

PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Monday, June 4, 2018

Present: Commissioners Daniel Camilliere, Donald Currey, Kathleen Kowalyszyn, Maureen Magnan, Alphonse Marotta, Domenic Pane, Bhupen Patel, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor (10)

Absent: Commissioners Timothy J. Fitzgerald, Byron Lester and District Chairman William A. DiBella (3)

Also

Present: Scott W. Jellison, Chief Executive Officer
R. Bartley Halloran, District Counsel
Brendan Fox, Assistant District Counsel
Christopher Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Director of Operations
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Kelly Shane, Director of Procurement
Tom Tyler, Director of Facilities
Robert Zaik, Director of Human Resources
Marcy Wright-Bolling, Manager of Human Resources
Kerry E. Martin, Assistant to the Chief Executive Officer
Carrie Blardo, Assistant to the Chief Operating Officer
Victoria S. Escoriza, Executive Assistant

CALL TO ORDER

Vice Chairman Sweezy called the meeting to order at 3:35 PM

Chairman Taylor entered the Meeting at 3:40 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Camilliere and duly seconded, the meeting minutes of May 7, 2018 were approved.

**RESOLUTION AMENDING THE COMPOSITION OF THE DEFERRED
COMPENSATION COMMITTEE AS THE DISTRICT'S
ADMINISTRATOR OF 457(B) PLAN**

To: Personnel, Pension and Insurance Committee for Consideration on June 4, 2018

WHEREAS, The Metropolitan District (the "Employer") is the sponsor of The Metropolitan District Commission Eligible 457 Governmental Deferred Compensation Plan (the "457(b) Plan"); and

WHEREAS, the District Board of the Employer has the authority to adopt documents pertaining to the 457(b) Plan at any time and from time to time; and

WHEREAS, the District Board of the Employer by resolution adopted on June 1, 2009, adopted 457(b) Plan documents that incorporate the requirements of the Internal Revenue Code of 1986 ("Plan Documents") as amended; and

WHEREAS, upon adoption of the Plan Documents, the District Board of the Employer authorized the District's Personnel, Pension and Insurance Committee ("PPI") to designate individuals or positions to serve as members of the Deferred Compensation Committee ("Committee"), the duly appointed administrator of the 457(b) Plan;

WHEREAS, on July 14, 2014 and September 11, 2017 the Personnel, Pension & Insurance Committee amended the composition of the Committee;

It is therefore **RECOMMENDED** that it be:

RESOLVED: That PPI hereby amend the composition of the Deferred Composition Committee to include two retired employees of the District appointed by the Chairperson of PPI.

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer

On motion made by Commissioner Camilliere and duly seconded, the report was received and resolution adopted by unanimous vote of those present.

**RESOLUTION MODIFYING THE DISTRICT'S
457(b) PLAN INVESTMENT OPTIONS**

No action was taken modifying the 457(b) plan.

Zach Karas of Retirement Plan Advisors gave a presentation regarding modifications to the 457(b) plan investment options.

Commissioner Salemi entered the meeting at 4:53 PM

TENTATIVE CONTRACT SETTLEMENT

To: Personnel, Pension and Insurance Committee for consideration on June 4, 2018

Through efforts coordinated through Commissioner input and guidance, the District reached a tentative contract settlement agreement with all of its affiliated bargaining units on May 4, 2018. The agreement was made subject to the ratification process of each of the bargaining units and the District's governing bodies.

Each of the bargaining units conducted ratification voting through the week of May 14, 2018, with the units conducting a simultaneous count on Friday, May 18, 2018.

The bargaining units provided individual notice to the District to confirm that the unit had voted to accept the tentative agreement.

Staff and legal counsel recommend that the tentative agreement be approved by this Sub-Committee with the recommendation of approval to the full Board of Commissioners.

The significant items of this agreement include:

For new Employees (hired after June 5, 2018):

- Pension contribution increased to 7.5% of regular compensation;
- No Spousal or Dependent medical/dental coverage upon retirement; however, retiree spouse may elect retiree medical/dental coverage provided said spouse assumes and pays the full cost of such coverage, as may be annually adjusted;
- New employee will be automatically enrolled in High Deductible Health Plan, with the District providing some of the seed money to assist with the single and family deductibles;
- With new employees who ultimately retire, the District is curtailing the reimbursement for the Medicare Part B;
- At the point of retirement, should these new employees have any optional Life Insurance, the retiree shall pay the cost of coverage but at the group rate in

effect, as may be annually adjusted. The cost will be part of the monthly authorized deductions;

For both existing and new employees:

- Moratorium on pension negotiation extended to December 31, 2025;
- General Wage Adjustments for each of the four years commensurate with adjustments applied with our Member Towns and surrounding municipalities;
- Allowing existing employees the option to change to the High Deductible Medical Plan;
- The health insurance premium cost share for all employees (including those employees hired on or after October 1, 2015 not covered by a High Deductible Health Plan shall be advanced over the term of the contract to 18%;
- Effective the Sunday following the date of full ratification, as applied to all future retirements, the District shall buy out the base Life Insurance by paying the retiree a lump sum of \$6,000.00. For those retirees who decide to continue with their optional insurance, the retiree will be responsible to pay for the full cost at the group rate.
- The existing Classification Request moratorium extended to December 31, 2022;
- All employees will have 1% of regular wages deducted from their pay and contributed to the OPEB Fund;

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That the Board of Commissioners of The Metropolitan District hereby authorizes the Chief Executive Officer to implement the terms of the Tentative Agreement executed with the affiliated bargaining units on May 4, 2018 (copy attached) and execute updated collective bargaining agreements with each union incorporating the terms of the Tentative Agreement.

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer

On motion made by Commissioner Camilliere and duly seconded, the report was received and resolution adopted by unanimous vote of those present.

Tentative Agreement with Local 184, Local 3713 and Local 1026

As to new employees within any of the bargaining units hired on or after June 5, 2018:

- a. Pension contribution of 7.5% of regular compensation, with the District maintaining the existing defined benefit plan;
- b. No Spousal or Dependent medical/ dental coverage upon retirement; however, retiree spouse may elect retiree medical/ dental coverage provided said spouse assumes and pays the full cost of such coverage, as may be annually adjusted;
- c. New employee will be enrolled in Health Savings Account (HSA) at 16% premium share. For each year of the contract term, the District will contribute 50% of the minimum annual deductible (presently, said percentage equals \$1,000.00 for individual plans and \$2,000.00 for family plans). Upon retirement, the premium share percentage in effect at date of retirement will be frozen, but that percentage will be applied to the insurance premium as adjusted annually for the retiree's lifetime, and the employer contribution towards the minimum annual deductible will terminate;
- d. The reimbursement by the District for Medicare Part B is terminated;
- e. At the point of retirement, should these new employees have any optional Life Insurance, the retiree shall pay the cost of coverage but at the group rate in effect, as may be annually adjusted. The cost will be part of the monthly authorized deductions;
- f. OPEB (Other Post-Retirement Benefits) contribution of 1.0% of regular compensation.

For contract and pension plan applications (applicable to both existing and new employees):

- a. Moratorium on pension negotiation extended to December 31, 2025;
- b. General Wage Adjustments applied as follows (week-starting dates to be determined):
 - For Year of 2019, effective December 30, 2018 - 3.00%;
 - For Year of 2020, effective December 29, 2019 - 3.00%;
 - For Year of 2021, effective December 27, 2020 - 3.00%; and
 - For Year of 2022, effective December 26, 2021 - 2.50%;
- c. Commencing with the open enrollment period commencing October 1, 2018, existing employees may opt for medical/ dental coverage through an HSA, with a first year minimum deductible contribution from the District of \$1,500.00 for individual coverage and \$3,000.00 for family coverage, and thereafter the same contribution as provided new employees noted above. Upon retirement, the

premium share percentage in effect at date of retirement will be frozen, but that percentage will be applied to the insurance premium as adjusted annually for the retiree's lifetime, and the employer contribution towards the minimum annual deductible will terminate. Any existing employee choosing to participate in an HSA will have a one-time opportunity on or before the second anniversary of their enrollment into the HSA plan to discontinue their participation in the HSA plan. In the event the participating employee exercises this option to discontinue their participation in an HSA, that employee will not be able to return to an HSA thereafter. Retiree spouse/dependent coverages remain as presently exist.


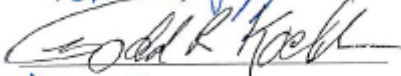
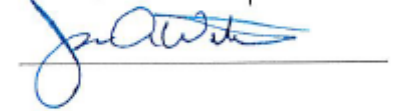
- d. The health insurance premium cost share for all employees (including those employees hired on or after October 1, 2015 not covered by a Health Savings Account shall increase as detailed below:
- | | | |
|-----------------------------|----------------|-------------------------|
| Effective December 30, 2018 | 16% of Premium | Smokers 19% of Premium; |
| Effective December 29, 2019 | 17% of Premium | Smokers 20% of Premium; |
| Effective December 27, 2020 | 18% of Premium | Smokers 21% of Premium; |
| Effective December 26, 2021 | 18% of Premium | Smokers 21% of Premium; |
- e. Clarify Section 6.6 of the Collective Bargaining Agreement with Local 184, Section 10.4 of the Collective Agreement with Local 3713 and Section 5.5 of the Collective Agreement with Local 1026 by eliminating qualifying phrase, "and other paid time off", with the understanding that the absent employee may access such other paid time off during their absence. Sections would be applied if employee could not return to work within sixty days and who has exhausted the Sick Leave balance;
- f. Section 11.4 of the Collective Bargaining Agreement with Local 184, Section 10.14 of the Collective Bargaining Agreement with Local 3713 and Section 9.5 of the Collective Agreement with Local 1026 are amended to provide that, upon the exhaustion of sick time, unused earned time and vacation time, in that order, shall be converted to sick time and used as the ¼ charge deduction under these sections.
- g. Modify Section 8.1.b of the Collective Agreement with Local 3713 to provide that any and all future cost increase after December 31, 2018, shall be passed to the employees as reflected in the other two Collective Agreements;
- h. Effective the Sunday following the date of full ratification, as applied to all future retirements, the District shall buy out the \$ 5,000 base Life Insurance by paying the retiree \$ 6,000. This money shall be paid to the retiree after retirement and shall not be treated as pensionable earnings for benefit calculation. If the retiree opted for additional insurance at his or her cost, the retiree may maintain that insurance with the consent of the provider and pay the premiums associated therewith directly to the provider;
- i. Classification Request moratorium extended to December 31, 2022;

- j. Effective December 30, 2018, for all employees, the OPEB contribution is increased to 1.0% of regular wages.



This tentative agreement is subject to the ratification processes of all of the parties.

All terms and conditions above, agreed to and accepted this 4 day of May, 2018.

For Local 184, AFSCME:

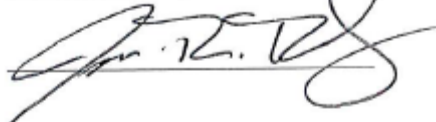

For the Metropolitan District:

For Local 3713, AFSCME:




For Local 1026, AFSCME:

CHANGES TO BENEFITS AND CONDITIONS OF EMPLOYMENT FOR EXEMPT & EXCLUDED EMPLOYEES

To: Personnel, Pension and Insurance Committee for consideration on June 4, 2018

Historically, the District has adopted changes to the benefits and conditions of employment for its exempt and excluded (non-union) employees to reflect changes negotiated with its collective bargaining units. The tentative agreement with Locals 184, 1026 and 3713 was ratified by their respective membership the week of May 14, 2018. As such, staff proposes the following changes be considered, including:

- Effective December 30, 2018, the OPEB (Other Post-Employment Benefits) deduction shall be 1.0% of regular wages for all Exempt and Excluded employees, including those Exempt and Excluded employees hired after March 1, 2018;
- Effective December 30, 2018, there shall be a 3.0% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- Effective December 29, 2019, there shall be a 3.0% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- Effective December 27, 2020, there shall be a 3.0% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- Effective December 26, 2021, there shall be a 2.5% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- For Exempt and Excluded employees not covered by a High Deductible Health Plan, the health insurance premium costs shall increase as follows:
 - Effective December 30, 2018, 16% of Premium, with smokers 19% of Premium;
 - Effective December 29, 2019, 17% of Premium, with smokers 20% of Premium;
 - Effective December 27, 2020, 18% of Premium, with smokers 21% of Premium; and
 - Effective December 26, 2021, 18% of Premium, with smokers 21% of Premium; and
- Commencing with the open enrollment period commencing October 1, 2018, Exempt and Excluded employees hired on or before March 1, 2018 may opt for medical/dental coverage through a High Deductible Health Plan at a premium share of 16% of the Anthem Blue Cross Blue Shield Allocation Rate (“Allocation Rate”), with a first year minimum deductible contribution from the District to the employee’s Health Savings Account of \$1,500.00 for individual coverage and \$3,000.00 for family coverage, and thereafter the same contribution as provided to new employees hired on or after March 1, 2018. Upon retirement, the premium share percentage in effect at date of retirement will be frozen, but that percentage will be applied to the Allocation Rate as adjusted annually for the retiree’s lifetime, and the employer contribution towards the minimum annual deductible will terminate. Any existing employee choosing to participate in an HSA will have a one-time opportunity on or before the second anniversary of their enrollment into the HSA plan to discontinue their participation in the HSA plan. In the event the participating employee exercises this option to discontinue their participation in an HSA, that employee will not be able to return to an HSA thereafter.

The changes above are consistent with the benefits and conditions of employment changes ratified by each collective bargaining unit and considered by the Personnel, Pension and Insurance Committee and the MDC Board of Commissioners of even date herewith.

It is noted that Section H of the February 5, 2018 resolution of the District Board relating to the changes to the benefits and conditions of employment for Exempt and Excluded employees provided for the elimination of the pre-retirement payout of up to 50 days of sick/vacation time for new employees hired after March 1, 2018. The agreements with the collective bargaining units retain this benefit, and staff is recommending that this benefit be reinstated for all Exempt and Excluded employees as well.

Otherwise, unless specifically modified above, the changes to the benefits and conditions of employment for Exempt and Excluded employees hired after March 1, 2018 approved by the Personnel, Pension and Insurance Committee and the MDC Board of Commissioners on February 5, 2018 remain in full force and effect.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: For all Exempt and Excluded Employees the following changes shall be applied, including:

- Effective December 30, 2018, the OPEB (Other Post-Employment Benefits) deduction shall be 1.0% of regular wages for all Exempt and Excluded employees, including those Exempt and Excluded employees hired after March 1, 2018;
- Effective December 30, 2018, there shall be a 3.0% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- Effective December 29, 2019, there shall be a 3.0% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- Effective December 27, 2020, there shall be a 3.0% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- Effective December 26, 2021, there shall be a 2.5% General Wage Adjustment applied to the classified salary schedule as well as with each of the unclassified employee salaries;
- For Exempt and Excluded employees not covered by the High Deductible Health Plan, the health insurance premium costs shall increase as follows:
Effective December 30, 2018, 16% of Premium, with
Smokers 19% of Premium;

Effective December 29, 2019, 17% of Premium, with Smokers 20% of Premium;
Effective December 27, 2020, 18% of Premium, with Smokers 21% of Premium; and
Effective December 26, 2021, 18% of Premium, with Smokers 21% of Premium; and

- Commencing with the open enrollment period commencing October 1, 2018, Exempt and Excluded employees hired on or before March 1, 2018 may opt for medical/dental coverage through a High Deductible Health Plan at a premium share of 16% of the Anthem Blue Cross Blue Shield Allocation Rate (“Allocation Rate”), with a first year minimum deductible contribution from the District to the employee’s Health Savings Account of \$1,500.00 for individual coverage and \$3,000.00 for family coverage, and thereafter the same contribution as provided to new employees hired on or after March 1, 2018. Upon retirement, the premium share percentage in effect at date of retirement will be frozen, but that percentage will be applied to the Allocation Rate as adjusted annually for the retiree’s lifetime, and the employer contribution towards the minimum annual deductible will terminate. Any existing employee choosing to participate in an HSA will have a one-time opportunity on or before the second anniversary of their enrollment into the HSA plan to discontinue their participation in the HSA plan. In the event the participating employee exercises this option to discontinue their participation in an HSA, that employee will not be able to return to an HSA thereafter; and

BE IT FURTHER RESOLVED, that Section H of the Board resolution of February 5, 2018 relating to changes to the benefits and conditions of employment for Exempt and Excluded employees is hereby rescinded; and

BE IT FURTHER RESOLVED, that unless specifically modified above, the changes to the benefits and conditions of employment for Exempt and Excluded employees hired after March 1, 2018 approved by the Personnel, Pension and Insurance Committee and the MDC Board of Commissioners on February 5, 2018 remain in full force and effect.

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

On motion made by Commissioner Patel and duly seconded, the report was received and resolution adopted by unanimous vote of those present.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

ADJOURNMENT

The meeting was adjourned at 4:20 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date Approved