planning Manager with the Nebraska Department of Roads who gave a PowerPoint presentation to provide guidance regarding what needed to be completed and a timeframe.

Explained was that an MPO was “The forum for cooperative transportation decision making for the metropolitan planning area”. Five core functions of an MPO were: 1) establish a setting; 2) evaluate alternatives; 3) maintain a Long Range Transportation Plan (LRTP); 4) develop a Transportation Improvement Program (TIP); and 5) involve the public.

He stated that an MPO was required to have a decision-making “policy board”, but beyond that, there was no required structure for an MPO. Most MPOs were made up of a Policy Board, Technical Advisory Committee and MPO staff.

Mentioned was that small MPOs had an average policy board of 9 members. 81% had County Commissioners represented and 65% included State DOTs, FHWA/FTA which were usually non-voting members. Small MPOs had an average of 2.9 employees (1 employee per 48,000 people).

Explained were the following Federal and State Planning Programs/Documents:

Unified Planning Work Program (UPWP) – developed annually by MPO in cooperation with the state and transit operators. The UPWP documents planning activities, discusses planning priorities facing the area, and describes all metropolitan transportation planning activities.

Long Range Transportation Plan (LRTP) – 20+ years planning horizon – predicts travel growth based on future land use and plans for future transportation programs and projects based upon the forecasts and is completed/updated every 5 years. Fiscally constrained, can only include projects where there is a reasonable chance of funding and other needed projects can be listed in the plan as unfunded (“illustrative”).

Transportation Improvement Program (TIP) – The TIP should include only projects which are consistent with the long-range transportation plan. The TIP must include all regionally significant transportation projects which involve FHWA or FTA funding or approval. The TIP must be developed with public involvement, and the TIP must be approved by the MPO and the Governor.

Public Participation Plan – Outlines MPO goals, activities and process pertaining to the public outreach activities. These include public comment periods, outreach efforts and advertising methods and time periods for new documents or amendments.

MPO Planning Funding – FHWA Statewide Planning and Research (SPR) (Start-up) funding this year (\$50,000 Federal). Estimated FY 2014 federal funding available for Grand Island MPO was: \$84,000 for standard planning activities from FHWA PL; and an additional \$19,200 in FTA Section 5303 planning funds. These funds require a 20% match.

Planning funds are spent on eligible planning activities as defined by 23CFR 420 and 450. Typical tasks were: traffic volume counts, street system changes, transit system data, mapping, travel time studies, parking inventory, bicycle & pedestrian facilities inventory, travel model updates, and staff time to prepare the required documents mentioned earlier.

Presented were the following first year tasks:

- Designate a recipient for FTA Section 5307 Funds (approval of eligible public agency by the Governor) by October 2012
- Agreement for SPR startup funds (*Council and NDOR*)
- Set up MPO Organizational Structure (establish MPO Housing/lead agency/support staff and form policy board) (*Approved by Council*)
- Determine Metropolitan Planning Area (*Approved by Council*)
- Draft articles of agreement between GI and State of NE (*Approved by Council*)
- Secure resolutions of adoption from local government (*Approved by Council*)
- Submit articles of agreement, map, and letter requesting designation to Governor’s office after February Council Meeting and submit to Governor no later than March 4
- Begin UPWP Development in February 2013 (*Staff with NDOR and FHWA*)
- New MPO designated by the Governor by no later than March 26, 2013
- Policy board establishes TAC. After Creation by Governor
- Draft bylaws (*Done by MPO Policy Board*)

- Submit UPWP to State (*Done by MPO Policy Board*)
- Write Job Descriptions, Advertise and Hire MPO Staff (*City of GI with MPO Policy Board and impacted Department Director*)
- Develop a plan, Method and Methodology to Transition from Rural Transportation Services to Urban Transportation Services (*TBD*)

Joni Roeseler, Planning/Program Development Team Leader with the Federal Transit Administration commented on working with Grand Island with regards to the Public Transportation for the MPO.

Discussion was held regarding the 20% match. Staff time would count towards that match. Federal funds for the first 6 months of FY 2013/2014 were in the amount of \$328,000 for Grand Island. Representation from Merrick County was mentioned. Mr. Nabity stated one of the most important parts of the MPO was public participation.

Mr. Zumwalt mentioned planning funds were for administration activities to start the MPO. Federal dollars would have a 20% match for projects, many of which were in the current One & Six Year Plan. Ms. Roeseler explained that transit would involve public transportation such as buses, trains, etc.

Comments were made regarding a nine member policy board. Mr. Nabity stated he didn't anticipate the need to hire staff until the FY 2013/2014 budget. Mentioned was participation of the Railroads with emphasis on freight. Recommendations would be brought before Council for approval to move the MPO forward. Mr. Nabity stated the next step would be a Study Session on January 15, 2013 to study the map and the policy board.

Council recessed at 8:20 p.m. and reconvened at 8:30 p.m.

Pre-84 Public Safety Pension Plan Discussion: Finance Director Jaye Monter reported that the Nebraska State Legislature changed the public safety defined benefit retirement plan to a defined contribution retirement plan effective January 1, 1984. State statutes outline for the City how to fund public safety pension benefits for employees who retire today that were employed with the City of Grand Island prior to January 1, 1984. Currently there were eight full-time employees (7 police, 1 fire) that were employed prior to January 1, 1984. A PowerPoint presentation was given.

The Goals of the Study Session were: Council understanding of prior retiree payments; discussion of Straight Life and Joint Life Annuity calculations to determine lump sum payment option; budget timeline/funding options; and to determine financial needs of the Police and Fire Reserve Funds.

The following terms were defined: Annuity – contract issued by a life insurance company in order to provide periodic retirement benefits; Straight/Single Life Annuity – annuity paid to an individual over their lifetime; and Joint/J&S (Joint & Survivor) Life Annuity – annuity would transfer annuity income to a spouse in the event of the death of the annuity buyer.

Reviewed was the history of the Lump Sum payments to retiring Police Officers and Firefighters which changed from a straight life annuity to joint life annuity in 2005.

Pension Plans:

- Defined Benefit Plans – type of pension plan in which employer promises a specified monthly benefit on retirement based on the employee’s earnings history, tenure of service and age.
- Defined Contribution – type of pension plan in which an employee’s benefits during retirement depend on the contributions made to and the investment performance of the assets in his or her account.

Explained were the three trust funds the city maintains:

- 800 Fund – Police and Fire Pension Fund – accounts for direct pension payments to personnel who retired prior to 1984 under a defined benefit plan
- 805 Fund – Police Reserve Fund – accounts for administration of the pre-84 police officers pension benefits under a defined benefit plan
- 810 Fund – Fire Reserve Fund – accounts for administration of the pre-84 firefighters pension benefits under a defined benefit plan

Gregg Rueschhoff with Milliman, Inc. presented the Summary of Actuarial Projections of Liability to the City for the remaining 7 Police Officers and 1 Firefighter. Discussion was held regarding the volatility of the market. Mr. Rueschhoff stated the actuarial completed by his firm in January 2011 was figured on the Straight Life Annuity.

Reviewed were the Trust Fund Cash Balances as of September 30, 2012.

Councilmember Haase explained his reasons for bringing this issue forward due to a large payment to a Police Officer retiree at the November 13, 2012 meeting: to provide a fair pension to the employee and fairness to the tax payer; straight life vs. joint life annuity; Pension Committee actions; paying retiree claims before Council approval; and the request to pull the claim from the November 13, 2012 meeting. Discussion was held regarding remedying the claim.

Mentioned were the following future Council action decisions:

- Straight Life vs. Joint Life Annuities
- Review of Most Recent Police Claim
- Use of Public Safety Trust Funds

Human Resources Director Brenda Sutherland commented on an Administrative decision regarding the change in Single Life Annuity to Joint Life Annuity for Police Officers in 2004. The action was not brought forward to Council for approval.

Terry Galloway with Almquist Maltzahn Galloway & Luth CPAs answered questions regarding the audits over the years relative to the retirement funds.

Ms. Monter gave a background of the Pension Committee and mentioned Public Safety Trust Funds. Comments were made by several Councilmembers regarding going forward with a Straight Life Annuity. City Attorney Robert Sivick commented on State Statutes.

Greg Anderson, Trust Officer with Wells Fargo commented on the employees' retirement accounts.

A lengthy discussion was held regarding straight life annuity versus joint life annuity.

ADJOURNMENT: The meeting was adjourned at 10:25 p.m.

RaNae Edwards
City Clerk