

Draft Minutes
Agenda
City of Duluth, GA
Finance Committee
Special Called Meeting
12:00 Noon
March 20, 2018

Meeting called to order Vice Chair Susan Porteous

Present: John Howard, John Monk, Brandon Odum, Council member Kelly Kelkenberg, HR Manager Ed Johnson, Finance Manager Ken Sakmar, City Manager James Riker, City Clerk Teresa S. Lynn, City Auditor Joel Black and MSI Consultant Matt Bidwell

Absent: Council member Billy Jones

I. APPROVAL OF MINUTES

1. Approval of Minutes for December 14, 2017

A motion was made by John Howard, seconded by Brandon Odum to approve, the minutes as presented.

Those voting for John Monk, John Howard, Brandon Odum and Kelly Kelkenberg
Motion carried.

II. OLD BUSINESS

III. NEW BUSINESS

1. ELECTION OF FINANCE COMMITTEE CHAIRMAN

Committee Chairman, John Monk has indicated his desire to be re-appointed to a new term on the Finance Committee, but does not wish to continue as chairman of the committee. For this reason, committee members will be asked nominate a member to serve as chairman.

A motion was made by John Howard, seconded by Kelly Kelkenberg to nominate Susan Porteous to serve as chairman of the Finance Committee.

Those voting for John Monk, John Howard, Brandon Odum and Kelly Kelkenberg
Motion carried.

2. 2017 ANNUAL FINANCIAL REPORT

Finance Manager Ken Sakmar introduced City Auditor Joel Black with Mauldin and Jenkins. Mr. Black presented the City's annual audit to the committee. The audit report includes the City as a whole, the Downtown Development Authority, and the Urban Redevelopment Agency. The auditor issued an unqualified or clean opinion on the City's financial statements. The audit report included no findings related to the financial statements. However, the report does include two management comments related to segregation of duties and a property tax allowance for uncollectable taxes. Mr. Black will also discuss upcoming GASB pronouncements that could have an impact on the City's financial statements.

A motion was made by John Monk, seconded by John Howard to authorize the Chairman to present the audit report to the council for consideration at the March 26th Work Session.

Those voting for John Monk, John Howard, Brandon Odum and Kelly Kelkenberg

Motion carried.

3. EMPLOYEE HEALTH INSURANCE

HR Manager Ed Johnson introduced the City's insurance broker, Matt Bidwell with MSI Benefits Group. Mr. Bidwell presented and discussed with the committee the annual renewal process of the City's health, dental, disability and life insurance. For the past two years, the City's health insurance provider, Blue Cross and Blue Shield of Georgia (BCBSGA) has offered the City a zero increase in premium. This year however, although the City continues to have a low claims to premium ratio the City's health insurance provider BCBSGA is offering a 7.50 increase in medical premium, a zero increase in dental premium and a 5.01% increase in disability and life premium. Matt Bidwell presented for discussion the City's current insurance renewal offer and the quotes he has received from other provider.

A motion was made by John Monk, seconded by Kelly Kelkenberg to approve, authorizing the Chairman to present to Council a recommendation to renew medical coverage with Cigna. Renew dental coverage with Cigna and to renew basic life and disability coverage with Met Life for the upcoming June 1, 2018 renewal.

Those voting for John Monk, John Howard, Brandon Odum and Kelly Kelkenberg

Motion carried.

4. 2018 ANNUAL SALARY SURVEY

Ed Johnson, HR Manager, completed the 2018 annual salary survey for the City. The survey compares positions in the City of Duluth with 15 other local jurisdictions in order to identify comparable positions. The salary range for these positions is then entered into a spreadsheet and analyzed in order to determine the prevailing pay range for each position in the local market area. Mr. Johnson noted that several of the surveyed jurisdictions updated their pay charts after several years of no increases while other jurisdictions brought jobs back in-house that had been outsourced to CH2M Hill. He presented and discussed the overall survey with the committee and recommends reassign (regrade) for a one-grade increase, and one job is recommended for a 2% increase within current grade. Current incumbents in these jobs will be given a 2% increase, at a cost of \$25,403.

Police Fleet Assistant
Events Coordinator
Marketing Coordinator
Maintenance Mechanic
Administrative Records Manager
GIS Specialist
Sr. Planner
Building & Development Inspector
Clerk of Municipal Court
Human Resources Manager
Parks & Recreation Director
Public Works Director
Planning & Development Director
IT Manager

City Clerk Deputy Clerk
Finance Manager

A motion was made by John Howard, seconded by Brandon Odum to authorize the Chairman to recommend that Council approve the annual salary survey as presented.

Those voting for John Monk, John Howard, Brandon Odum and Kelly Kelkenberg

Motion carried.

5. PENSION PLAN FUNDING EVALUATION

City Manager James Riker presented to committee members an update on the City Pension Plan Funding. He reminded the Committee that in December the City had hired Chuck Carr, with Southern Actuarials Services to conduct an analysis on the City current funding contribution and future funding status for the City's pension plan. Mr. Carr's analysis concluded the City could reduce its current funding contribution from 9% to 7% of payroll starting in 2018 thus funding the pension plan in a more conservative basis than the 6% recommended in the Actuarial Valuation and Review Report. The Committee agreed and made a recommendation to the Mayor and Council and was approved a reduction from 9% to 8% contribution. Based on the Actuarial Valuation and Review Report and budget constraints, staff is requesting a recommendation be consider to move the contribution from 8% to 7% for the FY19 Budget. Finance Manager Ken Sakmar estimated that by a 2% reduction would save the City \$170,000 annually. The committee members discussed the current funding status of the plan and the overall impact of the reduction in funding.

A motion was made by John Monk, seconded by John Howard to authorize the staff to recommend to Council a reduction to the funding of the City's Pension Plan from 8% to 7% in the FY 2019 budget and to re-evaluate the plan and adjust according future activity.

Those voting for: John Monk, John Howard, Brandon Odum and Kelly Kelkenberg. Motion carried.

IV. ADJOURNMENT

1. FISCAL YEAR 2018 MEETING DATES

Committee members are asked to note future quarterly meetings for 2018

June 21, 2018
September 20, 2018
December 13, 2018

The next regular scheduled meeting is set for June 21, 2018.

Motion made by Kelly Kelkenberg, seconded by John Howard to adjourn at 1:15 p.m.

Those voting for John Monk, John Howard, Brandon Odum and Kelly Kelkenberg

Motion carried.