



## MEMORANDUM

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**DATE:** January 17, 2020  
**TO:** Mayor Eveleth and the Owosso City Council  
**FROM:** Amy K. Kirkland, City Clerk  
**SUBJECT:** Changes to Retirement Board

### RECOMMENDATION:

I recommend Council hold the first reading of the attached ordinance amending the make-up of the Retirement Board and set a public hearing for Monday, February 3, 2020 at 7:30 p.m. to receive citizen comment on said amendment.

### BACKGROUND:

The City of Owosso Employees' Retirement System Board of Trustees was established via ordinance to administer the City's Retirement System. According to the ordinance the Board consists of seven members, four of whom are elected individually by one of the City's four employee groups (Police, Fire, General City Union, and General City Non-union). As you know, the City is in the process of closing the City administered City of Owosso Employees' Retirement System. Transfer of the Police Patrol unit to the MERS system was completed late last year negating the need for a Police representative to the Board going forward. The Retirement Board took action at its December 11, 2019 meeting to formally recommend that Council remove the Police representative position on the Board.

The attached ordinance amendment formally reduces the number of Board members to six through the removal of the Police representative. The proposed ordinance also amends the number of members required for a quorum and the number of concurring votes required for a decision, as it was felt the current requirements (5 members for quorum, 5 concurring votes for decisions) would be too burdensome for a six member board.

It is anticipated the remaining employee groups and retirees will be transferred to the MERS system by June 1, 2020.

### FISCAL IMPACTS:

None.

**RESOLUTION NO.**

**FIRST READING & SET A PUBLIC HEARING FOR  
AN ORDINANCE AMENDING SECTIONS 2-403 & 2-407  
OF THE CODE OF ORDINANCES  
TO REMOVE THE POLICE REPRESENTATIVE FROM THE RETIREMENT BOARD**

WHEREAS, the City of Owosso administers the City of Owosso Employees' Retirement System (Retirement System) for select employees; and

WHEREAS the Retirement System is governed by the Board of Trustees (Retirement Board) per Article VII, *Municipal Employees' Pensions*, of Chapter 2, Administration, of the Code of Ordinances of the City of Owosso, and a Police Officer Member to the Board is required by said ordinance; and

WHEREAS, the employees represented by the Police Office Member have agreed in their latest labor agreement to the transfer of their division from the City's Retirement System to the Michigan Municipal Employees' Retirement System; and

WHEREAS, said employees have been transferred and police representation to the City's Retirement System is no longer warranted; and

WHEREAS, removal of said Police Officer Member to the Retirement Board may hinder the Board's ability to conduct its normal affairs due to the number of Retirement Board Trustees required for a quorum and decision making; and

WHEREAS, an ordinance amendment is necessary to adjust the membership of the Board and the corresponding rules for quorum and affirmative votes; and

WHEREAS, the Retirement Board recommends adoption of the following amendments to the Code of the City of Owosso to adjust the membership of the Board and the corresponding rules for quorum and affirmative votes; and

WHEREAS, the City Council must hold a public hearing to hear all interested persons regarding any and all proposed ordinance amendments.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY OF OWOSSO ORDAINS THAT:

SECTION 1. AMENDMENT. Section 2-403, Board of trustees, of Article VII, *Municipal Employees' Pensions*, of Chapter 2, Administration, of the Code of Ordinances is hereby amended to read:

**Sec. 2-403. - Board of trustees.**

(a) There is hereby created a board of trustees (the "board") in whom is vested the general administration, management, and responsibility for the proper operation of the retirement system and for making effective the provisions of this article. The board shall consist of ~~seven (7)~~ six (6) trustees as follows:

- (1) The mayor or a councilman who is not eligible to participate in the retirement system as a member or retirant;
- (2) A second councilman who is not eligible to participate in the retirement system as a member or retirant;
- (3) A citizen who has the qualifications required by the Charter for holding an elective city office and who is not eligible to participate in the retirement system as a member or retirant, to be appointed by the council;

~~(4) A police officer member to be chosen by the police officer members;~~

~~(4)(5)~~ A firefighter member to be chosen by the firefighter members; and

~~(5)(6)~~ Two (2) general city members: One (1) general city member to be chosen by non-unionized general city members and one (1) general city member to be chosen by the unionized general city members.

~~(6)(7)~~ If there are no active members of the employee groups listed in subsections (4), ~~and (5) and (6)~~ above able or willing to serve, a retired member of the group may be elected by active and retired members of such group.

(b) The choosing of the trustees provided for in paragraphs (4), ~~and (5), and (6)~~, above, shall be held in the month of May in each year under such rules and regulations as the board shall, from time to time, adopt.

SECTION 2. AMENDMENT. Section 2-407, Quorum – Each trustee entitled to vote, of Article VII, *Municipal Employees' Pensions*, of Chapter 2, Administration, of the Code of Ordinances is hereby amended to read:

**Sec. 2-407. - Quorum—Each trustee entitled to vote.**

~~Five (5)~~ Four (4) trustees shall constitute a quorum at any meeting of the board. Each trustee shall be entitled to one (1) vote on each question before the board, at least ~~five (5)~~ four (4) concurring votes shall be necessary for a decision by the trustees.

SECTION 3. EFFECTIVE DATE. This amendment shall become effective twenty days after passage.

SECTION 4. AVAILABILITY. This ordinance may be purchased or inspected in the city clerk's office, Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

SECTION 5. PUBLIC HEARING. A public hearing is set for Monday, February 3, 2020 at 7:30 p.m. for the purpose of hearing citizen comment regarding the proposed ordinance amendments.