

JOPLIN CITY COUNCIL
SPECIAL MEETING NOTICE

JOPLIN CITY HALL
602 S. MAIN
JOPLIN MISSOURI
AUGUST 12, 2019 6:00 P.M.

Notice is hereby given that the City Council of the City of Joplin, Missouri, will hold a Special Meeting beginning at 6:00 p.m. on Monday, August 12, 2019 at Joplin City Hall, in the 5th floor Council Chambers, 602 S. Main. The purpose of the Special Meeting is for the City Council to consider calling an election on November 5, 2019.

SPECIAL MEETING AGENDA

1. Reading of the Special Call
2. Invocation
3. Pledge of Allegiance of the United States of America
4. Roll Call
5. Emergency Ordinance
1.COUNCIL BILL NO. 2019-006 - AN ORDINANCE calling an election on November 5, 2019, in the City of Joplin, Missouri, to submit to the qualified voters, a question as to whether to impose a one-half of one percent (1/2 percent) general sales tax on retail sales within the City of Joplin, Missouri, for the purpose of providing revenues to close the City of Joplin Police and Fire Pension Plan to new hires, migrating new hires to the Missouri Local Government Employees Retirement System (LAGERS), and declaring an emergency.
6. Any other business

Barbara J. Gollhofer, City Clerk
Barbara J. Gollhofer, for Mayor Gary L. Shaw

If you are in need of disability related auxiliary aids or services, contact the City Clerk's Office at (417) 624-0820 ext. 220. Forty-eight hours' notice is requested.

Notice posted at 3:30 P.M. on this 7th day of August, 2019. (RSMo 610.020)

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2019-006 – Calls for an election of Joplin voters to impose a ½ percent general sales tax to close the pension plan

MEETING DATE

August 12, 2019

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2019-006 Ordinance

REVIEWED BY

Department Head: Leslie Haase; City Attorney: Peter Edwards; Interim City Manager: Dan Pekarek

SUMMARY

This Council Bill calls for an election on November 5, 2019 to ask the voters whether to impose a ½ percent general sales tax to provide revenues to close the Police and Fire Pension Plan to new hires and migrating new hires to the Missouri Local Government Employees Retirement System, also known as LAGERS.

BACKGROUND

An internal work group was formed late last year to address public safety recruiting and retention. Despite a reduction in benefits in the police and fire pension plan in 2009 that created the “Tier II” group and cash infusions by the City, the pension plan is only 63.7% funded with an unfunded liability of over \$24 million. The annual pension contribution by the City continues to increase and will be approximately \$3 million in fiscal year 2020. The “Tier II” plan requires a non-refundable employee contribution of 10%.

The pension plan is affecting public safety recruiting and retention efforts by placing a financial strain on the general fund and through the reduced “Tier II” benefit plan. As a result, the work group focused on presenting a recommendation for a final, long-term solution to address the pension plan. The work group unanimously recommends closing the current pension plan to new hires and migrating those new hires to the LAGERS L-11 retirement plan. Additionally, current “Tier II” employees will have the voluntary option to transition to LAGERS or remain on the pension plan.

This recommendation requires a special funding source for a set time period in order to close the pension plan. The Work Group further recommends asking the Joplin voters to approve a ½ percent general sales tax on November 5, 2019 for this sole purpose with a sunset of the earlier of 12 years or until the plan is 120% funded.

This recommendation achieves the following:

- Improves employee recruiting by offering a competitive retirement plan with no employee contributions and a vesting component
- Improves employee retention through a competitive and secure retirement plan
- Ensures funding of the closed pension plan for retirees and current public safety employees on the plan from the proposed sales tax
- Saves the taxpayers by closing the plan and moving to a more cost effective retirement plan

FUNDING SOURCE

This item is not applicable for this item.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis.

AN ORDINANCE calling an election on November 5, 2019, in the City of Joplin, Missouri, to submit to the qualified voters, a question as to whether to impose a one-half of one percent (1/2 percent) general sales tax on retail sales within the City of Joplin, Missouri, for the purpose of providing revenues to close the City of Joplin Police and Fire Pension Plan to new hires, migrating new hires to the Missouri Local Government Employees Retirement System (LAGERS), and declaring an emergency.

WHEREAS, Section 94.510, RSMo., authorizes the City Council of the City of Joplin to impose a one-half of one percent (1/2 percent) general sales tax on all retail sales made within the City effective upon approval of the qualified voters of the City; and,

WHEREAS, the City is authorized to use revenues generated by the sales tax for the public purpose of closing the City of Joplin Police and Fire Pension Plan (the "Pension Plan") to new hires and migrating new hires to the Missouri Local Government Employees Retirement System ("LAGERS"); and,

WHEREAS, the Pension Plan is currently underfunded and it has become increasingly more difficult and burdensome for the City to infuse capital into the Pension Plan in order to stabilize and revitalize its funding level; and,

WHEREAS, the City Council has taken several measures beginning in 2008 to correct issues related to the funding of the Pension Plan and has also implemented budget reductions in other areas of the City's General Fund in order to meet the actuarial recommended funding requirements for the Pension Plan; and,

WHEREAS, in spite of these efforts, the measures taken by the City Council to reduce and redirect expenditures into the Pension Plan have not resulted in a sustainably funded Pension Plan on an ongoing basis and the City Council has determined that the appropriate method to correct and improve the funded ratio of the Pension Plan is to seek from the qualified voters of the City of Joplin, Missouri, approval to impose a sales tax of one-half of one percent (1/2 percent) to fully fund the closure of the Pension Plan; and,

WHEREAS, under the proposed one-half of one percent (1/2 percent) general sales tax, the City's contributions to the Plan shall be funded by the net proceeds of said sales tax if approved by the qualified voters of the City in a public election to be held on November 5, 2019.

WHEREAS, if the sales tax is approved by the qualified voters, the City will establish the proposed LAGERS L-11 Benefit Program for eligible Police and Fire employees and pursuant to Section 5.08 of the City Charter, any subsequent or future amendment, change, modification, alteration or repeal

of the proposed LAGERS L-11 Benefit Program for eligible Police and Fire employees would require a majority vote of the City Council and all of the participating officers and employees of the City and participating beneficiaries affected by and participating in the particular retirement plan; and

WHEREAS, for the foregoing reasons, the City Council desires to submit the question of whether to impose a one-half of one percent (1/2 percent) general sales tax to generate revenue for the public purpose of closing the Pension Plan to new hires and migrating new hires to LAGERS to the qualified voters of the City at an election to be held on November 5, 2019.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows that:

Section 1. An election is hereby ordered to be held in the City on November 5, 2019, on the following proposition:

OFFICIAL BALLOT

Election – Tuesday, November 5, 2019

PROPOSITION “B”

“Shall the City of Joplin impose a general sales tax, as authorized by Section 94.510 RSMo., at a rate of one-half of one percent (1/2 percent) solely for the purpose of providing revenues to close the City of Joplin Police and Fire Pension Plan to new hires, migrating new hires to the Missouri Local Government Employees Retirement System (LAGERS), and for the transfer of eligible pension employees to LAGERS, with said tax to expire upon the Pension Plan reaching a fully-funded one hundred twenty percent (120%) status as determined by an independent actuarial study conducted for the City of Joplin or twelve (12) years after enactment, whichever is earlier? ”

Yes. ← —

No. ← —

INSTRUCTIONS TO VOTERS

TO vote FOR the Question, complete the arrow opposite “YES”.

TO vote AGAINST the Question, complete the arrow opposite “NO.”

Section 2. That the contributions contemplated hereunder shall be funded solely by the net

proceeds of the one-half of one percent (1/2 percent) general sales tax adopted in the November 5, 2019 election. "Net proceeds" shall mean the proceeds of such tax, after funding of (a) a \$1,000,000 per Plan year contribution for two years to LAGERS, and (b) the amount needed, along with the Accumulated Employee Contributions of Tier II participants who terminated employment with the City to join LAGERS, to purchase credited service under LAGERS for such Tier II participants to make up for the years and months of credited service they forfeited under the Plan by terminating employment with the City in order to join LAGERS. The proposed one-half of one percent (1/2 percent) general sales tax will expire upon the earlier of (a) twelve (12) years after enactment, or (b) the date the Plan's actuary certifies that the Plan is one hundred twenty percent (120%) funded

Section 3. The form of the Notice of Election for said election, a copy of which is attached hereto and made a part hereof, is hereby approved.

Section 4. The City Clerk is hereby authorized and directed to notify the County Clerks of Jasper and Newton County, Missouri, of the adoption of this ordinance no later than 5:00 p.m., on the tenth Tuesday prior to the regular or special election, and to include in said notification all of the terms and provisions required by Chapter 115, RSMo., 2000, as amended.

Section 5. The City Council finds and declares this ordinance constitutes an emergency because it relates to the calling of an election; therefore, this ordinance shall be in full force and effect from and after passage.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this _____ day of _____, 2019, by a vote of _____.

Gary L. Shaw, Mayor

ATTEST:

Barbara J. Gollhofer, City Clerk

APPROVED AS TO FORM:

Peter C. Edwards, City Attorney