

MINUTES

METROPOLITAN EMPLOYEE BENEFIT BOARD

STUDY & FORMULATING COMMITTEE

July 28, 2014

The Metropolitan Employee Benefit Board's Study & Formulating Committee met on Monday, July 28, 2014 at 9:04 a.m., Parks and Recreation Conference Room, 2565 Park Plaza, Nashville, TN.

Committee Members present: Chair: Michael Shmerling; Vice-Chair: Lucia Folk; Member(s): Glenn Farner, Jr., and Ivanetta Samuels.

Member Debra Grimes was unable to be present.

Benefit Board Member(s) present: Tom Curtis, Veronica Frazier, Edna Jones and Richard Riebeling.

Other(s) present: Justin Stack, Metro Human Resources, and Ted Morrissey, 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 May 30, 2014. With no corrections, Ivanetta Samuels moved for approval of the minutes. Glenn Farner seconded and the minutes were approved without objection.

1. Presentation by the PEW Trust.

Katie Selenski, David Draine and Lauren Schumer from the PEW Trust were present.

Katie Selenski gave an overview of the organization and reviewed the types/areas, (fiscal health related to pensions, retirement benefits, plan designs), of research conducted by the organization.

She also reviewed some examples, (state of KY and the city of Jacksonville), of the organizations assistance work.

David Drane stated that the organization will be reviewing the current fiscal condition and funding of Metro's plans; the unfunded pension obligations and things that drive the cost of the plan; best practices, Metro's plan compared to other cities and plan options (state of TN). He reviewed what they did for the city of Jacksonville.

Katie Selenski stated that they are in the process of analyzing/reviewing Metro's plans. She stated that their goal is to be completed by the end of the year with updates accordingly.

There was discussion of who else would be involved with PEW's research and review of Metro's plans and working with Metro's actuaries and consultants. It was also noted that there may be input from the stakeholders as well (union groups).

There was discussion of some of the information provided today regarding the fiscal condition of Metro's plans and Metro's plan being more than 80% funded.

There was also some discussion regarding other parties/organizations (Laura and John Arnold Foundation), affiliated with the PEW Trust.

There was discussion of previous recommendations made by the PEW Trust and there being nothing presented to this Committee by the actuary or consultant to raise any concern regarding the funding of the pension plans. It was noted that the PEW Trust will be making a general assessment of the pension plans and giving the Committee the information to make an informed decision either way.

There was discussion of the PEW organizations process with respect to allowing input from the stakeholders (union groups).

Mark Young, union representative, questioned the PEW Trust's association with the Laura and John Arnold Foundation and that foundations background.

Doug Collier, union representative, addressed the Committee regarding the PEW organization and the Laura and John Arnold Foundation.

There was discussion of a more flexible meeting time so that employees/union groups (stakeholders) can attend these meetings.

2. Deferred Vested Lump Sum Payout Option.

Kevin Sullivan and David Shaub, Bryan, Pendleton, Swats and McAllister, were present.

Kevin Sullivan reviewed a funding history of the pension plans (open and closed) and projections.

David Shaub reviewed the medical benefits (active and retiree), funding for those benefits and annual costs.

There was discussion of the deferred vested lump sum payout option.

David Shaub stated that this option would apply to those that are no longer employed with Metro, but have met the required eligibility standard to receive both a pension and medical benefits.

Kevin Sullivan reviewed the population of that group (deferred vested) and the estimated total pension lump sums and estimated post retirement liability with the Committee.

The Committee discussed the current benefit and scenarios/structures for the deferred vested lump sum payment option.

3. Update on Domestic Partnership Benefit.

Greg Drennan and Kelli Lewis, Deloitte, gave an update on the Domestic Partnership benefit.

Kelley Lewis reviewed the process to date regarding the domestic partnership benefit. She stated that HR staff and Deloitte are in the process of drafting administrative procedures, updating plan documents, communication materials and forms needed, in addition to working with payroll.

Greg Drennan stated that the HR staff will be conducting one on one's with those wanting to add a domestic partner in order to explain the benefit and possible tax implications.

Doug Collier, union representative, addressed the Committee regarding future meetings and also stated that this Committee should be dissolved as it has completed what it was charged to do.

Councilman Charlie Tygard addressed the Committee regarding the status of the Committee and Metro's benefits.

There was some discussion of the pension plans changes to those plans and who would be affected by any changes.

There was discussion of the next meeting date and the Committee was in agreement to have the next meeting sometime in September.

With nothing further presented, the meeting adjourned at 11:05 a.m.

ATTEST:

APPROVED:

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

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