



# City of Gladstone, MI

1100 Delta Avenue  
Gladstone, MI. 49837  
www.gladstonemi.org

## Staff Report

Agenda Date: 08-12-2024

Eric Buckman, City Manager: \_\_\_\_\_

Department: City Commission

Department Head Name: \_\_\_\_\_

Presenter: Eric Buckman

Kim Berry, City Clerk: \_\_\_\_\_

**This form and any background material must be approved by the City Manager then delivered to the City Clerk by 4:00 PM the Tuesday prior to the Commission Meeting.**

**AGENDA ITEM TITLE:** Public Safety Officers MERS Administrative Services Agreement

**BACKGROUND:**

MERS has contacted us regarding the language in the contracts that describe Defined Benefit calculation and contribution. The change is adding the word gross to define wages deducted from salary. Even though we don't have any union members in Defined Benefit the language must meet their legal department's specifications. This paragraph will be removed from future contracts.

Contracts were approved by Commission on 07-08-2024, this is now the Administrative Services Agreement with MERS for the above-described change.

**FISCAL EFFECT:**

NA

**SUPPORTING DOCUMENTATION:**

MERS Administrative Services Agreement

**RECOMMENDATION:**

Approve MERS Administrative Services Agreement for the PSO Division and authorize City Manager Eric Buckman and Mayor Joe Thompson to sign.

## Administrative Services Agreement

This Agreement, made as July 1, 2011 ("Effective Date"), between the Municipal Employees' Retirement System of Michigan (MERS) and the City of Gladstone (Municipality), together with the Adoption Agreement, provides the mutually agreed upon terms for MERS' administration of benefits for members of Division 02 (Police/Fire). Nothing in this Agreement supersedes or waives any rights or obligations of the parties under law and the MERS Plan Document.

### **Member Contributions** *MERS Plan Document Sections 39-42*

The Municipality adopted a mandatory employee contribution rate of 1.0% as of the Effective date. Effective April 1, 2013, the Municipality increased the mandatory employee contribution rate to 2.0%; and as of April 1, 2015, the Municipality increased the mandatory employee contribution rate to 3.0%.

The Municipality has requested, and MERS has agreed to administer, a non-standard calculation of mandatory employee contributions, such that the mandatory employee contributions will be based on a member's gross wage; while the reported wages for the purposes of determining their Final Average Compensation will be based on the Definition of Compensation as adopted by the Municipality in its Adoption Agreement. MERS agrees to remove the discrepancy flag in its reporting system as a result of this non-standard calculation. The Municipality is responsible for providing MERS with written notification of any changes to the mandatory employee contribution rate or the method by which the contribution is calculated. Members may not vary the rate or discontinue these mandatory employee contributions.

*By signing below, the parties agree that the Defined Benefit Plan will be administered in accordance with the explanations provided herein. Items not discussed in the Adoption Agreement or this Administrative Services Agreement shall be administered in accordance with the MERS Plan Document and/or applicable law.*

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_