

Employee Advisory Committee (EAC)

Meeting Minutes

June 14, 2016

Mayor's Conference Room @ 9:00 a.m.

APPROVED

The meeting was called to order by Franco @ 9:03 a.m.

I. ROLL CALL

MEMBERS PRESENT:

Judy Franco – GIS
Ashley Glaze-Lyle – License & Permits
Sir Allen (Chew) – Wastewater Collection
David Rolando – Solid Waste Collection

(9:09am) Britt Hubbard - Sewer
Denise Ezell – City Clerk
Scott Golden – MPWTP

OTHERS PRESENT:

Chase Massie – HR Director
Michael Swanson - Streets

Courteney Cacho - City Manager's Office

MEMBERS ABSENT:

Jorge Stephan Kidd – Building Maintenance

Albert Ozuna – Streets

2. MINUTES

A) Approval of minutes for May 10th.

Motion to approve minutes by Denise Ezell with a second by Scott Golden Ayes: Franco, Ezell, Allen, Rolando, Golden, Glaze-Lyle Nays: None Motion carried.

3. OLD BUSINESS

A) Health Plan Review Report

Massie said we had a vast majority of employees who made it to open enrollment these last (2) two weeks. All of the changes go into effect July (1st) first. The health fund is still in bad shape, negative (800,000) eight hundred thousand. We will probably see that dip even further this month because a large amount of our employees have met their out-of-pocket max. We are paying (100%) one hundred percent for a lot of people who are using the health fund. Right now we are (2) two, (2 1/2) two and a half months behind paying our claims. It'll be September before we'll even see these new plan changes take effect on the health fund. NFP did do a study and said to accurately fund our plan we would need to raise it another (13%) thirteen percent in premiums. He doesn't anticipate any kind of premium change for at least another (6) six months or maybe next fiscal year. Next year, we are looking at doing a Private Exchange. It'll be the same amount of money the City contributes but the employee would take that money, and spend it with whoever they choose. Instead of the City saying here's the plan you'd get, it'll be (7) seven plans to choose from based off of the employees health benefit. This will be for next July.

Ezell asked if the money being saved for dental would go back into the general fund.

Massie answered it'll probably be what the City uses towards recovering half of their premium increase.

Ezell asked if we've gone out and looked at other cities because her nephew works for the City of Norman and apparently (5) five years ago they were kind of in the same situation as we are. Assuming its like someone HR just hired, they have literally turned theirs around to where they are about to open a clinic all City employees would be able to go to for free. It was very exciting to hear that they were in the hole as much as we are and now they have brought themselves out to a point where they are able to open up a free clinic.

Massie said he thinks we'll get there. We have a really good insurance broker now and that was definitely lacking the past few years. Oklahoma City also has a clinic. The clinics are fairly new for most people. He's on the fence about the clinics though. You'll save in productivity because it's there and you can return to work. As far as the prescription costs, he doesn't know how that's a savings. Those are really new for a lot of municipalities so he's curious to see how that works. He knows Norman is in a very good place and they've made some plan changes. They are at year (5) five and we're at year (1) one.

Massie passed out 2016/2017 City of Lawton Wellness Points spreadsheet. Massie said the next fiscal year Wellness program, we have developed a Wellness strategy and this is just a calendar of events for the next fiscal year. We'll send this out with even more detail. Everything we do that's Wellness related next fiscal year will count for a point total. If you give blood, it counts as a point total. If you run, walk or volunteer at the Spirit of Survival, it counts as a point total. There will be education seminars and something as simple as doing a word search for the American Heart Association will count towards points. There's a maximum of (600) six hundred. If you accrue (400) four hundred

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points, you will get an additional day off the following fiscal year. He knows there a lot of people who can't give blood for medical reasons and there's (100) one hundred points for giving blood. If you can't there are still (500) five hundred possible points for doing other things. There are events that will be after hours because we didn't want to be pulling people off of their job all of the time. For instance, July thru August there's a walking challenge which will be twice a week after hours and a walk around the downtown area. We are also going to do (30) thirty minutes during lunch, for those who can't make it after hours because they have kids. Right now we are doing fitness after hours and in September we are going to put a point total to it. For the month of September it'll be a total of (4) four hours, they are usually (30) thirty minute increments. We'll send out more information but definitely spread the word that something like this is coming out. This will get our employees more active by not only helping our health fund but by helping our productivity by keeping employees here.

Ezell said she received an email from someone she represents who suggested some Wellness money be put towards a gym membership. She knows we have a break at the YMCA but this employee is a member of Anytime Fitness.

Massie said there is a discount for City employees at Anytime Fitness on the east side of town not on the west. It was news to him they were owned by different people. There's also a discount at the one behind Braums on Cache Road, Freedom Fitness and the YMCA. We did look at using some of the Wellness money to potentially discount heavily or do free memberships, specifically at the YMCA. Unfortunately we don't have much money out there yet but we are trying to do things here that are low impact like walking. Another thing we'll be announcing in July is a City savings plan. City employees will get a discount whether it's (10%) ten percent or buy (1) one get (1) one free at local businesses, gyms, and restaurants. We are still working out the details. Everyone who attended open enrollment received an insurance card with all of our insurance contacts. You would use it to verify that you are a City employee. He knows for a while that was a struggle as to how to identify you're a City employee. It has an expiration date on it as well and we'll do new ones every year.

Hubbard said it doesn't have a name or anything on it. It just has information on the City's different vendors. The card says whoever's holding it has that discount.

Massie said it was significantly more cost wise to put a name on the card. We had these donated from our insurance broker. We did think about what if an employee gives it to their kids or other family members to use. He doesn't think businesses would care. He thinks they would rather give that person a (10%) ten percent discount and get (90%) ninety percent of their money regardless if they're a City employee or a family member of a City employee. Just keep in mind that you only get (1) one, so if you lose it you'll have to wait until next year to get another card.

4. NEW BUSINESS

A) Employee Spotlight Nomination

Franco said these were the (2) two employees nominated for the Employee Spotlight Award.

Rolando said (2) two nominations from the Landfill.

Ezell asked since one of them donated anonymously, does he want to be recognized for it. She doesn't know if he knows this has been done or not.

Golden answered another employee had recognized what another employee was doing. They weren't expecting any type of recognition from it. They were genuinely helping this gentleman out. Both of these gentlemen are nominated for the same incident. They both went well out of their way to help out this temporary employee. They were helping this gentleman out through a hardship and it just shows good act of character. They chose to stay anonymous because they weren't doing it for any reason but just to know there are good people out there. He knows in the past we had to pick only (1) one but in this situation it's too hard to pick one over the other.

Hubbard said when we rewrote the Employee Spotlight Nomination, we did it so a group of people or more than (1) one person could be nominated. He agrees, we need to get this back on track.

Ezell said this definitely is back on track.

Golden said it's not just doing your job; it's when they are actually going out of their way to help somebody out. Like he had said before, it shows good character. They didn't have to do this, it wasn't their responsibility but they did it out of their own good will.

Motion to nominate both employees Casey Sides and Michael McCollum for Employee Spotlight Award by Britt Hubbard with a second by David Rolando Ayes: Franco, Ezell, Allen, Rolando, Golden, Glaze-Lyle, Hubbard Nays: None Motion carried.

5. COMMUNICATION/DISCUSSION

* Franco said there has been a lot of rain that has flooded a lot of employees' homes. Franco asked what the Committee's thoughts were on doing something for those employees who have lost their whole household. As an EAC Representative, we are here for our employees. Franco asked if

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the Committee wanted to reach out to our fellow employees, collect items, or do an event.

Hubbard answered if there's some way to identify those employees and what the needs are out there. He thinks it would be great if we could get a drive together for household items, clothing, or whatever it might be. Even if it's a temporary solution, at least get them through until the insurance kicks in.

Ezell said some of these aren't going to have flood insurance because it's not where they expected the flood to be. That's the problem.

Franco said we could do a drive, get a list of employees, and do some sort of confirmation. Franco asked Massie, if the donations are monetary, could it be put in his office or in the City Clerk's office just for safe keeping and then present it to them.

Ezell answered we could put it in a safe.

Massie said the Committee might want to do Wal-Mart gift cards because there's so much you could buy there.

Rolando said it's better than a food drive because people tend to bring a whole lot of the same thing. People could bring in a bunch of items and those who were affected could walk thru to pick out things they need.

Franco asked should the Committee send out an email.

Allen answered yes, as EAC Representatives we need to find out who was affected and see what they might need. Some people don't ask for help. A lot of them don't have insurance.

Hubbard said if we could send out a mass email to all of the employees to get it resolved by the end of the week because these people need it now.

Allen said whether it's cases of bottled water, hand sanitizers, or wipes.

Rolando said we could organize some work-parties for people who didn't lose everything but need a hand cleaning up or we could take volunteers.

Ezell said they could also contact First Baptist East. The Baptist Association brings people in and they don't mind getting dirty. She noticed yesterday that they were back in town and that's what they are here for.

* Franco said as far as we know, in October we are dissolving this current EAC and by October (1st) first we will have new EAC members. Franco asked if the Committee wanted to do a chili cook-off to promote the EAC and recruit the new members coming in.

Ezell asked Massie if we had any money.

Massie answered there's (\$5000) five thousand dollars that will be budgeted in (1) one of his accounts for EAC. About (4200) forty-two hundred is used on the service awards for pins and food. So, there's (5) five to (\$800) eight hundred dollars left for whatever the EAC wants to do. One thing that Russell, Assistant City Manager, mentioned to him was later in the summer doing a pool day at the Municipal pool. It could be a Sunday afternoon or after business hours we could and close it off to the public only allowing City employees and their families to enter. We could have a grill out there as well which was something he suggested bringing up to the Committee.

Ezell said we had a good turn out when we did the Meet & Greet. She would like to do something where we would get the same turn out.

Franco said she would like to promote more members to sign up because we are short one. She wants more people to be more interested and voice their opinions. If we do a chili cook-off, we could get more employees to have bragging rights and do (1st) first, (2nd) second and (3rd) third place winners

Glaze-Lyle said we could have an opinion box there too.

Franco asked if they could signup there.

Massie answered the Committee could have a clip board on a table with each group category and people can signup if they're interested.

Allen asked would it be in the Banquet Hall.

Franco answered thinking Town Hall. We would have to do it in September because we dissolve pretty quickly unless the Committee wants to

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do it in August.

Massie said the new EAC categories go to City Council tonight.

Golden said it would probably be better to have it in September especially if we're going to do chili because August is still going to be hot.

Hubbard asked how long before the election could we have it and still allow them to signup.

Ezell answered she'll have to go back and read what it says.

Hubbard said with how the new groups are going to be laid out; we need to get that information out to everybody. The whole reasoning behind it is to make it to where people knew each other within those groups.

Massie said probably would want signups early September or late August but the Committee might run into it not being chili weather. Maybe the Committee could do burgers or find another food.

Allen said maybe we could get all of the negative people who have negative things to say about the EAC and maybe they can understand what we try to do and what we go thru. Hopefully get their interest to maybe signup and become an EAC Representative. We can only do so much with the information we get. A Meet & Greet would be a good idea but August is going to be too hot.

Ezell said even if we cook burgers someone's got to stand out there.

Allen said chili would be good.

Franco said everyone could bring a Crockpot.

Massie said the Committee could have people bring the chili and the EAC donate the Fritos or the sides.

Allen said maybe some dessert.

Franco said ok, we'll do something like that and just figure out the dates.

Allen said we could bring in hotdogs.

Franco said yes, possibly chili dogs or some people may not want chili but a plain hotdog.

* Hubbard said he would like to bring up this new retirement plan. He sat in on the introduction they gave in reference to the plan in mind. A lot of things changed from what Massie and Councilman Wells thought. Hubbard asked if it was going to Council at this time.

Massie answered no. The last time Councilman Wells was here he wanting to transition from a Defined Benefit Plan, which is currently what we all have, to a Define Contribution Plan for new hires after a certain day. It wouldn't affect anyone currently employed. Originally it was brought up as instruction to him and Assistant City Manager Hadley to get this done by July (1st) first. That's obviously not going to happen. This is one of those things that'll take time to make sure it's going to work out. After some discussion, we are waiting on the actuary to give us the scenario. The new employees would contribute anywhere from (3) three to (6%) six percent and the City would contribute somewhere between (3) three to (5%) five percent. Those numbers haven't been set yet. Right now the City is contributing (10%) ten percent. If the City is all of a sudden contributing (3) three to new employees what happens to that (7%) seven percent they no longer have to contribute. The actuaries are getting (5) five, (6) six, and (7%) seven percent to the current pension fund but will it get us to (100%) one hundred percent. We'll want to know what happens when it's (5) five, (6) six, or (7) seven and the timeline on it getting there. We are waiting on those numbers and nothing's going to happen until we get those numbers. The last thing we'd want to do is make a change and the actuary comes back saying we contributed (7%) seven percent for the rest of their life until we run out of money for the current employees.

Hubbard said others have asked him about the quality of the retirement fund that employees would have if we were to go with something like that. When we look at the economy right now, the percentage rates we're investing on dollars are in the dumps. How that would affect new employees. How that would affect being able to bring in new employees. How do you expect people to come in if you are doing a (3%) three percent match on a (\$25,000) twenty-five thousand dollar a year employee. Hubbard asked what would they be left with at the end of (10) ten, (15) fifteen, or (20) twenty years.

Massie answered it's definitely something from an improvement stand point. He has been one of the few pushing to get the employees' contribution up because originally it was (3) three and (3) three. Now it's looking like maybe (5) five for the employee and he believes (3) three for the City. He's hoping when the actuary comes back, the City can afford to do a little bit more for the new employees. The big seller is (1)

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one; it's portable. We don't see it much within the City because we have little bit of a different culture and so many employees have been around for a while. Statistics shows its (18) eighteen to (24) twenty-four months for people to stay the same. Now they can take that money with them, and leave their investments very similar to where they are at. The other thing that needs to be there is the investment option of (10) ten years to invest in our pension fund. Somehow this needs to be (5) five or (6) six. So you would invest much faster.

Hubbard said that was something brought up at the meeting. Councilman Wells thought maybe invest employees at the end of (6) six months. When we talked to those folks they were talking (20%) twenty percent a year for (5) five years and they'll be a (100%) hundred percent invested. If they go to what was discussed at (10) ten or right where we are now because we have portability here, it can be rolled over into any IRA.

Ezell said that was the part she didn't understand about portability because our retirement plan is portable now. When you leave here you have the option to either take it out or roll it over. Ezell asked what the difference was between that and this.

Massie answered it's more than an investment option because you would have that availability sooner.

Ezell said she agrees that the investing needs to change.

Massie said there's no question that Define Benefit is a better retirement because it's payments for life. It's just sustainability. He thinks our payment plan is (66) sixty-six or (67%) sixty-seven percent.

Ezell said she thinks we went up to (68) sixty-eight or (69) sixty-nine.

Massie said we are (68) sixty-eight or (69%) sixty-nine percent funded and how do we get to a (100%) hundred percent. He also doesn't want to be one of those people who stays and (4) four years from now the City runs out of money leaving him without retirement.

Ezell said she was in the Pension Trust meeting and what are not being told are the changes that were made to the pension (5) five years ago. We have moved up from where we were at, she believes it was (62) sixty-two, (64) sixty-four. When they started this, they said it would be about (35) thirty-five years before we got to (100%) one hundred percent. They are very concerned about us making the move because they're going to move forward without an actuary report. The Pension Trust has asked for this because (7%) seven percent is not going to sustain the pension for those of us sitting around this table.

Hubbard said most plans aren't funded at a (100%) hundred percent.

Ezell said they are not. What employees need to understand is that an actuary is simply a professional guess as to what's going to happen. You look at history and history shows that by now interests should have already been back up but they're not. We have never been a (100%) hundred percent funded but we have been very close. She thinks there was a time we were (95%) ninety-five percent. When we started down hill, the Pension Trust went to Council on numerous occasions or went to the Finance Director and was told we needed to put in more money. It was never done which is the reason why we're where we're at today. The Pension Trust Board is not for the move whatsoever. They don't think it's the best benefit to employees or future employees. Ezell asked Massie if it's fair to say those who came in on career averaging who want to move over can move over. Those of us who have been here forever, if that's what we think is better or not. Ezell asked could that not be offered to all employees.

Massie answered he thinks it could.

Hubbard said we asked that question in the meeting and they have offered that before. If he remembers correctly, they may have had (1) one person and that's one of the current employees who may have just started. People really don't want to move over.

Ezell said when she put the email out last month, she had several newbies who aren't invested yet and they wanted to know why this would be best for them. She told them it's being offered to you not being told it's best for you. There was (1) one who thought it was crazy that someone would even think about leaving. Ezell asked if Massie agrees what we have now is much better than what is being offered.

Massie answered yes and look at the fact you'll be bringing home more money. Instead of having to contribute (6) six, you're bringing it home today.

Franco said that's their mentality. They're taking a bigger check.

Ezell said they're (50) fifty years old looking at what they are going to do tomorrow.

Golden said not every new employee is (20) twenty years old either.

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Ezell said you do get a lot of new employees who are older.

Golden said the City has a lot who are retired military and trying to work (10) ten to (15) fifteen years to build a little bit more.

Ezell said she can understand the sustainability by getting the City back to a point. What the Pension Trust did a few years back was work on getting us there because it's not going to get us there over night. They are truly concerned whether the employees are going to have a pension if we do this. (7%) Seven percent is not going to get it to where it needs to be.

Franco asked Hubbard if he said it was (5%) five percent that they are recommending.

Massie answered the actuaries would show us (5) five, (6) six, and (7%) seven percent contribution. It'll also show us what it looks like because it is a lower amount than the (16) sixteen going in now but it's also less liability. At this point, we need to see the actuary before we can even discuss moving forward. He's seen the emails and they are working on it.

Ezell said when the actuary is received, we as EAC members need to be present when they meet on those things. So, we can take this back to our group because this is going to affect us.

Franco said we need to see where they stand, feel out your employees, and see how they feel about it. Even if your current employees say it's not going to affect them, it will. Her worry is if a person has been here for a year; stick with the benefit and the City runs out of money. Then what are they going to do. Hopefully they participated in ICMA and Nationwide.

Ezell said we may need to pack a Council meeting when they go to vote on this.

Hubbard said they'll need to have all of the information.

Ezell said she's glad to hear they are waiting because the Pension Trust wasn't sure if they were going to be waiting or not. Councilman Wells wants this done immediately.

Golden said he doesn't think it's fair to target everyone stating this is what young employees want. Young employees don't care about their pension. All they care about is having a City job, health insurance, and getting paid.

Hubbard said one of the things that Massie has continued to push is the education on where you are on your retirement. Also, how to make changes like what we've been going through to make sure that all of our changes are made. Continue the education by getting those companies to come in and do that. Their promises, even to this group, as far as coming in and making sure if something like this does happen they'll be available to each and every employee. That is going to be the key and he hopes it would open the eyes to a few young people. It is key to continue that type of atmosphere so as those people hit their (9th) ninth, (10th) tenth, (11th) eleventh year they would realize that they are getting older. They start asking what they're going to do and what they're going to do with what they have been investing. He would like to give a big kudos for the effort the City has put forth.

Massie said the Wellness program will be broken down into quarters:

- Physical
- Mental
- Emotional
- Financial

The last quarter is all about building a budget, maintaining your credit, and planning for retirement. We'll bring in people to do that.

Golden said it's affecting the new employees the most because when they get ready to retire, will they have money to retire.

Ezell asked what the lowest paying job we have, is it (20,000) twenty thousand.

Massie answered it's close to (20,000) twenty thousand.

Ezell said (20,000) twenty thousand at (6%) six percent and if they save for (50) or (30) thirty years, they won't have anything to retire on. Insurance will eat up every bit of what they do have.

Hubbard said there were some changes as far as the percentages from what Councilman Wells originally thought and being able to graduate these percentages.

Massie said he thinks Councilman Wells is looking at doing a Tier and the company we are referring to is Oklahoma Municipal Retirement

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Funds (OMRF). They manage funds for over (200) two hundred cities in the state and they are very good at what they do. They know the legalities of whether or not something can be done. It's not based on Finance, HR, or someone within the City who all of a sudden becomes an expert in retirement law. Regardless of how this comes out, we've got some good information and hopes somehow we are able to incorporate them.

* Franco asked Massie when we would get those sheets that showed how much an employee would get when they retire.

Massie answered he has been working on it for (9) nine months. The problem is the same actuary. At the Pension meetings they want to know what your priority is. We are extremely close. He was sent last week some samples of what the financial statements would look like. He'll reach back out to see where we are at.

Hubbard asked how many years we haven't had those.

Ezell answered since (2012) two thousand twelve.

Massie said we're supposed to get them once a year. Hopefully we can get it within the next month. There have been a lot of law changes in the Gatsby Laws and it might be consumed by our finance department. Our finance department works with the same actuary and it's come down to being compliant legally. This is priority over financial statements for employees.

Franco said a lot are asking because they want to know how much they need to invest.

Massie said if you meet with any of those people they are going to say you need to have (3) three retirements:

Social Security
Pension
Voluntary Retirement

They can't do their calculations on whether or not you're contributing unless they know how their Voluntary is going to be.

4. ADJOURNMENT

Motion to adjourn by Denise Ezell and 2nd By Judy Franco. Motion Carried
Meeting Adjourned at 10:05 a.m.