

## Village of Lansing

MINUTES of a regular meeting of the Board of Trustees of the Village of Lansing held on Wednesday, October 10, 2001, in the Village Office.

Present: Mayor Donald Hartill; Trustees Janet Beebe, Larry Fresinski, Lynn Leopold, Frank Moore; Clerk/Treasurer, Jodi Dake; P.T. Clerk, Carol Willard; Code & Zoning Officer, Benjamin Curtis; Supt. Of Public Works, Dennis Reinhart; MEO, Rick Beckwith.

Mayor Donald Hartill called the meeting to order at 12:15p.m. Dennis reported that the truck went for \$14,000 at the auction. We paid \$24,700 for it three years ago so we lost \$10,700 plus the \$1,975 that it cost us to get the truck ready to go to auction. He feels that it is more beneficial to the Village to buy a "bare bones" truck every two years.

Carol has sent out the newsletter. She wanted to know when the Board would work on the codification. Dennis has some sections he still needs to get to Carol. The Mayor asked him to make this a top priority.

Rick will be putting up snow fence soon. Other than that, everything is going well.

Ben reported that Pyramid Mall has gotten a demo permit for the north end of the mall. Today he was going to do the pre-final inspection for Best Buy at the south end of the mall. The B&T Park is finishing up it's last two buildings.

Janet stated that the Recreation Partnership Board is still arguing over the bylaw wording. They have also voted to add an indoor soccer program. The Village still has a position on the County Youth Board to fill. Pat Mendelson has expressed an interest.

Lynn and Ben met with Greg Bronson with regards to an audio/video system for our meeting room. Greg is looking into equipment specifications.

Don hasn't heard from Brent Cross as to whether we will receive more sewer units now that the repair work is complete in the Town of Ithaca.

Robert Rhubin and Kevin Mack from New York State and Local Retirement Systems came to discuss participation in the New York State Retirement System. Robert is the Assistant Director of Member Services. As NYS employees we only have two options, the NYS Retirement Plan or a Deferred Compensation Plan (NYSDC) like we currently have through Copeland. NYSDC is a section 457 plan that is a salary deferral, similar to a 401K Plan.

NYS Retirement is based strictly on years of service and salary. It was founded in 1921. There are 2800 participating municipalities and special districts. All Cities and Counties, most Towns and Village's and special water districts and non-teaching school staff make up the over 600,000 members. This is a full funded system.

It is required that a new municipality joining the system must pick up the back service or deficiency. If the Village decides to join then it is an option for everyone to join. Once the Village becomes part of the retirement system it is mandatory that everyone on payroll be offered the option to join and full time permanent employees making over \$10,300 must join. In some cases, such as most board members, it wouldn't pay to enter the system.

If the Village joins then they must establish workdays for full time positions between 30-40 hours per week. To be considered full time you must make \$10,300 and work at least 30 hours a week. For instance, Carol would be considered half time and it would take her 2 years to receive one-year credit in the system.

Monthly reporting is required. The benefits of the NYS Retirement Plan are

### Pension

- In five years you're vested in the system and can draw pension at age 62
- The benefit is based on service and final average salary of last three years worked.
- You must be 62 years old. There is a provision for retiring at age 55, with some loss in benefit
- This is separate from state monies

#### Death Benefit

- After 1 year it equals one time your annual salary
- After 2 years it equals two times your annual salary
- After 3 or more years it equals three times your annual salary

#### Disability

- There are two types of disability coverage
- On the job disability is in effect immediately
- Ordinary disability which has nothing to do with job after 10 years of service

Robert handed out booklets, which explained the retirement plan. Anyone who would join now would be a Tier 4 member. You have the right to buy back the time you've been employed with the Village and get credit for that time after you've been a member for 2 years. In Carol's case it would be four years since her position is half time. The cost to buy back years is 3% of your annual salary for each year being bought back plus interest. Each employee would have to contribute 3% of his or her salary to the retirement plan for 10 years. After that there is no cost to the employee.

The buy in or deficiency payment is estimated to be \$21,247 per year for 25 years. This is based on the information we initially provided for them and the assumption that everyone on payroll will join. If the Village decides to join this amount will be recalculated and will be the same for 25 years. The Actuary for the Retirement System will calculate the actual amount of the deficiency payment after you become a participating member. They find that 90-95% of employees will buy back their time because it does enhance the benefit. In addition to the deficiency payment, the annual employer cost is a percentage of the salaries of employees who already are members or who become members of the system. Presently this is .06% of gross payroll. It is estimated that it will increase to 1.8% next year and will increase to approximately 4.5-5% in 5 years and may increase to 11% in 20 years. This is a very conservative guess. You will no longer see the huge fluctuations any more because now they do a five-year average on rates and returns. The NYS Retirement System has \$113 billion in assets and they are making money on this.

A one-time advance payment is due by the last day of your fiscal year during which participation begins. This payment becomes a credit toward your first annual bill. The Village of Lansing's estimated initial cost for participation in this Retirement System will be \$790. This cost is valid until March 31, 2002. This cost will increase if additional salaries are included at the time an actual invoice is prepared. An invoice will be sent prior to the end of our fiscal year during which your participation begins.

The Board was concerned with the buy in cost. Robert stated that everyone has a concern with this aspect. However, NYS Retirement System is taking on an immediate liability. The deficiency contribution is to fund the cost of service credit for members' service with the Village before it participated in the system. The amount of the deficiency payment is dependent on the employees' years of service, age and salary at time you become a participating employer. Robert suggested that the village would have been better off had it joined the last time they looked into it. It seems that back then the board was given misinformation.

The Mayor interrupted the discussion and proposed a motion to approve the vouchers. He explained that he had to leave and wanted to complete this business.

#### Resolution #3810- Abstracts of Audited Vouchers

Be it RESOLVED, that Abstract of Audited Vouchers No. 5 for the General Fund, in the amount of \$53,154.15, is hereby approved for payment, and

Be it further RESOLVED, that Abstract of Audited Vouchers No. 5 for the Water Fund, in the amount of \$3,076.86, is hereby approved for payment, and

Be it further RESOLVED, that Abstract of Audited Vouchers No. 5 for the Sewer Fund, in the amount of \$625.78, is hereby approved for payment, and

Be it further RESOLVED, that Abstract of Audited Vouchers No. 5 for the Capital Projects Fund, in the amount of \$45,931.54, is hereby approved for payment

Trustee Lynn Leopold moved to approve the vouchers and Trustee Larry Fresinski seconded the motion. A vote was taken:

Mayor Donald Hartill - Aye  
Trustee Frank Moore-Aye  
Trustee Janet Beebe-Aye

Trustee Lynn Leopold- Aye  
Trustee Larry Fresinski- Aye

The Board expressed their concern that they've been funding a retirement and was concerned with the buy back being a duplicate benefit. The Village has been adding 10% to the employee's salary for the last 6 years for retirement, which in turn the employee could invest it in the NYS Deferred Compensation Plan at their discretion. Robert stated that the deficiency payment is also the main concern of others as they discuss joining the NYS Retirement. If the Village decides to join, it's mandatory to offer the benefit to everyone on payroll. The first year there will be no deficiency payment only the \$790 prepay which actually gets credited back towards your first deficiency payment. It's not going to get any cheaper to join.

Mayor Hartill left at 1:15pm.

Ben looked at comparative costs. Since the NYS Retirement Plan offers life insurance and disability after two years, then the Village could put the \$3,000 it has budgeted for long-term disability insurance towards the retirement. After two years, the employees will have a larger life insurance benefit under the retirement system than they currently have. The deficiency payment that was estimated could be up to 10% lower if not everyone joins. The initial cost to join is only a few percentages more than the Village is paying now. The difference will get less as the years go on due to the salary increase each year.

Employees can buy back prior years at any time, but it won't count until you've been in the NYS Retirement System for two years. The buy back would include 5% interest per year. There are different ways to do this. You can borrow against what you've put in to pay back years. This is something to discuss further once you've decided to join.

If the Village decides to participate, it must adopt/file the resolution and affidavit provided by NYS Retirement System with language that can not be altered or amended.

Motion-To Adjourn

Trustee Janet Beebe motioned to adjourn and Trustee Frank Moore seconded the motion. A vote was taken:

Mayor Donald Hartill - Absent  
Trustee Frank Moore-Aye  
Trustee Janet Beebe-Aye

Trustee Lynn Leopold- Aye  
Trustee Larry Fresinski- Aye

The meeting adjourned at 1:52pm.

Jodi Dake  
Village Clerk/Treasurer