

**MINUTES**

**METROPOLITAN EMPLOYEE BENEFIT BOARD**

**October 5, 2004**

The Metropolitan Employee Benefit Board met for their regularly scheduled meeting on October 5, 2004 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 9:30 a.m.

Benefit Board Members present: Chair Betsy Walkup, Vice-Chair Clyde D. Smith; Members: Albert Berry, B. R. Hall, Sr., Pat Harris-Wingfield, Randy Lovett, David Manning, Edward C. Mason, II and H. Russell White.

Member Thomas A. Storey was unable to be present.

Other Members present: John P. Kennedy, Assistant Director of Human Resources, Kevin Klein, Attorney, Metro Legal Department and Christopher Fletcher, Civil Service Medical Examiner.

**A. MINUTES:** Chair Betsy Walkup called the meeting to order and said the first order of business was to determine if there were any amendments, corrections or questions of the minutes from the last regular meeting held on September 7, 2004. With no corrections, nothing further was noted and Albert Berry moved for approval. Clyde Smith seconded and the Board approved without objection.

**B. DISABILITY PENSIONS:**

**MOTION:** David Manning moved approval of the disability pension new requests for the length of time as recommended by the staff. Randy Lovett seconded and the Board approved without objection. David Manning moved approval of the disability pension reexaminations for the length of time as recommended by the staff. Albert Berry seconded and the Board approved without objection. On item B.-3. -a., Billy J. Marlowe, David Manning moved that the request for a in line of duty disability pension be denied as recommended by the staff. Albert Berry seconded and the Board approved with a vote of 5/4.

The terms of the approval or extension of the items listed in the above motion are specifically stated in these minutes.

**1. NEW REQUESTS**

**MEDICAL**

**RECOMMENDS BOARD APPROVAL**

| <b>NAME</b>                | <b>DEPARTMENT</b> | <b>RECOMMENDATION</b>   |
|----------------------------|-------------------|---|
| B.-1.-a. Anne Cannady      | General Services  | As moved, seconded and approved, this pension was granted until 2/2005, with reexamination at that time.  |
| B.-1.-b. Patti J. Davidson | Police            | As moved, seconded and approved, this pension was granted until 11/2004, with reexamination at that time. |

**IN LINE OF DUTY**

NONE

**2. REEXAMINATIONS**

**MEDICAL**

**RECOMMENDS BOARD APPROVAL**

|                        |      |   |
|------------------------|------|---|
| B.-2.-a. Alma R. Capps | MNPS | As moved, seconded and approved, this pension was continued until 12/2004, with reexamination at that time. |
|------------------------|------|---|



**Disability to service**

| Employee               | Department          | Plan A/B | Effective Date of Conversion |
|------------------------|---------------------|----------|------------------------------|
| George S. Fisher       | Fire                | B        | 08/01/04                     |
| Mattie M. Smith-Cannon | Social Services     | B        | 08/01/04                     |
| Mae J. Patton          | MNPS                | B        | 08/01/04                     |
| Dorothy C. Martin      | Public Works        | B        | 08/01/04                     |
| Robert Cummings        | Police              | A        | 08/01/04                     |
| Norma F. Mayo          | MNPS                | B        | 08/01/04                     |
| Wanda M. Self          | Election Commission | B        | 07/01/04                     |
| Mary D. Taylor         | Police              | A        | 09/01/04                     |
| Mary F. Brown          | MNPS                | A        | 05/01/04                     |
| Ronnie B. Barber       | Public Works        | A        | 09/01/04                     |
| Martina K. Tyree       | MNPS                | A        | 06/01/04                     |

**Options Elected**

| Employee                   | Department           | Pension type  | Plan A/B | Effective Date | Option   | DROP Election |
|----------------------------|----------------------|---------------|----------|----------------|----------|---------------|
| Austin, Elizabeth M.       | MNPS                 | Service       | B        | 7/1/2004       | Option F |               |
| Banniza Jr., Harry L.      | General Services     | Service       | B        | 7/1/2004       | Option B | 1             |
| Belcher, Jean B.           | Finance              | Service       | B        | 7/27/2004      | Option A |               |
| Binkley, Mary F.           | Social Services      | Service       | B        | 8/7/2004       | Normal   |               |
| Blackman, Eural T.         | Register of Deeds    | Service       | B        | 7/1/2004       | Normal   |               |
| Briggance, Richard         | Police               | P&F Service   | B        | 8/1/2004       | Option A | 3             |
| Burnett, Evangeline        | Bordeaux Hospital    | Early Service | B        | 8/1/2004       | Normal   |               |
| Denson, Barbara A.         | Public Library       | Early Service | B        | 8/11/2004      | Option C |               |
| Doss, Susan E.             | MNPS                 | Early Service | B        | 5/22/2004      | Option E |               |
| Froedge, Nellie M.         | MNPS                 | Early Service | B        | 7/1/2004       | Option E |               |
| Gaines, Frances G.         | Social Services      | Service       | B        | 8/5/2004       | Normal   | 1             |
| Henderson, Lillian S.      | MNPS                 | Service       | B        | 5/22/2004      | Normal   |               |
| Hyde, Eugenia              | Bordeaux Hospital    | Early Service | B        | 7/20/2004      | Normal   |               |
| Judd, Shirley L.           | General Hospital     | Early Service | B        | 6/26/2004      | Normal   |               |
| Lively, Mabelle            | Social Services      | Early Service | B        | 8/1/2004       | Normal   |               |
| Martin, Susan G.           | MNPS                 | Early Service | B        | 8/1/2004       | Normal   |               |
| Mathis, Leon               | Public Library       | Early Service | B        | 7/1/2004       | Option C |               |
| Nevans, James H.           | Fire                 | P&F Service   | B        | 6/29/2004      | Option E | 3             |
| Nichols, Margaret          | General Hospital     | Early Service | B        | 7/7/2004       | Option B |               |
| Ostein, Anthony L.         | MNPS                 | Early Service | B        | 7/1/2004       | Normal   |               |
| Pewitt, Martha J.          | MNPS                 | Early Service | B        | 5/22/2004      | Option F |               |
| Pigue, Sandra H.           | MNPS                 | Service       | B        | 5/29/2004      | Normal   |               |
| Qualls, Roy E.             | Codes Administration | Service       | B        | 8/11/2004      | Normal   |               |
| Rees, Patricia A.          | General Services     | Early Service | B        | 5/25/2004      | Normal   | 1             |
| Stallworth-Price, Patricia | Social Services      | Early Service | B        | 7/27/2004      | Option C |               |
| Teasley, Martha C.         | Social Services      | Early Service | B        | 8/11/2004      | Normal   |               |
| Tucker, Boyd W.            | MNPS                 | Service       | B        | 7/1/2004       | Option A |               |
| Upton, James W.            | Codes Administration | Service       | B        | 7/28/2004      | Normal   |               |
| Vaughan, Brenda M.         | Bordeaux Hospital    | Early Service | B        | 9/16/2004      | Normal   |               |
| Veals, Mollie L.           | Bordeaux Hospital    | Early Service | B        | 8/14/2004      | Option A |               |
| Williams, Ralph L.         | Fire                 | P&F Service   | B        | 8/10/2004      | Normal   |               |
| Wilson, Thomas B.          | Register of Deeds    | Service       | B        | 7/1/2004       | Normal   | 3             |

**Options Elected (continued)**

|                |                  |               |   |          |        |  |
|----------------|------------------|---------------|---|----------|--------|--|
| Young, Lula M. | General Services | Early Service | B | 7/1/2004 | Normal |  |
|----------------|------------------|---------------|---|----------|--------|--|

**Drop Elections Key:**

- 1 - 1 year drop
- 2 - 2 year drop
- 3 - 3 year drop

**Pension options key:**

- Normal - life annuity (no option elected)
- Option A - Joint & Survivor - 100% to surviving beneficiary
- Option B - Joint & Survivor - 50% to surviving beneficiary
- Option C - Social Security
- Option D - 120 payments certain and life
- Option E - Joint & Survivor - 100% to surviving beneficiary with pop-up feature
- Option F - Joint & Survivor - 50% to surviving beneficiary with pop-up feature

**Survivor**

| Employee Name      | Department     | Survivor Name      | Plan Membership | Effective Date |
|--------------------|----------------|--------------------|-----------------|----------------|
| George Davidson    | Water          | Billie J. Davidson | B               | 08/26/04       |
| William Wyatt      | Criminal Court | Lynda Wyatt        | B               | 09/15/04       |
| Margaret L. Taylor | Health         | Herschel Taylor    | B               | 09/07/04       |
| Jerry Atnip        | Police         | Shirley Atnip      | A               | 08/30/04       |

**BENEFIT BOARD ITEMS**

Mr. John P. Kennedy, Assistant Director of Human Resources, submitted the following for the Board's consideration and appropriate action:

Item 1. Retirement pension appeal.

John Kennedy reported to the Board that all preliminary calculations done prior to this individuals resigning indicated that he was eligible for retirement and the DROP. During the final calculation process it was determined he had 24 years and 9 months of credited service and in order to be eligible for the drop you must have 25. Mr. Kennedy stated that had the individual known this he could have run out his vacation time and stayed on the payroll for 3 additional months to have made his 25 years of credited service and been eligible for the DROP. He stated that staff recommends that the Board find there was an error due to the unique circumstances surrounding his situation and that staff work with his department to adjust the handling of his vacation time.

Edward Mason moved approval of the staff recommendation. B.R. Hall seconded.

After some discussion of qualifying for the DROP Albert Berry called for the question closing off further debate. A vote was taken on the call and approved unanimously. A vote was taken on the staff recommendation and approved unanimously.

The Board also had a short discussion on procedures for future occurrences like this.

Item 2. Voluntary insurance.

John Kennedy reported to the Board that staff has been working to obtain information on the voluntary insurance products and there are a number of companies that have not responded. He stated that staff recommends that 1) for the companies that have not responded the payroll deduction privileges be terminated effective January 1, 2005; 2) for the ones that have responded the payroll deduction privileges be continued until completion of the analysis requested by the Board; 3) the Board determine whether or not they be allowed to continue to market their products and 4) the charges for making changes be charged back to the carriers that remain.

The Board discussed notifying employees of any changes, implementing contracts for these products with the companies in compliance and review of products, services offered and cost.

David Manning moved approval of the staff recommendation and requested that staff work towards developing contracts with the carriers in compliance and presumed to be continued. Clyde Smith seconded and the Board approved without objection.

Item 3. DROP options for Disability-to-Service Conversions.

John Kennedy reported to the Board that this matter has been reviewed by staff and discussed with the Legal Department. He stated that in reviewing the Board's actions the DROP was adopted in a fashion that individuals on a disability pension converting to a service pension would not be eligible for a DROP.

After some discussion on requirements for a service pension, David Manning moved to deny the request of the individual for the DROP option. Albert Berry seconded and the Board approved with a vote of 5/4.

Item 4. Appeal decision – Hughey vs. Metro.

Kevin Klein reported to the Board that the Court ruled that Metro could require retraining and recertification in the re-employment standards and that failure to meet these standards did not further entitle this individual to a disability pension.

Item 5. Amendment to 457 Plan Document covering Qualified Domestic Relations Orders.

Kevin Klein stated this amendment will allow governmental deferred compensation plans to distribute benefits to alternate payees pursuant to Qualified domestic relations orders and to authorize the plan service provider to process qualified domestic relations orders. He also stated that this amendment will be consistent with the changes made to section 457 of the IRS rules.

Albert Berry moved approval of the amendment to the 457 plan. Randy Lovett seconded and the Board approved with B.R. Hall opposed.

Item 6. Proposal to Civil Service Commission regarding IOD pay.

Don Driscoll of SEIU was present and addressed the Board. He presented possible alternatives to the Board regarding adjusting disability pensions and IOD pay.

After some discussion, David Manning moved approval of the proposal to be submitted to the Civil Service Commission regarding IOD pay. Clyde Smith seconded. After some discussion of the legal opinion accompanying the proposal, Clyde Smith withdrew his second.

There was discussion on the materials that would be presented to the Civil Service Commission.

Albert Berry seconded the motion. A vote was taken and the Board approved with a vote of 5/4.

The Board also had a brief discussion on the return to work process and asked that the staff review this process.

Item 7. Committee Reports:

1. Investment Committee

a. Replacement for Janus Aspen Fund.

Bob Liberto of Segal Advisors was present and reviewed the analysis on the alternate fund with the Board.

David Manning moved approval of replacing the Janus Aspen Fund with the PIMCO Total Return Institutional Fund. Albert Berry seconded. A vote was taken and the Board approved unanimously.

Item 8. Correspondence:

- a. Participation report from Blue Cross.
- b. Participation report from CIGNA.
- c. Participation report from HealthSpring.
- d. SEIU letter and response.

Items 8.-a. thru 8.-d. were for information only and no action was required.

Item 9. Reports For Your Information:

- a. Return to work.
- b. Social Security approvals.
- c. Refund of pension contributions.
- d. Repayment of pension contributions.
- e. 457 Deferred Comp Plan Unforeseeable Emergency withdrawal requests.
- f. Metropolitan Employee Benefit System Annual Comparison Management Consultant Expenses.
- g. Metropolitan Employee Benefit System Annual Comparison Investment Management Expenses.
- h. Metropolitan Employee Benefit System Annual Comparison Total Expenses.
- i. Social Security referrals.
- j. Benefit Board Budget.
- k. Non-compliant disability pensioners from annual questionnaires.

Items 9.-a. thru 9.-k. were for information only and no action was required.

Item 10. Late item(s):

There were no late items reported.

With nothing further presented, the meeting adjourned at 11:15 a.m.

ATTEST:

APPROVED:

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**Mr. John P. Kennedy, Assistant Director  
Human Resources**

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**Mrs. Betsy Walkup, Chair  
Employee Benefit Board**