

MINUTES
Special Session of the College Park City Council
Council Chambers
Tuesday, January 20, 2015
8:31 p.m.

PRESENT: Mayor Fellows; Councilmembers Kabir, Wojahn, Brennan, Dennis, Stullich, Day, Hew and Mitchell.

ABSENT: None.

ALSO PRESENT: Joseph Nagro, City Manager; Bill Gardiner, Assistant City Manager; Janeen Miller, City Clerk; Suellen Ferguson, City Attorney; Steve Groh, Director of Finance; Jill Clements, Human Resources Director; Terry Schum, Director of Planning; Bob Ryan, Director of Public Services; Jeannie Ripley, Code Enforcement Manager.

ACTION ITEMS

Payment of New Entrant Liability into the Maryland State Retirement Plan:

Mr. Groh and Ms. Clements explained that the final valuation of the cost to purchase the prior service for the City's entry into the Maryland State Retirement Plan has been provided, and is \$1 M more than was estimated last May. Staff recommends that the City fund this additional liability in the same way that we planned earlier – to borrow this money from our reserves to pay in one lump sum, then repay ourselves annually over eight to ten years. This funding option is less expensive than borrowing from the Plan or from the bank and saves the City the most money in the long run.

Mr. Groh and Ms. Clements explained the valuation process and why the final calculation by the Plan's actuaries was more than anticipated. Council discussed the final valuation and funding options.

Mr. Groh explained that the final valuation invoice from the MSRPS included an item (Letter "G" on the chart) for interest on the purchase from July 1, 2014 (our entry date) to December 31, 2014 (the date of the final valuation invoice) in the amount of \$95,211. We plan to appeal the interest because we were ready to make this payment on July 1 but they were not ready to accept it because the actuarial valuation had not been done. Mayor Fellows explained that this accumulating interest is the reason he listed this item as a "Possible Special Session" on the agenda. We are trying to minimize the interest they are charging us, even though we plan to request a waiver of this interest. Council agreed to vote on this item tonight.

During a regularly scheduled Worksession of the College Park City Council, a motion was made by Councilmember Stullich and seconded by Councilmember Brennan to enter into a Special Session to consider this matter. Notice of this Special Session was provided on the Worksession agenda. The motion was approved 8 – 0 – 0 and the Council entered Special Session at 8:31 p.m.

15-G-04 Maryland State Retirement Plan Prior Service Purchase

A motion was made by Councilmember Stulich and seconded by Councilmember Mitchell that the City pay the additional cost of approximately \$1 M to complete the purchase of College Park's New Entrant Liability to the Maryland State Retirement Plan in one lump sum from the Fund Balance. The City will reimburse the Fund Balance for the full cost in the future as budgeted funds are available.

There were no comments from the audience. There were no comments from the Council.

The motion passed 8 – 0 – 0.

ADJOURN: A motion was made by Councilmember Day and seconded by Councilmember Dennis to adjourn from the Special Session, and with a vote of 8 – 0 – 0, the Special Session adjourned at 8:32 p.m.

Janeen S. Miller
City Clerk

Date
Approved