

**City of Aberdeen;
Business Meeting, Work Session
May 12, 2014**

Present: Mayor Bennett, Councilwoman Elliott, Councilwoman Landbeck,
Councilman Garner and Councilwoman Young

Absent: None

Also Present: Douglas Miller, City Manager
Phyllis Grover, Director of Planning and Community Development
Opiribo Jack, Director of Finance
Monica Correll, City Clerk

The meeting was called to order at 3:55 p.m. in the Council Chambers by Mayor Bennett. There were no matters of immediate and urgent business.

Work Session

- a. IBD Uses
- b. Planning Commission Primer

Ms. Grover informed the Council that the Planning Commission will be discussing the final recommendations on assessorly uses for RVs, boats, trailers, etc., the proposed changes on the integrated business district table of uses and text, and the revised preliminary site plan for the Villas of Normandy Woods.

- c. OPEB

Mr. Miller explained that the retirement plans offered in the City are the defined contribution program and the defined benefit program (pension). The Aberdeen Police Department (sworn) is provided the pension program. He said that the City has maintained these well, resulting in AA bond rating. Other benefits such as life and health insurance are labeled as, other post-employment benefits (OPEB).

Mr. Jack presented the following explanation and handout to the Council:

Other Post-Employment Benefits (OPEB)

Pre-funding

The goal of prefunding the OPEB liability is to systematically allocate the present value of the projected cost of benefits over the working life of the benefiting employees. The calculation and allocation amounts are accomplished through an actuarial valuation. The amount that the actuary determines that needs to be allocated to a given year is known as the Annual Required Contribution. Two methods were presented to us.

- 1) The first method would allow for a stable annual contribution. The annual contribution would be about \$350,000 to \$420,000, depending on the amortization period (20 or 30 years) and the discount or interest rate.
- 2) Under the second method, the initial contribution would be lower, but would increase over the years. The initial contribution would be about \$280,000 to \$354,000.

We plan to use the first method, and have budgeted \$385,000 for the 2015 fiscal year.

Trust Fund

- Set up a trust.
- Council will adopt the trust agreement by way of ordinance or resolution.
- The trustees may need to retain a Fund Manager/consultant to manage the investments. Currently, we use the Principal Financial Group for the Police Pension plan.
- The fee to develop the trust agreement would be about \$2,500.

Preliminary Consultations

1. Boomershine Consulting Group, LLC – Actuary
2. McGuireWoods, LLP – Attorneys
3. Principal Financial Group – Fund Managers – still waiting for a response

Council discussion followed. Mr. Jack recommended a 30-year annual contribution versus a 20-year contribution.

- d. Stadium Expenditures
- e. Pool Expenditures

Mr. Miller said that there would be May and June budget amendments for the following reasons: an upgrade to the IT system, computers, \$100,000 donation to the fire department for an ambulance, and repairs to Ripken Stadium. \$400,000 of the \$450,000 from the bond bill has been used to pave and stripe the Ripken Stadium parking lot. Other maintenance to the stadium would include: repair of a broken water line in the Crab Shack; replacement of the HVAC unit on the third base side; concrete work near railings, etc. Mr. Miller added that the hotel tax would be an important revenue source for this facility. Repairs were also needed at the City's pool. Council discussion followed.

- f. 911 Memorial Dedication, Change of Date

Mr. Miller said that the 911 Memorial Dedication and the 125th Aberdeen Fire Department Anniversary has been moved from Saturday, June 21 to Saturday, June 28 at 1:00 p.m.

g. Alarm Ordinance

Mr. Miller explained the need to expand the existing ordinance to include fines for malfunctioning fire alarms as well as burglar alarms. This would help eliminate false alarms and waste of resources.

4. Other Business

Mr. Miller said that the Mayor would deliver his State of the City at the Monday, May 19, Council Meeting. A budget hearing was scheduled as well as the adoption of the Heritage Trust Ordinance, the TOD Map Amendments, and possibly the Presbyterian Home annexation resolutions.

The Mayor delivered the announcements and reminded everyone that there would be a Memorial Day Ceremony at Veterans Park.

Announcements:

May 15; Law Enforcement Memorial Day

May 19; Council Meeting

May 20; Chamber Lunch

May 26; Memorial Day (office closed)

June 2; Council Meeting

June 8-11; MML Convention

June 28; 911 Memorial Dedication

Adjournment: Being no further business, the meeting was adjourned by unanimous consent at 4:30 p.m.