

**ANN ARBOR CITY COUNCIL MINUTES  
WORKING SESSION - SEPTEMBER 8, 1998**

The working session of the Ann Arbor City Council was called to order at 7:06 p.m. in the City Hall Council Chamber by Mayor Pro Tem Christopher Kolb.

**ROLL CALL OF COUNCIL**

PRESENT : Councilmembers Jane Lumm, Jean Carlberg, Heidi Cowing Herrell, Christopher Kolb, 4.

ABSENT : Councilmembers Tobi Hanna-Davies, Patricia Vereen-Dixon, David Kwan, Stephen C. Hartwell, Patrick A. Putman, Elisabeth L. Daley, Mayor Ingrid B. Sheldon, 7.

**RETIREE HEALTH CARE BENEFITS PLAN AND TRUST ORDINANCE**

City Administrator Neal Berlin stated that the purpose of this meeting is to present information about a method for providing long-term financing for retiree health care. Mr. Berlin reported that IRS regulations provides for a VEBA (voluntary employees beneficiary association) trust, a vehicle for pre-funding retiree health care benefits recommended by the Retiree Health Care Committee. He stated that a provision under State law will permit excess earnings of the Retirement System to pay current retiree health care costs while the City is building up funds in the VEBA trust. The City will pre-fund the recommended VEBA trust using tax levy funds normally used to pay current retirees health care costs.

Finance Director Allen D. Moore presented an historical overview of the work of the Retiree Health Care Committee.

Assistant City Attorney Mary Fales and Retirement System Board Counsel Michael VanOverbeke presented a synopsis of the proposed retiree health care benefits plan and trust ordinance.

Questions from Council followed the presentation. Also available to answer questions was Employees Retirement System Board Member Larry Hahn.

Ms. Fales reported that the ordinance will be presented for first reading at the September 14 regular session of Council, and that following its adoption at second reading on September 21, the ordinance will be submitted to the IRS for certification. Ms. Fales stated that the IRS certification review process is expected to take from six to eight months.

(A Retiree Health Care Benefits Plan and Trust Ordinance report on file in the City Clerk's Office)

**ADJOURNMENT**

There being no further business to come before Council, the Mayor Pro Tem declared the meeting adjourned at 8:38 p.m.

Janet L. Chapin  
Acting Clerk of the Council  
Recording Secretary