

# MINUTES

## METROPOLITAN EMPLOYEE BENEFIT BOARD

### STUDY & FORMULATING COMMITTEE

**March 14, 2014**

The Metropolitan Employee Benefit Board's Study & Formulating Committee met on Friday, March 14, 2014 at 9:00 a.m., in Room 163, Civil Service Conference Room, in the 222 Building.

Committee Members present: Chair: Michael Shmerling; Vice-Chair: Lucia Folk; Member(s): Debra Grimes and Ivanetta Samuels.

Committee Member Glenn Farner was unable to be present.

Benefit Board Members present: Veronica Frazier and Richard Riebeling.

Other(s) present: Justin Stack, Metro Human Resources, and Nicki Eke, Metro Legal Department.

Michael Shmerling called the meeting to order and asked if there were any amendments, corrections or questions of the minutes from the last meeting held on February 28, 2014. With no corrections, Debra Grimes moved for approval of the minutes. Lucia Folk seconded and the minutes were approved without objection.

### **BENEFIT BOARD ITEMS**

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

1. Presentation from Bryan, Pendleton, Swats & McAllister.

David Shaub, Kevin Sullivan and Leah Sardiga, Bryan, Pendleton, Swats & McAllister, (BPS&M), were present.

David Shaub stated that the primary goal for today is to give a cost estimate of what a domestic partners benefit may cost. He stated that from a benefits standpoint the only two areas where there will be costs are pension and medical. Mr. Shaub reviewed the definition of domestic partners, the components of that definition and to whom the benefit would be offered. He gave a brief overview of the current medical programs, including stats and premiums, and budget costs.

Leah Sardiga reviewed some national statistics for domestic partner benefits at the state and local government level and private industry. She stated that there are currently three cities in Tennessee (Collegedale, Knoxville and Chattanooga) that offer domestic partner benefits, however, there is a political action to repeal the ordinance for the benefit in Chattanooga. Ms. Sardiga reviewed cities outside of Tennessee that offer the domestic partner benefit (Louisville, KY and Cincinnati, OH), date of inception, criteria for eligibility and costs.

David Shaub stated that based on the studies available, the election rate is small and does not add any more risk to the plan. He reviewed an estimated additional cost to the medical plans for actives and retirees.

The Committee discussed statistics/national averages, prevalence of domestic partnerships, funding and managing/overseeing that benefit.

David Shaub reviewed some issues, in addition to cost, to be taken into consideration, such as administration, tax considerations, flexible spending accounts and the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Kevin Sullivan reviewed the considerations for the pension plan. He stated that there would be no impact on retirement benefits, however, there would be an increase on disability and survivor

benefits. He also reviewed the estimated cost to the contribution rate for the pension plans.

There was discussion of the statistics being skewed based on the benefit packages offered and trends.

Councilmember, Megan Barry was present and brought up the topic of incentives to get spouses of Metro employees to obtain healthcare elsewhere.

There was discussion of coordination of benefits and nothing being actively pursued regarding incenting people to go to elsewhere for benefits. There was also some discussion of individuals with more than one policy.

An audience member asked about surveying the employees to get an idea of those that would like to see a domestic partner benefit implemented.

Councilmember Barry asked about the employers in Davidson County that currently provide a domestic partner benefit.

The Committee discussed the administrative issues for pension versus medical.

The Committee discussed having staff provide costs related to administering a domestic partner benefit, the timeframe/timeline, and budget costs.

Councilmember Barry reviewed the Council's timeline in order to have this included in the budget.

There was discussion of reporting the recommendations made by this Committee.

Nicki Eke, Legal Department stated that recommendations can be reported on an individual basis as the Committee explores other issues. She stated that the recommendations from this Committee go to the Benefit Board for review and the Board submits their recommendation to the Council. She also stated that before any recommendation is made all the actuarial studies and costs must have been performed in order to make a change to the system.

There was discussion of the meetings timeline (Board and Council) and a draft ordinance that was presented to Council. The Committee requested that HR staff provide a timeline of the upcoming meetings for Council and the Benefit Board.

Michael Shmerling stated that he would like to see this Committee review some of the items from the previous Study and Formulating Committee report.

There was discussion of the statistics provided including pension benefits as a part of the domestic partner benefits.

The Committee discussed materials for the next meeting regarding estimated costs to administer the domestic partner benefit and requested updated costs on items not approved from the last Committee's report.

With nothing further presented, the meeting adjourned at 10:06 a.m.

ATTEST:

APPROVED:

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***Ms. Veronica T. Frazier, Interim Director  
Human Resources***

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***Mr. Michael Shmerling, Chair  
Study & Formulating Committee***