

**EL DORADO SPECIAL CITY COMMISSION MEETING**

**July 16, 2008**

The El Dorado City Commission met in special session on July 16, 2008, in the City Commission Room with the following present: Mayor Tom McKibban, Commissioner David Chapin, Commissioner Steve Pershall, Commissioner Steve Reynolds, City Manager Herb Llewellyn and Finance Director Dee Anne Grunder. Absent: Commissioner Linda Clark and City Attorney Andrew Piekalkiewicz.

**VISITORS**

Julie Clements	El Dorado Times	El Dorado, Kansas
Matt Rehder	220 E. First	El Dorado, Kansas
Andrea Coleman	El Dorado Main Street	El Dorado Kansas
Ricke Whiteside	220 E. First	El Dorado, Kansas
Ken Nakaten	220 E. First	El Dorado, Kansas

**CALL TO ORDER**

Mayor Tom McKibban called the July 16, 2008, Special Meeting to order.

**2009 BUDGET AND 2009-2014 CIP**

**OPEB**

Finance Director Dee Anne Grunder provided a PowerPoint presentation explaining the new accounting statement related to Other Post-Employment Benefits, GASB statement #45 (GASB 45). Under GASB 45 the City of El Dorado must begin recording retiree healthcare benefits on an accrual basis, effective in 2008. An actuarial valuation is required every three years, and El Dorado’s 2008 valuation has been completed. Ms. Grunder stated the Commission must decide whether to fund the Annual Required Contribution (ARC). The 2008 ARC computed by the actuary is \$78,192 if the Commission chooses to fund it. If it is funded, the ARC must be placed in an irrevocable trust to be utilized only for retiree healthcare benefits. At the end of each year, the trust will reimburse the City for the actual amount of retiree healthcare costs paid during the year. For 2008, retiree healthcare costs of \$33,839 were estimated by the actuary. Therefore, the net new cost to the City of funding the 2008 ARC is estimated at \$44,353. If the ARC is not fully funded every year, a Net OPEB Obligation must be recorded in the financial statements. Staff’s recommendation is to fund the ARC.

Discussion ensued amongst the City Commission, City Manager Herb Llewellyn, and Finance Director Dee Anne Grunder. The consensus of the Commission was to fund the ARC annually.

**KP & F / RETIREMENT**

City Manager Herb Llewellyn distributed two spreadsheets to the Commission reflecting two possible scenarios for funding a proposed retirement program. Mr. Llewellyn stated the Fire Department had approached him about implementing KP&F for the police and fire departments. Most other cities offer KP&F which allows participants to retire at an earlier age than they could retire under KPERS. There has been considerable turnover in the Fire Department due to employees accepting jobs in other cities that offer higher salaries and benefits. Mr. Llewellyn stated he had directed them to provide a plan to fund the considerably higher costs of KP&F, as well as funding an additional matching retirement benefit for all other employees. Mr. Llewellyn stated participation in KP&F by the police and fire departments would be mandatory, but the retirement program for other employees would be voluntary. If all employees took the full benefit available, the cost

to the City would be 6 additional mills. Staff proposed levying one mill a year for six years beginning in 2009, and implementing the retirement program in 2012.

Discussion ensued amongst the City Commission and City staff. Commissioner Pershall stated he is concerned about implementing this program when the economy is in its current uncertain condition. He noted he is in favor of levying one mill in 2009, and making the final decision of whether to implement the program in a year.

Mayor McKibban questioned what it would cost to fund only KP&F. Fire Chief Ken Nakaten stated 1.79 mills. Mr. McKibban stated he would like KP&F implemented sooner than 2012, and then implement the retirement benefit for other employees later once more funds had been accumulated.

Commissioner Reynolds requested that the employees in departments other than police and fire be polled to better determine the total cost to the City. Mr. Llewellyn stated he would poll the employees and report back to the Commission.

**EXECUTIVE SESSION**

Mayor Tom McKibban stated that this item is for the purpose of discussing land acquisition and non-elected personnel.

Commissioner Steve Pershall moved to recess into an Executive Session for the purpose of discussing land acquisition and non-elected personnel issues and to reconvene the regularly scheduled meeting in the City Commission room at 5:30 p.m.

Commissioner David Chapin seconded the motion.

Motion carried 4-0.

Mayor Tom McKibban reconvened the meeting at 5:34 p.m.

**ADJOURNMENT**

Commissioner Steve Pershall moved to adjourn the meeting at 5:34 p.m.

Commissioner David Chapin seconded the motion.

Motion carried 4-0.

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City Clerk Kendra Porter

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Mayor Tom McKibban