

**City of Marine City  
Pension Board - Retiree Health Care Plan  
July 27, 2021**

A regular meeting of the Pension Board - Retiree Health Care Plan was held on Tuesday, July 27, 2021, and was called to order by Board Member Rosalie Skwiers at 4:37 pm.

**Present:** Board Members Robert Klieman, Rosalie Skwiers; City Commissioner Elizabeth Hendrick; Alternate Board Member James Heaslip; Interim City Manager Michael Itrich; City Clerk Kristen Baxter

**Absent:** None.

**Also in Attendance:** City Attorney Robert Davis

**Communications**

None.

**Approve Agenda**

Motion by Interim City Manager Itrich, seconded by City Commissioner Hendrick, to approve the Agenda. All Ayes. Motion Carried.

**Open Discussion**

None.

**Approve Minutes**

Motion by Interim City Manager Itrich, seconded by Alternate Board Member Heaslip, to approve the amended minutes dated January 26, 2021. All Ayes. Motion Carried.

Due to Board Member Klieman being muted during a portion of the January 26, 2021 meeting, the Board asked to bring back the four agenda items below for a ratification of vote at the October 26, 2021 meeting:

- #10-A Investment Performance – Review by John Firek
- #10-B GASB 74/.75 Actuarial Valuation – Year Ending June 30, 2020
- #10-C Invoice Approval: Nyhart Invoice #0163802 in the amount of \$5,000

- #10-D Preliminary Financial Statements

Motion by Interim City Manager Itrich, seconded by Alternate Board Member Heaslip, to approve the minutes dated April 27, 2021. All Ayes. Motion Carried.

Motion by City Commissioner Hendrick, seconded by Interim City Manager Itrich, to approve the Closed Session minutes dated April 27, 2021. All Ayes. Motion Carried.

## **Unfinished Business**

### Retiree Healthcare Eligibility

City Attorney Davis provided his legal opinion that both retirees in question qualified for Retiree Healthcare.

Board Member Klieman disagreed with City Attorney Davis' legal opinion and referenced his personal situation. City Attorney Davis stated that Mr. Klieman did not meet the retirement criteria and that he had voluntarily signed off on survivor benefits which allowed him to receive more money per month because he had given away survivor benefits. Mr. Klieman acknowledged that he had voluntarily signed off on survivor benefits. City Attorney Davis further explained his position that the ordinance did not make being a member of the Retiree Healthcare a condition of ICMA or the Marine City Retirement System. He said there were two criteria in order to be a member: it must be a City position that normally required 1,000 or more hours of work in a calendar year and for employees hired on or after October 1, 2008 it must be a City position that normally required 2,080 or more hours of work in a calendar year. The way the ordinance was written defined coverage far differently than a membership position.

Board Member Skwiers further summarized that although City Attorney Davis agreed that the ordinance was poorly written in terms of who should be entitled to coverage, any argument to remove the retirees in question would be met with litigation and the ordinance, as written, did not support their removal. She believed attempting to remove the retirees was a major liability to the City.

Motion by Interim City Manager Itrich, seconded by City Commissioner Hendrick to forward the issue of Retiree Healthcare Eligibility to City Commission to determine if further legal action was necessary. Ayes: Itrich, Skwiers, Hendrick, Heaslip. Nays: Klieman. Motion Carried.

## **New Business**

### Board Member Request for Healthcare

Board Member Klieman questioned why the three people below were not receiving healthcare through the City as they were participants in the Pension Plan. City Attorney Davis requested that each person be addressed individually:

Charlene Simonetta: Ex-wife of former police officer, Paul McAlpine. It was stated that she was divorced from Mr. McAlpine at the time of his retirement. She was receiving pension benefits due to a QDRO. City Attorney Davis questioned if there was a QDRO put in place for her to receive Retiree Healthcare and no one on the Board knew the answer. City Attorney Davis advised that he would look at the facts to verify if Charlene Simonetta was entitled to Retiree Healthcare.

Dawn Passala: Ex-wife of Board Member Klieman. It was stated that she was divorced from Board Member Klieman at the time of his retirement. The specifics of the QDRO were not known however, it was stated that she was collecting a pension. City Attorney Davis advised that he would look at the facts presented to verify if Dawn Passala was entitled to Retiree Healthcare.

Claudia Klieman: Board Member Klieman advised that Claudia was his current spouse and was also his spouse at the time of his retirement. He stated that she did not have survivor benefits and was currently collecting Retiree Healthcare. City Attorney Davis confirmed that Mrs. Klieman was not eligible for Retiree Healthcare upon Board Member Klieman's death as he elected to sign off on survivor benefits. Board Member Klieman believed that since the parties addressed in City Attorney Davis' memo were collecting Retiree Healthcare that his wife should be entitled upon his death despite him signing off on survivor benefits. City Attorney Davis advised that he would look into the facts presented to verify if Claudia Klieman was entitled to Retiree Healthcare upon Board Member Klieman's death. Interim City Manager Itrich stated that there were several deceased employees who had signed off on survivor benefits and their wives were not collecting Retiree Healthcare.

#### Paul McAlpine

Interim City Manager Itrich explained that a letter was presently being drafted advising Mr. McAlpine that he would be removed from the City's Blue Cross Blue Shield policy on August 31, 2021 if he did not switch to Blue Care Network. The City's insurance was being assessed against Mr. McAlpine's wife's insurance to verify which plan was better and whichever plan was more beneficial he would be instructed to take.

Board Member Klieman claimed that Rick Nichols was still on the City's Blue Cross Blue Shield. Interim City Manager Itrich advised that he would research that claim.

## **Financial Business**

Due to the absence of Financial Consultant, John Firek, it was decided that the Investment Performance and Plan Recommendation should be tabled until the October 26, 2021 meeting. Motion by Alternate Board Member Heaslip, seconded by City Commissioner Hendrick, to table:

- Financial Business A: Investment Performance
- Financial Business B: Plan Recommendation

All Ayes. Motion Carried.

### Updated Investment Plan

City Clerk Baxter advised that she had passed out information provided by Financial Consultant John Firek and presented the updated investment plan dated June 30, 2021. She explained that the allocation changed from 50% stocks/49% bonds/1% cash to 55% stocks/5% gold/39% bonds/1% cash. The recommended allocation change was due to the low interest rate environment and low yields offered by bonds. Motion by Alternate Board Member Heaslip, seconded by City Commissioner Hendrick, to approve the updated Investment Plan. All Ayes. Motion Carried.

### Preliminary Financial Statements

Motion by Interim City Manager Itrich, seconded by Alternate Board Member Heaslip, to receive and file the Preliminary Financial Statements. All Ayes. Motion Carried.

## **Open Discussion**

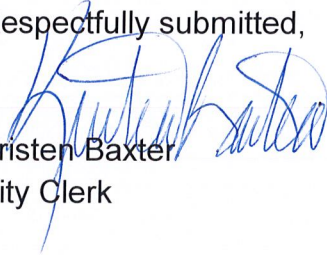
Board Member Klieman stated that he had requested to be put on the Agenda and he was told by Interim City Manager Itrich that he needed to provide documentation to be placed on the Agenda. City Attorney Davis replied that he requested that Board Member Klieman provide supporting documentation so that he could better be prepared for the meeting.

Board Member Klieman questioned who paid City Attorney Davis' legal fees as he believed Pension money was very restricted on how it could be utilized. He believed the Board was doing a disservice to the community by giving Healthcare to Retirees who he believed did not deserve it.

## **Adjournment**

Motion by Interim City Manager Itrich, seconded by Alternate Board Member Heaslip, to adjourn the meeting at 6:02pm.

Respectfully submitted,



Kristen Baxter  
City Clerk