

## **MINUTES**

### **METROPOLITAN EMPLOYEE BENEFIT BOARD**

**May 3, 2005**

The Metropolitan Employee Benefit Board met for their regularly scheduled meeting on May 3, 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; Members: B. R. Hall, Sr., Pat Harris-Wingfield, David Manning, Edward C. Mason, II, \*Dorothy Shell-Berry, Thomas A. Storey, Charles A. Trost and Betsy Walkup.

Vice Chair H. Russell White was unable to attend.

Other Members present: Kevin Klein, Attorney, Metro Legal Department.

**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 April 5, 2005, February 15<sup>th</sup> and February 25<sup>th</sup> 2005 Special Called meetings. Charles Trost moved considering the minutes together. Edward Mason seconded and the Board approved without objection. With no corrections, nothing further was noted and Thomas Storey moved for approval. Charles Trost seconded and the Board approved without objection.

#### **B. DISABILITY PENSIONS:**

Shannon Beehan reported to the Board that Christopher Fletcher, Civil Service Medical Examiner was unable to be present today and distributed to the Board a summary on his recommendations for the disability pensions. She also distributed updated medical on item B.-3.-a.

Betsy Walkup moved approval of the medical disability pension new requests for the length of time as recommended by the staff. Charles Trost seconded and the Board approved without objection.

Betsy Walkup moved approval of the medical disability pension reexaminations for the length of time as recommended by the staff. Thomas Storey seconded and the Board approved without objection.

David Manning moved deferring action on item B.-3.-a. Edward Mason seconded. There was a short discussion as to whether or not there actually was an in line of duty injury and who makes that determination. A vote was taken on the motion to defer and approved unanimously.

Edward Mason moved approval of the medical and in line of duty disability pension reexaminations with the definition of disability wording for 90 days without reexamination. B.R. Hall seconded. There was a discussion of medical information being submitted for the reexaminations. Edward Mason amended his motion to include submitting the medical and information and re-exam where necessary or required. A vote was taken and approved unanimously.

B.R. Hall stated that the last Study & Formulating Committee studied the definition of disability that is currently under discussion.

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**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>RECOMMENDATION</b>
B.-1.-a. JACKIE G. CROSS	PUBLIC WORKS	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.
B.-1.-b. TERRANCE W. DEARDORFF	PUBLIC WORKS	As moved, seconded and approved, this pension was granted without stipulation of scheduled reexamination.

**IN LINE OF DUTY**

None

**2. REEXAMINATIONS**

**MEDICAL**

B.-2.-a. ALVIN LONDON	POLICE	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-b. CONNIE L. MEADORS	FIRE	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-c. LINDA M. SMITH	HEALTH	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.
B.-2.-d. VICKIE C. VAUGHN	MNGH	As moved, seconded and approved, this pension was continued without stipulation of scheduled reexamination.

**IN LINE OF DUTY**

None

**3. IN LINE OF DUTY**

**RECOMMENDS BOARD DENIAL**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>RECOMMENDATION</b>
B.-3.-a. SHERRY L. THOMPSON	MNPS	As moved, seconded and approved, this request was deferred.

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

**4. REEXAMINATIONS**

**MEDICAL**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>RECOMMENDATION</b>
B.-4.-a. RHONDA G. BAILEY	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-b. BARBARA R. BEAN	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-c. ANNE CANNADY	GENERAL SERVICES	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-d. ALMA R. CAPPS	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-e. PATTI J. DAVIDSON	POLICE	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-f. DAVID J. EWIN	WATER	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-g. CHARLES R. GUNDLACH	WATER SERVICES	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-h. CHERYL D. JACKSON	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-i. SKEEN O. LANE	WATER SERVICES	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.

List of medical/IOD pensions that have "definition of disability" wording. (continued)

**4. REEXAMINATIONS**

**MEDICAL**

	<b>NAME</b>	<b>DEPARTMENT</b>	<b>RECOMMENDATION</b>
B.-4.-j.	DENISE R. LEE	BORDEAUX	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-k.	LORETTA C. LUCKADO	GENERAL SERVICES	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-l.	STEVEN MCCLURE	COUNTY CLERK	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-m.	BETTY J. MORGAN	MNGH	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-n.	BERTHA MUMPHERY-OTERY	BORDEAUX	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-o.	SUZETTE NEAL	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-p.	JAMES E. PARKER	WATER	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-q.	MATTIE R. TULLOSS	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-4.-r.	JAMES T. WARREN	BORDEAUX	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.

**5. REEXAMINATIONS**

**IN LINE OF DUTY**

	<b>NAME</b>	<b>DEPARTMENT</b>	<b>RECOMMENDATION</b>
B.-5.-a.	JAMES L. BOBO	PARKS & RECREATION	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-5.-b.	HORATIO B. BRIGHT	PARKS & RECREATION	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-5.-c.	SHEILA F. COUNTS	BORDEAUX	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-5.-d.	BRENDA K. CROWDER	BORDEAUX	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-5.-e.	ROGER A. DANIELS	WATER	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-5.-f.	ANGELA M. INGLIS	MNPS	As moved, seconded and approved, this pension was continued for 90 days with reexamination at that time.
B.-5.-g.	ANNETTE WOODS	BORDEAUX	As moved, seconded and approved, this pension was continued for 90 days 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
Joseph Grubbs	Library	Office Support Representative 1	B	03/29/05	04/16/05
Charles Spain	Police	Lieutenant	B	03/29/05	05/11/05
Paulette Watts – Vested	Bordeaux Hospital	Licensed Practical Nurse	B	03/23/05	03/01/05
William Brooks	Health	Animal Control Officer 2	B	03/30/05	03/22/05
Sarah Foxall	Police	Police Operations Coordinator 1	B	04/04/05	04/16/05
Frankie Hamilton	MNPS	Custodian	B	03/31/05	05/28/05
June McHenry	Police	Police Crisis Counseling Supervisor	B	04/04/05	05/02/05
Florence Coleman	MNPS	Educational Assistant	B	04/06/05	05/24/05
Franz Larkin	MNPS	Sr. Lead – Operations	B	04/07/05	04/30/05
Mary Copeland	MNPS	Extended School Secretary	B	04/26/05	06/01/05
Loretta Shelton	MNPS	Bus Driver	B	04/11/05	05/27/05
Jerry Waller	Water	Maintenance & Repair Leader 1	B	04/19/05	06/01/05
Nancy Tucker	MNPS	Library Data Clerk	B	04/18/05	07/01/05
Henry Marr	MNPS	Custodian	B	04/20/05	07/22/05
Thomas Burns	Parks	Parks & Recreation Assistant	B	04/20/05	09/01/05
Marian Reed	General Hospital	Registered Nurse	B	04/19/05	05/11/05

**Disability to service**

Employee	Department	Plan A/B	Effective Date of Conversion
Henry Tarpley	Fire	B	4/1/05
Donald Barnett	Police	A	4/1/05
Mary Buchanan	Bordeaux	B	4/1/05
Carolyn Hall	MNPS	B	4/1/05
George Montgomery	Police	A	4/1/05
Gary Hudgens	Police	A	4/1/05

**Options Elected**

Name	Department	Pension Type	Plan A/B	Effective Date	Option	DROP Election
Adcock, Rose M.	MNPS	Service	B	1/6/2005	Normal	
Beene, Charlcie J.	Public Defender	Service	B	3/24/2005	Option D	3
Black, Bettye	MNPS	Service	A	5/22/2004	Normal	
Cranch, Dolores J	Health	Early Service	B	3/2/2005	Normal	
Gadbois, Annette B.	MNPS	Service	B	12/22/2004	Normal	2
Lane, Magalene M.	Bordeaux Hospital	Early Service	B	3/5/2005	Normal	

**Options Elected (continued)**

Name	Department	Pension Type	Plan A/B	Effective Date	Option	DROP Election
Pace, Richard W	Police	Early Service	B	3/11/2005	Option E	
Pardue, Barbara J.	Police	Early Service	B	3/1/2005	Normal	
Smith, Jackson B.	MNPS	Service	B	3/5/2005	Option E	

**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
Michael McNally	Fire	Gail McNally	B	3/24/2005
I.D. Byars	Board of Education	Evelyn Byars	A	3/31/2005
John W. Troup	Public Works	Deborah D. Troup	B	4/12/2005
Alfred Akin	Water	Peggy Akin	B	4/19/2005

**BENEFIT BOARD ITEMS**

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

Clyde Smith reported that Board member Charles Trost requested that items 5 and 10 be taken out of order. This request was accepted without objection.

5. Reconsideration of a previous matter – IOD benefit appeal.

Kevin Klein stated the purpose of the reconsideration is new information. He stated that during the prior Board and Committee meetings where this item was discussed, the information submitted on a previous case similar to this one was incomplete.

After discussion of the previous arguments presented in this matter, there was no motion by the Board for reconsideration.

10. Motion of B.R. Hall to direct a committee to:
- (a) solicit applications
  - (b) conduct initial interviews
  - (c) recommend to the Board a list of candidates for the position of Executive Secretary to the Metropolitan Benefit Board.

B.R. Hall moved that the matter be referred to the Board & Office Administration Committee in order to solicit applications, conduct initial interviews and report back to the Board within 60 days with a recommended list of candidates for Executive Secretary based upon the Code provisions. Edward Mason seconded. A vote was taken on the motion and approved (7/1) with Charles Trost opposed.

There was discussion of the Benefit Board's functions under the current administration compared to the previous functions under the direction of an Executive Secretary, what the Code states, the authority to determine disabilities and sunshine law violations.

At this time item 2 was taken out of order without objection.

2. Dependent child benefit overpayment.

Shannon Beehan reported to the Board that the individuals in question with this overpayment have been contacted and have responded by letter requesting a waiver of the overpayment.

Edward Mason that the repayments be waived.

After some discussion of one of the individual's indication of being at fault for the overpayment, Edward Mason withdrew his motion and action was deferred on this item for one meeting.

At this time, the Board continued with the regular agenda.

1. RFP status update and renewal process.

Greg Drennan stated that the pharmacy benefit manager RFP has been released. He stated two improvements were included in the vision plan RFP. The life insurance, COBRA and Flexible spending accounts RFP's will be released according to schedule. He stated that they are conducting further research with the HMO networks.

Clyde Smith stated there was a Medical & Life Committee meeting prior to the Board meeting. He stated there was discussion of the proposal made by SEIU regarding health plan changes.

Edward Mason stated that the Medical & Life Committee is recommending to the Board that the consultant look at including a lower tier in the self insured plan that would allow individuals to go to General Hospital and work with General Hospital to see if it is feasible.

David Manning suggested that Deloitte and the Legal Department review whether or not those kind of differential treatments of Metro employees at Metro hospital, which is a Medicare hospital, would violate federal law.

Clyde Smith stated that the same information regarding General Hospital would be applicable to the HMO and suggested setting a special called meeting in conjunction with the study session in case of any issues with the RFP process. Mr. Smith stated that the recommendation from the Committee to the Board is that Deloitte proceed with an RFI, applying it to the PPO and HMO if self funded and any legalities.

Edward Mason moved authorization for Deloitte to move forward gathering information on the proposal to tier the self funded plan and potentially the HMO with General Hospital as part of the network. Thomas Storey seconded. A vote was taken and approved unanimously.

2. Dependent child benefit overpayment.

This item was taken out of order and acted upon accordingly.

3. Self-insured plan appeal – Denial of IDET procedure.

Shannon Beehan stated that this procedure has been denied by Blue Cross Blue Shield on the basis that it is considered investigational. She further stated that this has been reviewed by Christopher Fletcher and he concurs with their position in denying the procedure and it should not be covered under the self insured plan document.

\*Denotes the arrival of Dorothy Shell-Berry.

David Manning moved upholding the denial of the procedure. Betsy Walkup seconded.

There was discussion of Blue Cross Blue Shield approving the procedure in the future.

A vote was taken on the motion and approved unanimously.

4. Outside allowable earnings overview.

\*Denotes Charles Trost leaving the meeting.

Alan Pennington, of Bryan, Pendleton, Swats & McAllister, reported to the Board that right now approximately half of the disabled members are receiving Social Security benefits that would not be impacted by allowable earnings. He stated discussions have stemmed around notifying those members that are not getting Social Security of what outside allowable earnings are, when it might be applicable to them, allow them to request that amount be calculated for them, and developing software to assist in the collection of data needed and also produce the statements. He stated the recommendation is to proceed with notification to the members, creation of software, and possible use of outside resources as necessary.

The Board discussed using an outside source to do the calculations and the costs involved with developing software.

Shannon Beehan stated that staff and BPSM recommend that each disabled member not receiving social security disability benefits receive a notice explaining what allowable outside earnings are, give them the opportunity to request a calculation of outside allowable and develop software to house the data necessary to move forward and the possibility of using outside resources to the extent necessary in doing the calculations.

Edward Mason moved approval of the recommendation.

The Board discussed some individuals not requesting their earnings and their calculations being done by staff.

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

5. Reconsideration of a previous matter – IOD benefit appeal.

This item was taken out of order and acted upon accordingly.

6. Cost analyses on Metro Code clarifications.

Shannon Beehan stated that the majority of the clarifications have no cost associated with them. Ms. Beehan stated that the Legal Department has advised this be forwarded to the Study & Formulating Committee for review.

David Manning moved that this information be sent to the Study and Formulating Committee for review. Dot Shell-Berry seconded.

There was a discussion on the process after being reviewed by the Study & Formulating Committee.

A vote was taken and failed with a vote of 2/5, with David Manning and Dot-Shell Berry voting in the affirmative.

After some discussion of not taking any action with this item, the Chair requested that it be put on next month's agenda.

7. Medical premium policy update and appeal – Franks.

Shannon Beehan stated that staff submitted a policy on how to proceed with collecting/adjusting over or under contributions. In reviewing the outstanding issues (retroactivity, authority to forgive

7. Medical premium policy update and appeal – Franks. (continued)

premium arrears as a result of under-contribution and similar situations where arrears take out may have forgiven) associated with the policy, the legal department is still researching the retroactivity of the policy and has indicated the Board has no authority to waive adjustments on the members contribution rate to make up for under contribution of premiums and staff has found no cases where arrears have been forgiven for under-contribution of medical premiums.

There was a discussion on forgiving errors related to pension benefits and not health insurance premiums.

After some discussion, the Board deferred any action on this appeal and referred this matter to the Study & Formulating Committee to examine forgiving health insurance premium arrears. The Legal Department is continuing to review the retroactivity regarding this policy.

Edward Mason moved. David Manning seconded and the Board approved without objection.

8. Study & Formulating Committee appointment.

The Board discussed being notified of the Study & Formulating Committee's meetings.

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

Shannon Beehan reported that this policy governs how process changes are made when someone has an eligible status change event. She stated that One of the provisions outlined stipulates that if an employee/pensioner did not notify Human Resources within 60 calendar days of a dependent losing eligibility and the employee would have gone to single coverage, the employee will be required to pay the family (or split) premium for the remainder of the plan year as outlined in the Metro Employee Flexible Benefits Plan (the "Cafeteria Plan") in accordance with IRS Section 125 requirements.

At this time the Legal Department was not ready to address this issue and the Board deferred any action.

10. Motion of B.R. Hall to direct a committee to:

- (a) solicit applications
- (b) conduct initial interviews
- (c) recommend to the Board a list of candidates for the position of Executive Secretary to the Metropolitan Benefit Board.

This item was taken out of order and acted upon accordingly.

11. Correspondence:

- a. Utilization report from Blue Cross.
- b. Utilization report from CIGNA.
- c. Utilization report from HealthSpring. (not available at this time)
- d. Utilization report from VSP.

Item 11 was for information only.

12. Reports For Your Information:

- a. Return to work.
- b. Social Security approvals.
- c. Refund of pension contributions.
- d. Repayment of pension contributions.
- e. Emergency withdrawal requests.

12. Reports For Your Information: (continued)

- 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.

Item 12 was for information only.

13. Late item(s):

There were no late items reported.

At this time, the Board had a brief discussion on the Benefit Board budget and expenditures from the pension trust fund.

With nothing further presented, the meeting adjourned at \_\_\_\_\_ a.m.

ATTEST:

APPROVED:

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

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