

BUDGET, FINANCE AND PERSONNEL COMMITTEE

January 19, 2010

4:20 p.m.

Councilwoman Berz, Chairwoman, called the meeting of the Budget, Finance, and Personnel Committee to order, with Councilmen Rico, Benson, Ladd, Gilbert, Scott and McGary present. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Madeline Green, Susan Dubose, Richard Beeland, and Dan Johnson.

Chairwoman Berz stated that we had a lot of Budget, Finance and Personnel matters; that they are making decisions now concerning insurance plans; that next week there will be a briefing on the pharmacy program. Daisy Madison will be distributing Budget packets. She noted that Ms. Green was here today and turned the meeting over to her.

Ms. Green stated that the purpose today is to save the City money with the Group Life and Long-Term Disability, which we now carry through Mutual of Omaha. She noted that we sent out 20 RFP's and 13 came back. She presented a chart of these 13, which is made a part of this minute material. She noted that this was very competitive. Ms. Green stated that she would like to go with Hartford, noting that Group Life varies per month. Also, Hartford had the most competitive rate for Long-Term Disability, with a three-year guarantee, which was attractive, as well. This would start in February.

Councilwoman Ladd wanted to know the employees' share and was told there is none. Ms. Dubose noted that Long-Term Disability is paid partially from the General Pension Fund. Ms. Green added that this varies monthly.

Councilman Gilbert asked if it were in the contract that when an employee retires that they can maintain this insurance? Ms. Green explained that very few would choose this because Group Life is so expensive.

Councilman Benson asked for an explanation of Group Life, verifying that if an employee dies, the beneficiary gets the total amount, up to \$50,000.

Councilwoman Scott thanked Ms. Green for shopping around.

Councilman McGary noticed a discrepancy in the monthly premium in **Resolution (e)** next week and what the chart indicated. Ms. Green noted that it says "estimated". She mentioned that we would also be saving money with the pharmacy.

Ms. Green mentioned the “Untouchable Group”, which she stated is now small; that this is a group of people who retired sometime ago and asked that everything remain the same with the same benefits; that they were allowed to do this through Cariten, which is now Humana Health. She noted that it is an outdated policy and Cariten can’t administer it any longer; that with the family members, the number is only 107 total; that Cariten can extend this 90 days, and we are looking at BC-BS of Tennessee; that we elected to look into this, and they can administer this product with the same premiums and claims. The computer system they use will be different. The benefits will remain the same, but it will cost the City more, which will be the same as retirees on PPO. She noted that right now this group can’t use Well-Advantage, but may be able to.

Chairwoman Berz thanked Ms. Green for her hard work; that we will go with Hartford and continue Cariten until March 1st and then there will be a Resolution to go with BC-BS with that product. She stated that the pharmacy would be discussed next week.

The meeting adjourned at 4:30 p.m.