

Nowthen City Council
April 7, 2022
Work Session Minutes

1. **CALL TO ORDER**

Mayor Pilon called the meeting to order at 5:30pm

Present: Council Member: Alders, Blake, Greenberg

Council Member Rainville-Excused Absence

Also Present: Chief Dave Schmidt, Assistant Chief Joe Lawrence, Interim City Administrator Boyles

2. **CITY COUNCIL**

a) **Discuss Proposal to Provide Firefighter Pension through PERA**

Mayor Pilon presented this item. Typically paid on call firefighters receive an hourly pay for recruitment and expense reimbursement. A pension is also received as a means of retaining fully trained firefighters.

PERA is now offering a paid-on call firefighter pension program. The benefit received is lump sum for firefighters who are 50 years old and have met minimum work standards for five, ten or twenty years.

PERA Pensions are funded from three sources. They are formulaic contributions of two percent of homeowner insurance premiums. The second source is mandatory and voluntary contributions made by municipal employers. The third source is the interest earned by investing the above sums.

PERA does estimate the amount of annual benefit, two percent money and city contribution necessary to fund lump sum benefits at certain levels.

Council Members discussed the following: can the contribution or benefit amount be changed in the first five years, what does the PERA estimate include, what happens to the money never claimed from those who work less than five years or who do but make no claim for benefits for whatever reason, what is the city's obligation to support the pension, the contributions and benefit levels of other cities in the area, annual reports from PERA, city contribution calculated per employee or in the aggregate, whether this

program is eligible for 2021 insurance contribution because of the special legislation, various levels of benefit and various levels of contributions.

Staff was directed to request that PERA calculate benefit levels at \$2000, \$2500, \$3000 and city voluntary contribution levels at \$7000, \$10,000, and \$15,000. The item is to be placed on the next city council meeting agenda together with the Resolution approving participation in the PERA Firefighters Pension Program.

b) Discuss Usage of ARPA Funds

Department of the Treasury guidelines set forth the allowable uses of ARPA Funds. The city received \$260,000 of ARPA Funds in 2021. It is expected that the same amount will be received in 2022.

The city council discussed the four alternatives. A new guideline has been provided by the department. It provides the opportunity for receivers to use the funds wherever city services have been impacted by COVID. The record keeping requirements are less onerous.

The city council unanimously supported Option 1 which is described above.

The meeting adjourned at 6:43pm.