

**CITY OF HARTSVILLE, SOUTH CAROLINA
SPECIAL COUNCIL MEETING MINUTES
APRIL 7, 2009**

Present: Mayor Holt

**Mayor Pro-Tem McFarland
Councilmember Andrews
Councilmember Braddock
Councilmember Wilson
City Attorney Driggers**

Staff:

**City Manager Pennington
Deputy Clerk McDonald
DEEPS Director Clemons
Finance Director Douglas
Parks & Leisure Services Director Gardner
Police Chief Kemp
Public Works Director Welch**

Press

**Absent: Councilmember Graham
Councilmember Shirley**

PURSUANT TO FREEDOM OF INFORMATION ACT SC CODE 30-4-80: WRITTEN NOTICE WAS DELIVERED TO THE PRESS BY EMAIL ON APRIL 3, 2009 AND DULY POSTED IN CITY HALL. PURSUANT TO CITY CODE SECTION 2-36 AND 2-47 UPON MOTION(S) MADE TO WAIVE THE READING OF ORDINANCES AND RESOLUTIONS IN THEIR ENTIRETY; THEY ARE READ BY TITLE ONLY. APPROVED ORDINANCES AND RESOLUTIONS ARE FILED WITH ORIGINAL MINUTES AND NOT REPRINTED HEREIN.

Mayor Michael S. Holt called the meeting to order.

RES 12-09: APPROVAL FOR CITY OF HARTSVILLE TO COMPLY WITH GASB 45 STANDARDS AND AUTHORIZE THE CITY MANAGER TO ENGAGE MILLIMAN, INC. OF VIRGINIA FOR ACTUARIAL SERVICES TO DETERMINE THE CITY'S OTHER POST EMPLOYMENT BENEFITS LIABILITY – APPROVED.

City Manager: actuarial services are required in order to give us the dollar amount to set aside for retiree benefits to comply with GASB 45 accounting standards. Currently if an employee has ten years with the City of Hartsville they're eligible for retiree benefits. There is no ten year model in South Carolina, most models are twenty-five year models; a new model will have to be created for Hartsville.

Mayor Pro-Tem McFarland asked if one employee has 12 years with Hartsville and another has 25 years they are treated the same.

City Manager Pennington currently, yes, this is the policy. Most cities changed to 25 years and this is the recommendation of MASC. SC Retirement System requires 28 total years of service with covered agencies.

Assistant HR Director Tiller informed Council the study will cost \$3,000 and will cost an additional \$1200 if we go with the 10 year model. The study has to be completed every 3 years.

City Manager Pennington GASB 45 requires setting aside money for current and future retiree benefits every year. This is the same system used in the private sector and is the reason many companies are cutting out retiree benefits. However, this is a brand new accounting procedure for cities who budget the cost of retiree benefits for current retirees for the upcoming budget year only. The actuary predicts how long the employees live and give figures based on those predictions and our retiree benefits package. Other cities have banned hiring new employees who smoke due to this GASB requirement; so far these employment bans have stood up in court. If we do not conduct an actuarial study and comply with GASB 45 it will affect your audit report and ability to secure credit.

Motion: Andrews; Second: McFarland; Carried: All ayes.

MOTION TO ADJOURN – APPROVED.

Motion: McFarland; Second: Andrews; Carried: All ayes.

Adjournment at 6:20pm.

ATTEST:

Andrea R. McDonald, CMC
Deputy Clerk

Michael S. Holt, Mayor