

MINUTES
SPECIAL COUNCIL MEETING – PARTICIPATION IN LAGERS PENSION PROGRAM
BRIDGETON CITY HALL
12355 NATURAL BRIDGE ROAD
JANUARY 18TH, 2021
3:30 P.M.

The special Council meeting was called to order by Mayor Briggs on Monday, January 18th, 2021 at 3:30 p.m. in the Council Chambers at City Hall.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Grimmer, Hein, Luke, Norris, Purcell, Saettele
Absent: Abram, Zimmer

Mayor Briggs noted a quorum present.

LAGERS

Mayor Briggs announced that upon request of the Council, staff had conducted a survey in regards to the proposed LAGERS pension program. Mayor Briggs stated that employees were given three options on the survey: 1) Participation in LAGERS at 4% contribution 2) Participation in LAGERS at 6% contribution 3) No participation in LAGERS, continuation of current 401/457 Plan. Mayor Briggs stated that of the 58 eligible employees, 49 employees selected participation in LAGERS at 4% contribution, 1 employee selected participation in LAGERS at 6% contribution, and 8 employees wished to remain under the current retirement plan. Mayor Briggs stated that this item was on the agenda for final reading and consideration at the January 20th, 2021 regular Council meeting.

Councilmember Purcell stated that the goal of the LAGERS program was to be competitive with other cities, and with a 1.5% multiplier, that goal could not be achieved. Councilmember Purcell stated that prior discussions included the possibility of having the multiplier at 1.75% with a 4% contribution.

Councilmember Grimmer asked if LAGERS must be withdrawn from an employees' paycheck pre-tax.

Councilmember Saettele stated that in response to the statements that there are no surviving benefits under the current retirement plan, he reminded the Council that a beneficiary is assigned.

Councilmember Hein stated that while LAGERS had surviving benefits, depending on the return, increasing the life insurance option may be a better alternative. Councilmember Hein added that the current 457(b) plan is easy to manage.

Chief Hood provided a written statement detailing the Police Departments desire to enter into an agreement with LAGERS. Chief Hood read aloud the statement to the Council and audience (*copy has been attached to this record*).

Officer Stone, Bridgeton employee for two years, stated that he was in favor of the 4% employee contribution, with 1.5% multiplier option. Officer Stone stated that the multiplier could always be changed, but this option would get the City into the program. Officer Stone indicated that he believed the benefits of LAGERS, outweighed the other options provided.

John Gilbert, Bridgeton employee, stated that entering into an agreement with LAGERS was a significant financial commitment, where once you are in you can't get out. Mr. Gilbert urged the Council to not act quickly, and to consider the current underfunded pension program the City currently has. Mr. Gilbert stated that you can be as involved in your portfolio as you want to be.

Councilmember Grimmer stated that other local municipalities have selected LAGERS, and have been successful with the program. Councilmember Grimmer stated that with moving to the program the City would improve recruitment and employee retention and provide better security.

Councilmember Saettele stated that while the Council had been provided data on the participating members of LAGERS, he would like to see what other Cities are providing that are not utilizing the pension program. Councilmember Saettele stated that cities such as Chesterfield, Wildwood, Des Peres, are not in LAGERS, and there may be better alternatives or options.

Eric Powers, Bridgeton employee, spoke in favor of the continuation of the current 457 Plan. Mr. Powers provided a handout to the Council detailing the contribution rates of other participating Cities in LAGERS. Mr. Powers provided examples of what an employee making \$50,000.00 would earn under the proposed pension plan at different rates, and the 41/457 at different returns, and stated that he found the current plan to be more beneficial. (*Copy attached to this record*)

Councilmember Norris stated that there is no guarantee under the current plan. Councilmember Norris added that while the money may be generated at a slower rate with LAGERS than the current plan, there is more security.

Councilmember Hein requested that additional information be provided on LAGERS spousal and survivor benefits.

Officer Goldstein, Bridgeton employee, stated that without LAGERS it would be difficult to recruit new officers. Mr. Goldstein furthered that even if 4% contribution with 1.5% multiplier was the worst plan in the program, he would still be in favor of it.

Councilmember Saettele asked if the Council had weighed all of the options, adding that this agreement was perpetual.

Councilmember Luke asked if all employees would be required to participate in the LAGERS plan. Councilmember Luke stated that she would have liked if additional options were made available on the survey, adding that the City has a fiduciary responsibility to review all alternatives.

Officer Forbes, Bridgeton employee, stated that he would like for the Council to make a decision on the matter soon, as it effects the lives of the officers significantly. Mr. Forbes added that while the proposed program may not be the best, that additional investing could still be done if the employee wishes too.

Councilmember Hein suggested looking into ways to improve the 457(b) plan if LAGERS fails to get approved.

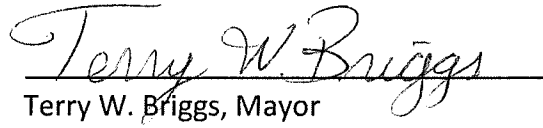
Councilmember Luke agreed with Councilmember Hein, requesting that additional training be provided to employees on investment decisions.

Officer Wilson, Bridgeton employee, stated that he was strongly in favor to the cities participation in the LAGERS program. Mr. Wilson added that while he understood the risks in taking on the program, he also felt that the stock market was equally risky. Mr. Wilson asked if the LAGERS Board adjusted the rates for costs of living. City Administrator Bookout stated that the LAGERS Board had the right to adjust.

Mayor Briggs thanked the employees for attending, and for staff's work on conducting the survey.

ADJOURNMENT

There being no additional business to come before the special session of the City Council, Councilmember Grimmer moved to adjourn, second by Councilmember Norris at 5:10 p.m. Motion carried by voice vote.


Terry W. Briggs, Mayor

ATTEST:


Stacey Mann, City Clerk