

MINUTES

METROPOLITAN EMPLOYEE BENEFIT BOARD

January 4, 2005

The Metropolitan Employee Benefit Board met for their regularly scheduled meeting on January 4, 2005 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 9:30 a.m.

Benefit Board members: Chair: Clyde D. Smith; Vice Chair: H. Russell White; Members: B. R. Hall, Sr., Pat Harris-Wingfield, David Manning, Edward C. Mason, II, Dorothy Shell-Berry, Thomas A. Storey and Betsy Walkup.

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 Clyde Smith 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 December 7, 2004. With no corrections, nothing further was noted and Edward Mason moved for approval. Russell White seconded and the Board approved without objection.

B. DISABILITY PENSIONS:

Prior to approval of the disability pensions, the Board discussed the recommendation made by staff to approve the pensions for 30 days versus 90 days, the legal opinion from the Department of Law regarding applying the correct standard of disability, and the authority to pay these pensions if they don't meet the standard. There was also a discussion of providing the Board with a list of those that do not meet that standard.

MOTION: Edward Mason moved approval of the disability pension new requests for 90 days and those previously approved for 90 days be brought back next month. B.R. Hall seconded and the Board approved with a 5/3 vote and David Manning not voting. Edward Mason moved approval of the disability pension reexaminations for 90 days and those previously approved for 90 days be brought back next month. B.R. Hall seconded and the Board approved with a 5/3 vote and David Manning not voting.

Ginger Hall reported that there were two requests for in line of duty disability pensions, but the medical information did not support the in line of duty disability pension and staff recommended they be approved as a medical disability pensions.

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

NAME	DEPARTMENT	RECOMMENDATION
B.-1.-a. Roy D. Allen	Water	As moved, seconded and approved, this pension was granted until 4/2005, with reexamination at that time.
B.-1.-b. Fred L. Carter	Public Works	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B.-1.-c. Calvin P. Harris	Water	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B.-1.-d. Billy R. Knalls	Public Works	As moved, seconded and approved, this pension was granted until 4/2005, with reexamination at that time.

1. NEW REQUESTS (continued)

MEDICAL

RECOMMENDS BOARD APPROVAL

NAME	DEPARTMENT	RECOMMENDATION
B.-1.-e. Bertha Mumphery-Otey	Bordeaux	As moved, seconded and approved, this pension was granted until 4/2005, with reexamination at that time.
B.-1.-f. Cheri R. Sullivant	MNPS	As moved, seconded and approved, this pension was granted until 4/2005, with reexamination at that time.
B.-1.-g. Thurman C. Trice	MNPS	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.

IN LINE OF DUTY

RECOMMENDS BOARD APPROVAL

B.-1.-h. Robert L. Meadows	Police	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
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2. REEXAMINATIONS

MEDICAL

RECOMMENDS BOARD APPROVAL

B.-2.-a. Cindy A. Abutrab	Parks & Recreation	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-b. Kim T. Greer	Sheriff	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-d. Wilda M. Hollis	MNPS	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-e. Gary M. McCanless	MNGH	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-f. Ronald F. Meeks	Water	As moved, seconded and approved, this pension was continued until 4/2005, with reexamination at that time.
B.-2.-g. Terrie L. Moran	State Trial Courts	As moved, seconded and approved, this pension was continued until 4/2005, with reexamination at that time.

IN LINE OF DUTY

RECOMMENDS BOARD APPROVAL

*B.-2.-c. Joyce R. Haddock	MNPS	As moved, seconded and approved, this pension was continued until 7/ 2005 with reexamination at that time.
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*incorrectly listed on the January 4, 2005 agenda as a medical disability pension.

B.-2.-h. Jerry W. Owen	Public Library	As moved, seconded and approved, this pension was continued until 4/2005, with reexamination at that time.
B.-2.-i. Ryan N. Sledge	Police	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.

IN LINE OF DUTY (continued)
RECOMMENDS BOARD APPROVAL

NAME	DEPARTMENT	RECOMMENDATION
B.-2.-j. Rosa E. Barreto-Soto	MNGH	As moved, seconded and approved, this pension was continued until 4/2005, with reexamination at that time.

C. PENSIONS: (Service, disability to service, options elected and survivor)

MOTION: Betsy Walkup moved approval of the pensions. David Manning seconded and the Board approved without objection.

At this time, the Board had a short discussion on processes that surrounding calculating a pension, improvements to that process and educating employees.

Service

Employee	Department	Classification	Plan A/B	Application Date	Estimated Effective Date
Joseph Jackson	Fire	Firefighter 3	B	12/03/04	01/01/05
Carl Tucker	Water	Finance Officer 3	B	12/02/04	01/01/05
Dorothy Patton	General Sessions	Administrative Assistant	B	12/09/04	03/01/05
Thomas Dye	Fire	Fire Training Officer	B	12/13/04	01/01/05
Teresa Horton	Convention Center	Director	B	12/13/04	04/12/05
William Stroud, Jr.	Police	Police Officer 3	B	12/14/04	01/01/05
Marie Cardwell	General Sessions Court	Administrative Services Officer 2	B	12/22/04	02/01/05

Disability to service

Employee	Department	Plan A/B	Effective Date of Conversion
Gail F. Tweedy	Fire	B	09/01/04
David N. Smith	Police	B	11/01/04
James E. Cowden	MNPS	A	06/01/04
Suzanne S. Williams	MNPS	B	12/01/04
Joe D. Martin	Police	A	12/01/04
Atha Proctor	Bordeaux Hospital	A	12/01/04

Options Elected

NAME	Department	Pension Type	Plan A/B	Effective Date	Option	DROP Election
Berkner, Sandra K.	MNPS	Service	B	10/16/2004	Option A	
Bernard, Elie R.	Police	Service	B	10/16/2004	Option A	
Cockrill, Doyel	Public Works	Service	B	11/11/2004	Option B	3
Craddock, Patty J.	Beer Board	Service	B	10/16/2004	Normal	3
Downey, Jr., Carey W.	Sheriff	Service	B	9/16/2004	Normal	
Duncan, Carl E.	Fire	Service	B	10/26/2004	Option E	
Ferguson, Betty Louise	Fire	Service	B	10/7/2004	Normal	
Hartbarger, Raymond	Police	Service	B	11/4/2004	Normal	
Helton, Gerald R.	Parks	Service	B	10/16/2004	Option A	
Hodges, Barbara J.	Public Library	Early Service	B	10/27/2004	Option C	
Johnson, Margaret A.	Social Services	Early Service	B	10/15/2004	Option F	
Kelton, Jonathan C.	Police	P&F Opt	B	11/18/2004	Option C	3
Linzy, Dorothy K.	General Hospital	Service	B	7/1/2004	Option A	

Options Elected (continued)

NAME	Department	Pension Type	Plan A/B	Effective Date	Option	DROP Election
Martin, Donna B.	Social Services	Service	B	10/16/2004	Option F	
Mccullough, Jane Ann	Arts Commission	Service	B	11/11/2004	Option F	
McPherson, Norberta J.	MNPS	Service	B	10/30/2004	Normal	
Minton, Shirley A.	MNPS	Service	B	8/14/2004	Normal	
Perkins, Frank E.	Police	Service	B	10/23/2004	Normal	
Prater, Hubert	Water and Sewer	Service	B	10/16/2004	Option F	2
Rich, Anita	Assessor of Property	Service	B	10/19/2004	Option F	
Watson, Dolores A.	Planning Commission	Service	B	10/12/2004	Option F	
Woodruff, Lena C.	MNPS	Service	B	5/22/2004	Normal	

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
James A. York	Police	Joy York	Old City	11/21/2004
Clyde Hudgens	Fire	Lottie Hudgens	Old City	11/28/2004
Philip Duer	Tax Assessor	Mildred V. Duer	Old City	12/11/2004
Wayne Rogers	Fire	Glenda Faye Rogers	Old City	12/20/2004
Alvin Hood	Social Service	Genevieve Hood	B	12/13/2004

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 incentive appeal.

John Kennedy reported to the Board that this individual is requesting he be paid a higher incentive amount than he received, the amount he received being based on his credited service. He has a period of time where he voluntarily chose not to participate in pension benefits in the former plan. John Kennedy stated that based on the language in the incentive ordinance, the staff granted his incentive amount at the highest allowable amount.

Bill Anderton was present and addressed the Board.

After discussion of the provisions in the ordinance, David Manning moved that the request for a higher incentive amount be denied. Betsy Walkup seconded and the Board approved with a 6/3 vote.

Item 2. Vested service pension appeal.

John Kennedy reported to the Board this individual states she was not aware she was eligible for an early service pension when she terminated her employment with Metro in September 2003 and therefore did not begin her pension benefit at that time. He stated she called to request a refund of her pension contributions. It was then explained to her that she was eligible for an early service pension at the time of her termination and that she would be entitled to her vested pension benefit in

Item 2. Vested service pension appeal. (continued)

the future in lieu of taking a pension contribution refund. Mr. Kennedy stated the Board does not have the authority to allow this individual to pursue her vested pension benefit prior to her unreduced retirement age. However, the Board does have the authority to find that she was not aware of her rights at the time of her termination and allow her to pursue her pension rights now under the rules and related reductions retroactively to her termination date.

Thomas Storey moved that the early service pension be granted. Edward Mason seconded.

The Board discussed educating the employees on benefits at termination and/or retirement.

A vote was taken on the motion and the Board approved without objection.

Item 3. Pension overpayment appeal(s):

a. Disability pensioner converting to service pension.

John Kennedy reported that this disability pensioner's conversion to a service pension was delayed and caused the pensioner to be overpaid due to the disability pension being larger than the service pension amount. He stated that staff recommends the overpayment be waived due to the fact that such overpayment appeared to meet the Code guidelines in order to be waived. B.R. Hall moved that the overpayment be waived. Edward Mason seconded and the Board approved without objection.

b. Survivor of service pensioner.

John Kennedy reported during the course of this survivor pension being calculated it was discovered that the wrong cost of living adjustment had been applied to the service pensioner's benefit resulting in an overpayment. He stated that staff recommends that the overpayment be waived due to the fact that such overpayment appeared to meet the Code guidelines in order to be waived and the pension corrected going forward. Russell White moved that the overpayment be waived. Betsy Walkup seconded and the Board approved without objection.

Item 4. Code clean-up items.

John Kennedy stated that there are a number of areas in the Code that are not clear. He stated staff has been working on a list of items to help clarify and correct minor errors. He stated that none of the items listed represent a material change or would have a significant impact on the pension plan.

Edward Mason moved that the items listed be costed by the actuary and legislation drafted to make these changes in the Code. Thomas Storey seconded and the Board approved without objection.

Item 5. Re-determination of pension benefits based on excess earnings.

John Kennedy reported that staff has identified several disability pensioners who have exceeded their outside allowable earnings for the year 2003 and staff recommends the pensions be adjusted accordingly. David Manning moved that the disability pension adjustments be made with the next pension payroll. Betsy Walkup seconded and the Board approved without objection.

Item 6. Mandatory Distributions form 457 Metro-Max Deferred Compensation plan.

Tom Eddlemon reported this change is a result of rules changed by the Department of Labor affecting 457 plans regarding the automatic rollover provision, which would require the plan sponsor to roll over the de-minimis account balance (\$5,000 or less) into an IRA. Mr. Eddlemon stated that the Investment Committee has approved this and recommends that the plan be amended to cash out only terminated accounts of \$1,000 or less.

Item 6. Mandatory Distributions from 457 Metro-Max Deferred Compensation plan. (continued)

David Manning moved that the Board approve the recommendation of the Committee to amend the plan. Betsy Walkup seconded and the Board approved without objection.

Item 7. Freezing the Fidelity Magellan Fund and transferring assets to the Vanguard Primecap Fund.

Tom Eddlemon stated that due to poor performance the Investment Committee recommends to freeze the Magellan fund and transfer holdings to the Vanguard Primecap Fund.

David Manning moved approval of the recommendation. Russell White seconded and the Board approved without objection.

Item 8. Committee Report(s):

Medical & Life Committee:

Edward Mason reported that the Medical and Life Committee met on December 21, 2004 and had the following items to present to the full Board:

a. SIP appeal – Professional Pharmacy Services.

Edward Mason reported that the Committee recommends to the full Board that these services be paid for if a reasonable amount can be determined as to what Blue Cross would have paid to an out of network pharmacy and or/source of nebulizer.

A vote was taken and the Board approved without objection.

b. SIP appeal – Vein Sclerosing Solution.

Edward Mason stated that the Committee reviewed this appeal and there is no recommendation to the full Board due to the Committee being deadlocked on the issue.

After some discussion of the costs involved, David Manning moved that the Board defer taking a vote on this issue and have the actuary review it. Russell White seconded and the Board approved without objection.

c. Incontinence supplies.

Edward Mason stated that the Committee recommends to the full Board to defer any action on this item at this time.

David Manning moved approval of the Committee recommendation to defer. Betsy Walkup seconded and the Board approved without objection.

Item 9. Correspondence:

- a. Utilization report from Blue Cross.
- b. Utilization report from CIGNA.
- c. Utilization report from HealthSpring.

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

Item 10. Reports For Your Information:

- a. Return to work.
- b. Social Security approvals.
- c. Refund of pension contributions.

Item 10. Reports For Your Information: (continued)

- d. Repayment of pension contributions.
- e. Emergency withdrawal requests.
- f. Employee benefit trust fund annual comparison management consultant expenses.
- g. Employee benefit trust fund annual comparison investment management expenses.
- h. Employee benefit trust fund total expenses annual comparison.
- i. Social Security referrals.

Items 10.-a. thru 10-i. were for information only and no action was required.

Item 11. Late item(s):

There were no late items reported.

At this time the, John Kennedy reviewed some of the accomplishments made by the Board in the last four years and Board commended John P. Kennedy and Dr. Albert Berry for their service to the Benefit Board.

With nothing further presented, the meeting adjourned at 11:46 a.m.

ATTEST:

APPROVED:

***Mrs. Dorothy Shell-Berry, Interim Director
Human Resources***

***Mr. Clyde D. Smith, Chair
Employee Benefit Board***