

MINUTES

METROPOLITAN EMPLOYEE BENEFIT BOARD

STUDY & FORMULATING COMMITTEE

June 16, 2011

The Metropolitan Employee Benefit Board's Study & Formulating Committee met on Thursday, June 16, 2011 at approximately 9:00 a.m., in Room 163, Civil Service Conference Room in the 222 Building.

Committee Members present: Chair: Dorothy Shell-Berry; Vice-Chair: Gerald Nicely; Members: Betty Nixon and Bruce Sullivan.

Member Steve Farner was unable to be present.

Benefit Board Members present: B.R. Hall, Sr., Edna J. Jones, and Clyde D. Smith.

Other Members present: Shannon Hall, Metro Human Resources, Margaret Darby and Nicki Eke, Metro Legal Department.

Dorothy Shell-Berry called the meeting to order and asked if there were any amendments, corrections or questions of the minutes from the last meeting held on May 11, 2011. With no corrections, Bruce Sullivan moved for approval of the minutes. Gerald Nicely seconded and the Committee approved without objection.

Dorothy Shell-Berry made note of legal correspondence regarding the "Sunshine Law" (open meetings act).

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

1. Medical and pension plans overview.

Kevin Sullivan and David Shaub, Bryan, Pendleton, Swats and McAllister, were present to give an overview of the pension and medical plans.

Kevin Sullivan reviewed a summary of the plan provisions with the Committee. He stated that there are two divisions within the plan, Division A (the closed plan after July 1, 1995) and Division B. He reviewed eligibility requirements, how the benefit is calculated, retirement dates for normal retirement for General Government employees (rule of 85), Police and Fire (Rule of 75) and early retirement reductions. He reviewed cost of living increase calculations, based on the Consumer Price Index, the disability benefit and vesting. He also reviewed the demographics/census of the plan, plan assets, liabilities, contributions to the plan and assumptions.

Mr. Sullivan reviewed the proposed changes from the Government Accounting Standards Board (GASB). He stated that it determines amounts that Metro has to record as an expense or liability. He stated that is has an indirect impact on the assumptions and methods used for funding liabilities and expenses. He stated that currently Metro is within the requirements and there are proposals on how to handle/record these expenses going forward.

David Shaub made note of Health Care Reform assumptions not being included in the information he will be reviewing regarding the medical plans and reviewed some of the effects of GASB on the retiree medical plans.

Mr. Shaub reviewed the medical plans (self funded and fully insured) offered by Metro to employees and retirees, (Blue Cross Blue Shield, Cigna Choice Fund, Blue Advantage; (Medicare eligibles only), and Delta Dental), cost sharing, demographics/census of the plans and plan highlights. He also reviewed the active employee budgeted costs by Metro and employee/pensioner premiums.

Mr. Shaub reviewed the GASB assumptions for the medical plans and discussed the funding of the liability and payouts for pensioners.

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

2. Union presentations.

Shannon Hall stated that there are union representatives present today to address the Committee regarding employee benefits.

Gary Moore, International Association of Fire Fighters Local 140, (IAFF), was present and addressed the Committee. He distributed a handout regarding prior recommendations from the 2002 Study and Formulating Committee (30 and out formula, cost of living adjustments for disability pensioners, and cost of living increase for Division B equal to Division A) as well as raising the retirees life insurance by \$5,000 (increasing to \$15,000), cost of living adjustments be compounded, using highest 36 months final average earnings to calculate pensions and requested a cost analysis be done on the cost of deferred vested participants being allowed to enter the medical plans at retirement.

Robert Weaver, Fraternal Order of Police, was present and addressed the Committee regarding recommendations made by prior Study and Formulating Committees. He also reviewed the issue of Park Police being compensated at a rate comparable to their law enforcement duties.

There was some discussion of the duties of the Park Police and that of Police Officer and their compensation.

Nicki Eke, Legal Department, informed the Committee that this not the venue regarding compensation and that would be handled by the Civil Service Commission.

There was some discussion of turnover rates amongst the different employee groups.

There was some discussion of the recommendations and actions from the prior Study and Formulating Committees and their status.

Doug Collier, Service Employees International Union, Local 205, (SEIU), and Clyde Smith, Employee Benefit Board, were present and addressed the Committee. Doug Collier distributed a handout regarding items to be reviewed by the Committee.

Clyde Smith addressed the Committee regarding Metro's benefit plans.

There was some discussion of obtaining information regarding how Metro's benefit plan compares to other entities.

Clyde Smith reviewed the items for the Committee's review and recommendations: increase pension multiplier for first 25 years or same for all, lump sum payment for vacation time along with service credit for time paid, cost of living for disability pensioners, increase cola for division B to match that of Division A, salary supplement and as well as expanding related staff to coordinate return to work functions.

There was some discussion on the application of salary supplements and the process of returning individuals to work.

There was also discussion of how many are currently receiving salary supplements.

Mr. Smith also requested that the effect of five year versus ten year vesting be reviewed.

The Committee discussed dates for the next meeting and was in agreement not to meet in July and the next meeting will be scheduled accordingly.

There was discussion of obtaining updated cost information/actuarial studies on the items to be reviewed by the Committee.

With nothing further presented, the meeting adjourned at 10:55 a.m.

ATTEST:

APPROVED:

***Mrs. Rita Roberts-Turner, Director
Human Resources***

***Mrs. Dorothy Shell-Berry, Chair
Study & Formulating Committee***