

MINUTES

METROPOLITAN EMPLOYEE BENEFIT BOARD

July 13, 2005

The Metropolitan Employee Benefit Board met for their regularly scheduled meeting on July 13, 2005 in the Civil Service Conference Room, Suite 163, 222 Building, Third Avenue North, Nashville, Tennessee, at approximately 9:37 a.m.

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

Other Members present: Nicki Eke, 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 June 7, 2005. With one correction, nothing further was noted and Betsy Walkup moved for approval. Edward Mason seconded and the Board approved without objection.

B. DISABILITY PENSIONS:

Dr. Christopher Fletcher reported to the Board that staff recommends approval with no reexamination on the medical disability pension new requests items B1-a. through B1.-e. Betsy Walkup moved approval of the medical disability pension new requests for the length of time as recommended by the staff. B.R. Hall seconded and the Board approved without objection.

Dr. Christopher Fletcher reported that staff recommends approval with no reexamination on the in line of duty disability pension new requests B1.-f. through B1.-h. B.R. Hall moved approval of the in line of duty disability pension new requests for the length of time as recommended by the staff. Edward Mason seconded and the Board approved without objection.

Dr. Christopher Fletcher reported that on item B2.-a. there has been a request to defer for one month. Edward Mason moved approval of the deferral. B.R. Hall seconded and the Board approved without objection.

Dr. Christopher Fletcher reported that staff recommends approval with no reexamination on the medical disability pension reexaminations B3.-a. through B3.-b. B.R. Hall moved approval of the medical disability pension reexaminations for the length of time as recommended by the staff. Edward Mason seconded and the Board approved without objection.

Dr. Christopher Fletcher reported that on the in line of duty reexaminations staff recommends approval with no reexamination item B3.-c. and continuation for one month on B.-3.-d. through B3.-f. David Manning moved approval of the in line of duty disability pension reexaminations for the length of time as recommended by the staff. Charles Trost seconded and the Board approved without objection.

Dr. Christopher Fletcher reported that staff recommends approval for one month on items B4.-a through B6.-g. to allow all the pensions that relate to definition of disability wording be on the same cycle until the issue is resolved. B.R. Hall moved approval. Edward Mason seconded and the Board approved without objection.

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

NAME	DEPARTMENT	RECOMMENDATION
B1-a.DANIEL WHITEHURST	MNPD	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.

1. NEW REQUESTS

MEDICAL (continued)

NAME	DEPARTMENT	RECOMMENDATION
B1-b.BRUCE METCALF	PARKS AND RECREATION	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B1-c.LINDA G. WALKER	CRIMINAL COURT	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B1-d.WILLIAM R. SCOTT JR	PUBLIC WORKS	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B1-e.FRANK WOODS	MNPS	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.

IN LINE OF DUTY

NAME	DEPARTMENT	RECOMMENDATION
B1-f.MICKEY MILAM	MNPD	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B1-g.JOYCE HADDOCK	MNPS	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B1-h.DENNIS R. SHEPHERD	MNPD	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.

2. NEW RECOMMENDATIONS FOR DENIAL

IN LINE OF DUTY

NAME	DEPARTMENT	RECOMMENDATION
B2-a.MICHAEL GULLA	MNPD	As moved, seconded and approved, this pension was deferred.

3. REEXAMINATIONS

MEDICAL

NAME	DEPARTMENT	RECOMMENDATION
B3-a.CHARLENE AVINGER	MNPS	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B3-b.BETTY R. MCDONALD	SHERIFF	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.

IN LINE OF DUTY

NAME	DEPARTMENT	RECOMMENDATION
B3-c.STEVE L. BOSLEY	FIRE	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.

3. REEXAMINATIONS

IN LINE OF DUTY (continued)

NAME	DEPARTMENT	RECOMMENDATION
B3-d.QUINTILLA V. CLARKSON	BORDEAUX	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B3-e.SHERRY D. DRIVER	MNPS	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B3-f.STANLEY W. SHELTON	FIRE	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.

4. REEXAMINATION RECOMMENDATIONS FOR DENIAL

List of medical/IOD pensions that have "definition of disability" wording

NAME	DEPARTMENT	RECOMMENDATION
B4-a. SHERRY R. MOSS	MNPS	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.

5. NEW MEDICAL

NAME	DEPARTMENT	RECOMMENDATION
B5-a.MICHAEL E. CANTRELL	WATER AND SEWER	As moved, seconded and approved, this pension was granted for one month with reexamination at that time.

NEW

IN LINE OF DUTY

NAME	DEPARTMENT	RECOMMENDATION
B5-b.KATIE SANDERS	GENERAL HOSPITAL	As moved, seconded and approved, this pension was granted for one month with reexamination at that time.

6. REEXAMINATIONS

MEDICAL

NAME	DEPARTMENT	RECOMMENDATION
B6-a.ROY D. ALLEN	WATER	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B6-b.CHARLES W. COVINGTON	MNPS	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B6-c.BILLY R. KNALLS	PUBLIC WORKS	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B6-d.CHERI R. SULLIVANT	MNPS	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B6-e.TERRIE L. MORAN	STATE TRIAL COURTS	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.

**6. REEXAMINATIONS
 IN LINE OF DUTY**

NAME	DEPARTMENT	RECOMMENDATION
B6-f.JERRY W. OWEN	PUBLIC LIBRARY	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.
B6-g.ROSA E. BARRETO-SOTO	MNGH	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.

**LATE ITEM
 NEW REQUEST
 MEDICAL**

NAME	DEPARTMENT	RECOMMENDATION
JACQUELINE V. SLATE	CIRCUIT COURT CLERK	As moved, seconded and approved, this pension was continued for one month with reexamination at that time.

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

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

Service

Employee	Department	Classification	Plan A/B	Application Date	Estimated Effective Date
Wenford Barnes	Hospital Authority	Program Manager 2	B	05/25/05	07/01/05
Rosie Anglin	MNPS	Food Service Worker	B	05/26/05	05/26/05
Charles Bayer	Parks	Concessions Clerk 1	B	05/27/05	07/01/05
Arthur Spain	Police	Police Officer 2	B	06/02/05	07/05/05
John Copeland	Parks	Park Ranger Lieutenant	B	06/02/05	07/09/05
Betty Swire	Metro Action Commission	Administrative Officer, Records Management	B	06/06/05	08/20/05
Alexandra Hockaday	Caring For Children	Program Spec 3	B	06/06/05	07/01/05
James Underwood	Police	Police Officer 3	B	06/08/05	07/09/05
Joseph Carroll	State Trial Courts	Case Officer 2	B	06/09/05	06/18/05
Kerry Fuqua	Water	Technical Services Coordinator	B	06/07/05	07/05/05
Theresa Payne	Health	Public Health Nurse 2	B	06/08/05	07/09/05
Jessie McKirdy	Library	Circulation Assistant 2	B	06/10/05	09/03/05
Shirley Cobble	MNPS	Cashier	B	06/15/05	05/20/05
Ruby Walker	MNPS	Bus Driver	B	06/17/05	05/26/05
Betty Bowman	MNPS	Lead Cashier	A	06/20/05	08/01/05
Reva Greer	MNPS	Cafeteria Worker	B	06/22/05	05/25/05
Beverly Rawls	Circuit Court Clerk	Deputy Clerk	B	06/29/05	08/01/05
Frederickka Maxwell	Police	Police Operations Coordinator 1	B	06/28/05	08/01/05
Harry Byrd	Fire	Fire Captain	B	06/27/05	08/01/05
Elaine Crawley	MNPS	Educational Assistant	B	06/26/05	05/26/05
Thomas Cole	Police	Police Officer 3	B	06/27/05	09/01/05
Joyce Bennett	Health	Payroll Supervisor	A	06/27/05	07/01/05
Samuel Bryant	Caring for Children	Program Spec 3	B	06/30/05	07/01/05

Disability to service

Employee	Department	Plan A/B	Effective Date of Conversion
Edward Roberts	Public Works	A	5/1/05
Jo Ann Harper	MNPS	A	4/1/05
Harold Bamman	Police	A	6/1/05
Willie Prentice	Social Services	B	4/1/04
Thomas Crafton	Fire	A	5/1/05

Options Elected

Name	Department	Pension Type	Plan A/B	Effective Date	Option	DROP Election
Allardice, John W.	MNPS	Service	B	12/4/2004	Option F	
Bender, Mary L.	MNPS	Early Service	B	5/27/2005	Option C	
Brooks, William C.	Health	Service	B	3/19/2005	Option A	
Chamberlain, Margaret	MNPS	Service	B	5/25/2005	Normal	
Coleman, Florence J.	MNPS	Service	B	5/25/2005	Normal	
Frey, James R.	Water and Sewer	Service	B	4/30/2005	Normal	
Hamilton, Frankie L.	MNPS	Service	B	4/26/2005	Normal	
Hendrix, Barbara R.	Police	Service	B	5/25/2005	Option E	
Hill, Wayne G	Parks	Early Service	B	5/4/2005	Normal	
Hobby, William O	Water and Sewer	Early Service	B	6/1/2005	Normal	
Hunley, Carol A	Police	Service	B	5/14/2005	Option E	
Milliken, Jimmie R	Fire	P&F Service	B	5/31/2005	Option C	3
Pope, Linda L.	Health	Early Service	B	5/28/2005	Normal	
Reed, Marian E.	General Hospital	Early Service	B	5/21/2005	Option F	
Renfroe, James L.	MNPS	Service	B	5/25/2005	Option A	
Snow, Jimmy D.	MNPS	Service	B	5/21/2005	Option F	
Spain, Charles R.	Police	P&F Service	B	5/10/2005	Option A	
Spann, Essie D.	MNPS	Service	B	5/25/2005	Option D	

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
Joe Martin	Public Works	Paula Martin		05/19/2005
Landis Fox	Water	Sarah Fox		05/31/2005
Joseph M. Taylor	Police	Cheryl Taylor		06/06/2005
James B. Jockett	Water & Sewer	Georgia S. Hockett	Old City	06/14/2005
Ray O. Reeves	Public Works	Treva Reeves	Old City	05/26/2005
William D. Hooberry	Police	Dolly Hooberry	Old City	06/17/2005
William V. Hunley	Fire	Ella M. Hunley	Old City	04/15/2005
Donald Ray Reeves	Pensioner	Patsy J. Reeves	B	06/19/2005
Nathaniel Mumphrey Jr.	Board of Education	Selma Mumphrey	A	06/30/2005
Nancy Johnson	Board of Education	Jimmy Johnson	B	06/28/2005
Robert Allison	Police	Martha L. Allison	Old City	07/03/2005

BENEFIT BOARD ITEMS

The Human Resources staff submitted the following for the Board's consideration and appropriate action:

1. Update on payment and services of long term care for IOD pensioner.

This item was for information only and no action was required at this time.

2. Pension overpayment appeal(s) – Disability pensioner converting to service pension.

Shannon Beehan stated this individual was scheduled to convert from a disability to a service pension and there was a delay in the conversion based on administrative factors, which has resulted in an overpayment. Ms. Beehan stated the retiree is requesting that the overpayment be waived and this request appears to meet the criteria as outlined in the Code.

Tom Storey moved that the overpayment be waived. Edward Mason seconded and the Board approved without objection.

3. Meeting requests:

- a. Special Called Meeting.
- b. IOD Committee.

The Board concluded that there should be a Study Session/Special Called meeting to discuss the various health plan issues. Edward Mason moved approval of having the Special Called meeting in lieu of a Study Session on July 19th. B.R. Hall seconded and the Board approved without objection.

The In Line of Duty Committee meeting will be scheduled to resolve IOD network issues.

4. Disability pension compliance review.

This item was for information only and no action was required at this time.

5. Health plan decisions – Prescription drug carve out.

Greg Drennan reviewed the pharmacy benefit manager RFP results with the Board.

There was discussion on the RFP process, estimated annual savings from utilizing a PBM and pharmacy networks.

*Denotes the arrival of Dorothy Shell-Berry.

Liz Frye of Deloitte & Touche discussed the formulary and network usage.

Greg Drennan stated it is recommended that prescription drug management for the PPO plan be carved out to Walgreens Health Initiatives for the 2006 plan year, and that the Board consider self-funding the HMO in the 2007 plan year, carving out the HMO prescription drug management with Walgreens Health Initiatives.

David Manning moved approval of the PPO prescription drug carve-out. Charles Trost seconded.

Dr. Christopher Fletcher made mention of including the IOD network program in the prescription drug carve-out.

David Manning amended the motion to negotiate with Walgreens Health Initiatives as the pharmacy benefit manager to include the IOD network program and HMO carve-out options. A vote was taken on the amendment and approved unanimously by the Board.

6. Amendment to cafeteria plan - flexible spending arrangement.

Shannon Beehan stated the IRS has modified its position on Section 125 requirements regarding flexible spending arrangements for the cafeteria plan participants. She stated this amendment allows employers who sponsor FSA plans to amend timeframes for FSA contributions to be applied for qualified healthcare expenses.

Greg Drennan stated the amendment extends the time period on which someone can submit a claim.

David Manning moved approval of the amendment to the plan. Russell White seconded and the Board approved without objection.

7. Updated policy for eligible change in status events for core and optional benefits.

Shannon Beehan stated that the Department of Law has reviewed the issue raised at the last meeting as to whether or not the plan could be amended to provide for the most flexible benefit provision for eligible status changes.

Nicki Eke stated that anything more than 90-days runs the risk of being non-compliant with the IRS. She stated should the Board wish to extend the current time-frame for these changes that language will be drafted and brought back to the Board if the Board.

David Manning moved that the Board consider adopting the 90-day provision and the Department of Law draft the specific language for Board action. The motion was seconded and the Board approved without objection.

8. Revised independent medical evaluations and examinations (IME) policy.

Chair Clyde Smith suggested that this item be referred to the In Line of Duty Committee.

9. Core & optional benefit eligibility date.

Shannon Beehan reported that Ed Mason requested this item be placed on the agenda. Specifically he asked the staff to review why there are different benefits start dates for some employees in 30 days while it takes others up to 60 days and what steps can be taken to amend this provision. She stated that in order to change this provision, the self-insured, cafeteria and FSA plan documents would have to be amended, a cost analysis performed, and considerations to the impact on the new EBS system and administrative functions would need to be reviewed.

After some discussion of changing the eligibility date, Edward Mason moved that the staff review the impact on changing this provision and actuarial cost.

Charles Trost seconded the motion and offered an amendment to the motion to include the feasibility of an eligibility date other than the first of the month.

A vote was taken on the motion and approved unanimously by the Board.

At this time the Board took a break and then reconvened with the remainder of the agenda.

10. Benefit Board budget update – legal fees.

Board members discussed wanting more specific information from the Department of Law on the breakdown, such as the number of hours spent and what the particular case was, outside attorneys fees, as well as copies of all payments and warrants signed from the Trust Fund as described in Code Section 13.10.

After some discussion, David Manning suggested to the Board that any specific information requested related to the legal fees allocation be put in writing.

11. Discussion and consideration of the Pension Trust Fund budget.

Board members questioned the fees coming out of the Pension Trust Fund, additional monies being spent for issues other than pension, and making sure the fees coming out of the Trust Fund are appropriated adequately.

There was discussion on the safety audit and related positions, Kroll expenses, and benefit surveys issued.

After discussion on the processes of the Audit Division, David Manning suggested to the Board that any specific questions related to issues with the Pension Trust Fund be put in writing.

B.R. Hall moved that the Board request monthly financial reports from the Treasurer on monies spent from the Pension Trust Fund. Edward Mason seconded the motion with an amendment to include that the reports be detailed as to determine where the money is actually being spent.

After further discussion on what supporting information the Board specifically wants related to the Pension Trust Fund expenditures, Edward Mason called for the question closing off further debate.

A vote was taken on the motion and approved (8/1) with Russell White opposed.

12. Motion of David L. Manning to rescind the action taken at the May 3rd Board meeting directing that the Board & Office Administration Committee to: a) solicit applications based upon the Code provisions; b) conduct initial interviews; and c) report back to the Board within 60 days with a recommended list of candidates for Executive Secretary.

David Manning withdrew his request for this meeting reserving the right to bring this item back after review.

It was the Chair's position that in order for this item to be brought back to the Board to be rescinded it would have to be discharged from the Committee. He further stated that there is a provision under Roberts Rules of Order that if the Committee does not act upon the item in a timely fashion then the governing body over all can re-assume.

It was further stated that there are Committee members willing and unwilling to meet on this item.

13. Committee Report(s)

a. Investment Committee Report.

Celia Yancey reported to the Board that the Investment Committee met on June 30, 2005 and reported that the contract for pension consulting services expires August 31st and the evaluation committee has reviewed the RFP's and picked three candidates. Ms. Yancey stated the Investment Committee will meet on July 18th to hear presentations from the three finalists and chose a consultant. The 457 contract expires June '06 and a draft RFP is under review. She also stated that ING is subcontracting the Ultimate Account to Harrisdirect and staff is in the process of amending the ING contract. She also reviewed the expense reports with the Board.

14. Correspondence:

- a. Utilization report from Blue Cross Blue Shield.
- b. Utilization report from CIGNA.
- c. Utilization report from HealthSpring.
- d. Blue Cross Blue Shield pharmacy rebate.

Item 14.-a. through 14.-d. was for information only and no action was required.

At this time, Chair Clyde Smith commended Pat Harris-Wingfield on concluding her term with Board and deemed it appropriate that a resolution be done in appreciation for her service to the Board.

David Manning moved that a resolution be done in appreciation for her service to the Board. Betsy Walkup seconded and the Board approved without objection.

15. Reports for your information:

- a. Return to work.
- b. Social Security approvals.
- c. Refund of pension contributions. (none to report at this time)
- d. Repayment of pension contributions.
- e. Reports from Treasury.
- f. Social Security referrals.

Item 15.-a. through 15.-f. was for information only and no action was required.

16. Late item(s):

There was one late item. This item(s) is listed under the appropriate section and has been incorporated into these minutes.

With nothing further presented, the meeting adjourned at 12:12 p.m.

ATTEST:

APPROVED:

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

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