

**CITY COUNCIL OF THE CITY OF LADUE  
ST. LOUIS COUNTY, MISSOURI  
WEDNESDAY, MAY 29, 2019**

The special meeting of the City Council of the City of Ladue, St. Louis County, Missouri, was held on Wednesday, May 29, 2019, at 8:00 a.m., at City Hall, 9345 Clayton Road. The following members were present:

The Hon. Nancy Spewak, Mayor, presiding.

Members of the Council present:

Stacey Kamps  
John Howell  
John Fox  
Patrick Hensley  
Harold Burroughs  
William Brennan

Six Council Members present.

Also present were Ms. Laura Rider, Assistant to the Mayor/City Clerk; Police Chief Ken Andreski, Jr.; Fire Chief Steven Lynn; Ms. Anne Lamitola, Public Works Director; Ms. Andrea Sukanek, City Planner; and Ms. Erin Seele, City Attorney.

**Approval of the Agenda:** Council Member Burroughs moved approval of the agenda, with second by Council Member Hensley the motion passed unanimously.

**Public Forum:** No one wished to address the Mayor and Council.

**Public Hearings:**

**PH1 (Continued from May 20, 2019 meeting):** The City Council will hold a public hearing on a recommendation submitted by the Zoning and Planning Commission that the City Council approves amendments to Zoning Ordinance #1175 regarding zoning and land use requirements for medical marijuana facilities.

Ms. Sukanek: So we did discuss this last Monday and I think we are in agreement with everything except the marijuana facility should have a maximum size. It was 5,000 SF last Monday and we discussed 1,250 SF. I did look at some retail and the smallest size was at Schneithorst's and was 1,278 SF. I spoke with the city attorney and she had concerns with the medical marijuana facilities being treated differently than other retail, might lead to legal challenges. So we determined it should be something more like 2,000 SF and also have an ability for a waiver if that created a hardship at a specific location. So, are there any questions or concerns about that?

Mr. Thomas Erker, 9818 Conway Road: I am here to speak for myself and my wife. I know there are a lot of feelings both ways. I am deeply concerned about, not about medical marijuana, but what bringing medical marijuana to Ladue can do

to the community. I feel it is at the overall expense of the community. Life examples, classmates, I have seen several people damaged by marijuana. That's my experience. I know that research has shown it can have, in children it causes permanent brain damage. Also, recent research has just been released that regular use of marijuana multiplies the chances of psychosis threefold. And I don't object to any-ybody in need of medical marijuana to get it and to use it. What I don't want is the proliferation of drug use that causes so much pain. One of my children, he decided not to pursue his studies to be a veterinarian because he smoked pot. And I saw classmates in high school drop-out and waste their lives. My son-in-law was murdered by drug dealers, robbing him. Don't misunderstand. I don't want to deny people who need it. I just think they can get it in the Delmar Loop. They can get it anywhere. I just think this is a community that stands a little taller. I'm not saying that anybody who needs it shouldn't get it but I just don't want it here. I don't apologize for that. I think it cheapens the community and I hope that you don't approve it.

Mayor Spewak: Okay, so I'd like Erin to, this is our City Attorney, I'd like her to address this because I'm sure that nobody wants to invite a medical marijuana facility, on the council, into town. Unfortunately, there's a state statute that we have to follow. And so that's why we're here discussing it. So I'm going to let Erin explain, so that you can understand where the Council is coming from, from a legal standpoint.

Ms. Erin Seele: It's even stronger than that, it is actually a constitutional amendment. So because the voters, pretty much overwhelmingly, it was more than 60% voted to legalize medical marijuana, Missouri and local communities are looking at how to deal with that, because now, the people have decided that they have a constitutional right to have access to medical marijuana and because of that, now, municipalities do have to change their codes to accommodate that. Because not only does the constitutional amendment say that municipalities cannot ban any of these types of uses. They also cannot put kinds of regulations that are overly burdensome to this. And the rules also have to be consistent with the Department of Health and Senior Services who have been tasked by this amendment to actually put forth further regulations and rules which make this possible and they have said that they are actually when dealing with these regulations they are erring on the side of making access easier, not the other way. Because of the fact that this was a constitutional amendment by the people. So, Ladue really is in a situation where they don't have a choice but to allow it somewhere in the city, which is why the Council, and Zoning & Planning, as well as Andrea has done a lot of work you can see from the charts, looking at the buffers and the spacing and trying to figure out where and we are putting regulations. Some municipalities have completely opened their doors and don't have really any regulations and are looking at it as retail. Other municipalities are taking more of the approach that we think is absolutely necessary to require an SUP so you can actually review the exact location that is being proposed, if one is proposed in Ladue and make sure that safety concerns are met so we can really evaluate the exact location. It is also possible because of the timing of this that they might just go past Ladue. So we'll see if we get applications or not because of the timing of people racing to try to get their licenses that they are going to go to the municipalities that just kind of opened their doors. So we'll just have to wait and see.

Mayor Spewak: So what Andrea put together for the Council is the strictest regulations that we can legally impose without getting taken to court. I believe we banned it in the G1 District. So we are doing as much as we can. We completely understand where you are coming from. Okay, thank you. Are there any other questions? Then we'll take this up under New Business. Okay. Now, oh, and now I can close the public hearing. Is there a motion to close the public hearing?

The minutes include the transcript of the public hearing.

Council Member Howell moved to close the public hearing, with second by Council Member Brennan the motion passed unanimously.

**New Business:**

**LAGERS and Ladue Employee Pension Plans benefit programs.**

Mayor Spewak made an opening statement and reminded Council of the reason for the LAGERS valuation. The CBIZ compensation study was conducted because the Non-Uniformed Employees did not have a formal pay plan, and compared benefits as well. The initial focus of the CBIZ study was on the Non-Uniformed Employees but it was decided to add the Uniformed Employees to the study. The CBIZ study identified that the Non-Uniformed Employees' Pension Plan benefit was the lowest of Ladue's comparison cities. Mayor Spewak announced that the discussion at the meeting would focus on the Non-Uniformed Employees' Pension first and asked Ms. Rider to provide an overview of the options that were reviewed.

Ms. Rider stated that based on the CBIZ report the Council authorized a LAGERS valuation for both active employees and administration of the benefits for current retirees and deferred employees. Milliman, the City's actuary, performed a comparison analysis of the selected LAGERS plans with the City's plans. Milliman's exhibits were previously presented and discussed at the Council Work Session held in January, along with a presentation from a representative of LAGERS. The current Non-Uniformed Plan has a benefit multiplier of 1.25%, no cost of living adjustment (COLA), 10 year vesting period, maximum service credit of 35 years and normal retirement age 62. The LAGERS plans selected for comparison were the L-7 plan which has a benefit multiplier of 1.5%, COLA with no lifetime cap, 5 year vesting period and normal retirement age 60, and the L-12 plan with the only difference being a benefit multiplier of 1.75%. Two additional exhibits were prepared by Milliman based on upgrading the City administered plan for the Non-Uniformed Employees to both a 1.5% and 1.75% benefit multiplier and COLA with 20% lifetime cap.

Mr. Zes presented the cost summary for the plans from Milliman's exhibits. The exhibits showed the plans fully funded after seven years. Mr. Zes noted while not completely accurate as there are other factors, this was the best way to show cost comparison. Over seven years, Ladue's current plan costs \$1,417,000 and LAGERS L-7 Non-Contributory costs \$2,362,339.

Council Member Kamps pointed out this was just a 7 year totality look at the costs over a seven year period and not over the life of the plan. For example, it did

not show year 10, year 12, year 15, so the numbers do vary. But we can get the general direction of the cost. The LAGERS plans can get more expensive each year because of the 30 year amortization. It will be more expensive over the life of the LAGERS plan and City administered plan depending on the benefits that are adjusted.

Mr. Zes highlighted the five benefit options that are being looked at; benefit multiplier, COLA, retirement age, vesting period and benefits accruing after 35 years of service. Mr. Zes pointed out that the cost for the L-7 plan includes all five benefit upgrades but the cost for Ladue's plan includes only the benefit multiplier and the COLA with 20% lifetime cap.

Mayor Spewak inquired about retirement age and how the City could reduce retirement age in the city administered plan.

Ms. Rider explained that normal retirement age is 62 and if a plan were to reduce their normal retirement age they would have to defend that decision or justify the reduction due to the IRS safe harbor. However, we can leave the normal retirement age at 62 and add an unreduced early retirement of age 60 plus a specific number of years as an option to the City's plan. That is what other plans have done. It is really just a technicality to accomplish what the City would like to do.

Mayor Spewak referred to the pension survey prepared by Ms. Lamitola which indicated that many other cities have age 60 plus years of service, so it seems a common action by other plans. Mayor Spewak stated that for the Non-Uniformed employees, especially public works it is a tough job being out in the elements and physical work on a daily basis and she felt it important to recognize that.

Council Member Hensley commented on the current pension funds which are managed by the Pension Board of Trustees through Marquette Associates and if new, more complicated investments are selected it could require additional staff to review and reconcile statements.

Mr. Zes confirmed the investments have become more complicated but the City is not a point yet where additional staff is warranted, but it could happen in the future depending on the strategy of the investment advisors. Mr. Zes added that pensions are getting more difficult to administer which is why more municipalities are getting out of the pension business and moving to something like LAGERS.

Mayor Spewak had two questions for the Council. 1) Would the Council like to improve benefits for the Non-uniformed Employees? and if yes, 2) How does the Council want to do that? Council Member Fox stated that he was strongly in favor of improving the benefits for the Non-Uniformed Employees as the Council has always wanted to do the best they can for the employees while being fiscally responsible to the citizens. Council Member Brennan commented that attraction and retention are very important in building and retaining the great staff that the City has.

There was consensus from the Council to improve benefits for the Non-Uniformed employees.

Mayor Spewak offered two options; the LAGERS L-7 plan non-contributory or continuing with the City administered plan and adding COLA with 2% per year maximum and 20% lifetime cap (which matches the Uniformed Plan), 1.5% benefit multiplier, and adding the unreduced early retirement age 60 plus specific number of years of service, with a cost of approximately \$2.5 million (\$140,000 more than LAGERS L-7). Mayor Spewak stated LAGERS is a permanent commitment with no way to withdraw.

Council Member Howell added that the City maintains flexibility with its plan but also needs to maintain competitive benefits.

Council Member Fox suggested that whatever is decided, an updated CBIZ study should be completed at least every two years to keep pace with competitors. In light of the Better Together proposal recently, and in an effort to protect Ladue citizens, it is best to maintain the City's own pension plan and Council Member Fox personally felt that the City should administer its own plan even though it may cost a little more than LAGERS.

Council Member Burroughs agreed with Council Member Fox and stated this Council should not commit future Councils to obligations it cannot control.

Council Member Kamps agreed with both completing a CBIZ study regularly and improving the City administered Non-Uniformed Pension Plan as suggested by Mayor Spewak and added that the Council needs to keep monitoring the situation because at some point in the future there may reason to move to LAGERS and supported improving the city administered Non-Uniformed Pension Plan by increasing the benefit factor to 1.5% and adding COLA to match the Uniformed Pension Plan.

**Council Member Fox moved approval of improving the Non-Uniformed Employees' Pension Plan by increasing the benefit multiplier to 1.5%, adding COLA at 2% maximum per year with a 20% lifetime cap and adding an unreduced early retirement age 60 with specific number of years, with second by Council Member Burroughs.**

Mayor Spewak asked Mr. Zes and Ms. Rider to contact CBIZ under the continuing relationship the City has with them to inquire about the appropriate timeframe to conduct a full compensation and benefit review.

Ms. Lamitola thanked the Council for reviewing this important issue for the Non-Uniformed employees and reported in terms of one of the five benefits that come along with LAGERS is the vesting period. With the City's plan with 10 year vesting, of the twenty-nine non-uniformed employees only twelve are currently vested. With the uncertainty of the Better Together plan, if an employee was not vested under the City's pension plan they would not have received a benefit. Ms. Lamitola requested the Council at least discuss adding the 5 year vesting. By the end of 2020, nineteen out of twenty-nine employees would be vested.

Council Member Fox stated in his experience 10 year vesting is reasonable and common and he was reluctant to reduce the vesting period and further stated he felt the Council was making substantial increases in benefits.

Council Member Kamps stated she understood the benefit of going to a five year from a ten year and understood why employees would want that, but agreed with Council Member Fox that the changes they are making are a substantial improvement and added that the Council has the ability to review the vesting period at any time and could possibly look at vesting in the future.

It was noted that the Milliman exhibits regarding upgrading the city administered plan did not include 5 year vesting.

Council Member Hensley asked if there could be a compromise on the vesting. Mayor Spewak responded that it wasn't part of Milliman's analysis so the impact is unknown.

**Mayor Spewak called for a vote on the pending motion. The motion was unanimously approved.**

There was brief discussion regarding the Uniformed Employees' Pension Plan. The Council had no interest in moving the Uniformed Employees' Pension Plan to LAGERS.

There was no indication in the CBIZ study of the standing of the Uniformed Pension Plan benefits to their comparison departments. Mr. Zes reported the cost to upgrade the benefits in the city administered plan is significantly higher than going to LAGERS and could not recommend upgrading the benefits as a good financial decision if the City were not moving the plan to LAGERS.

Chief Lynn expressed appreciation for the Council reviewing the pension benefits and requested the Council consider reverting back to pre-2013 benefit levels for the Uniformed Employees. The changes then caused two-thirds of the fire department to be under a 65% benefit after 30 years and the others under a 60% benefit after 30 years. Employees agreed to a 6% contribution as well. Chief Lynn expressed his understanding that there were financial implications to these changes.

Mayor Spewak provided a brief overview of why the changes were made in 2012. At that time the plan was underfunded. The City contributed \$2,000,000 over two years and the employees agreed to the change in benefit levels and the increased contributions. The mayor noted the plans are doing well now. Mayor Spewak explained these are difficult decisions for the Council and it is difficult to balance doing the best they can for employees while answering to the citizens.

Council Member Fox moved to maintain the pension plan as is for the Uniformed Employees, with second by Council Member Hensley the motion passed unanimously.

**Proposed Legislation:**

**Bill No. 2226 Amended** – An ordinance to amend Sections III, VII and XV of Ordinance 1175 – The Zoning Ordinance of the City of Ladue, St. Louis County, Missouri – to address zoning issues related to medical marijuana facilities.

Mayor Spewak read Bill Mo. 2226 Amended followed by a second reading by Council Member Fox.

Council Member Howell moved approval of Bill No. 2226 Amended, with second by Council Member Fox and the roll call vote thereupon was as follows:

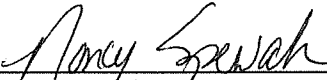
Council Member Fox	"Aye"
Council Member Kamps	"Aye"
Council Member Howell	"Aye"
Council Member Burroughs	"Aye"
Council Member Brennan	"Aye"
Council Member Hensley	"Aye"

There being six aye votes and zero nay votes the motion passed unanimously.

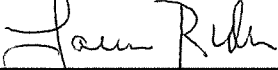
Mayor Spewak noted the next regular Council meetings are scheduled for Monday, June 17, 2019 and July 15, 2019.

**Adjournment:** Council Member Burroughs moved adjournment, with second by Council Member Kamps the motion passed unanimously. The meeting adjourned at 8:44 A.M.

**APPROVED THIS 17TH DAY OF JUNE 2019.**

  
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Nancy Spewak, Mayor

**ATTEST:**

  
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Laura Rider, City Clerk