



General Government Committee
October 1st, 2013
Summary and Motions

Chair Steve Kay called the meeting to order at 11:09am. Committee members present were Vice Mayor Linda Gorton, Chris Ford, Shevawn Akers, Diane Lawless, Julian Beard, Jennifer Scutchfield, George Myers, Harry Clarke, and Ed Lane. Kevin Stinnett attended as a non-voting member.

1. Approval of Summary

Motion by Scutchfield to approve the summary. Seconded by Myers. Motion passed without dissent.

2. Domestic Partner Benefits (Qualified Adult Benefits, QAB)

Vice Mayor Gorton introduced the item. She said that the number of legally married households declined from 78% to 48% since 1950. 36% of all employers and 42% of public institutions responded to this statistic of changing workforce profile by offering benefits to qualified adults. Gorton said that this change was to remain competitive in the market to recruit and retain top talent.

There is some form of QAB offered by 14 states and over 100 local governments, 3 of which are in Kentucky. There are at least 274 public and private universities and colleges that offer them. 7 of these are in Kentucky.

In 88% of organizations offering benefits, QAB comprises less than 2% of the total benefit cost. The enrollees are usually young and the enrollment is lower than anticipated (1% of eligible employees take the benefits). Additionally, same sex partners showed low risk of pregnancy.

Gorton told Committee members that the intent is to provide all benefits that are currently available to employee's spouses and their children to qualified adults and their children to the extent allowed by State and Federal Law. It will also improve the competitive position of the Lexington-Fayette Urban County Government (LFUCG) and recruit and retain top talent.

Louisville, Berea, and Covington offer QAB. Additionally, the University of Louisville, the University of Kentucky, Western Kentucky University, Eastern Kentucky University, and Berea College all offer QAB.

Gorton said that amongst the entities that offer QAB, there is variation on the definition, the requirements, the length of timesharing at a residence, and the means to verify the qualified adult.

Gorton told Committee members that the Department of Law, Human Resources, Enterprise Solutions, an external consultant, and the Chief Administrative Officer had all been consulted.

Gorton explained their proposed definition. She said that the designation would be a qualified adult and their dependent children. The qualified adult must reside with the covered employee for at least 12

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months and be at least 18 years of age. Additionally, they must be financially interdependent for at least 12 months. This can be verified with an affidavit and proof of 2 of the following:

- Joint Bank Account
- Joint Utility Bills
- Joint Mortgage or Lease
- Durable Power of Attorney
- Joint Automobile Ownership
- Designation of Primary Beneficiary on Life Insurance or Will

Gorton told Committee members that Human Resources had distributed a survey to estimate the number of employees interested in QAB. She said that the survey results would allow a cost analysis to be completed to reflect insurance costs. She also said that there would be a draft ordinance written for consideration.

There was a long discussion on the topic. Clarke expressed concern about the proof of financial independence and gave an example of two UK students residing together. Clarke said that he wants the language to be compatible for married couples and also those living together. He said that he would like to further examine the ways to prove financial independence and potentially strengthen the requirement.

Benji Marrs came to the podium and said that there is currently no process in place to verify a legal spouse.

Akers thanked Gorton for bringing the topic forward. Akers said that it is timely and she is glad that the LFUCG is looking at the issue. She expressed concern that an employee could take the survey multiple times and John Maxwell said that you could only take it once from each computer. Akers also asked how they would know how many people would be enrolled and Gorton responded that the survey is going to illustrate how many employees might be interested.

Myers asked Maxwell if you currently have to present a birth certificate to add a child or a marriage certificate to verify a marriage. Maxwell said no. He said that there are companies that do audits of dependent coverage to determine that the eligibility is appropriate as opposed to universal affidavits. Maxwell said that many companies are now requiring verification of status.

Myers asked if every employee would now have to sign an affidavit. Gorton said that many cities that offer QAB require an affidavit. Gorton said that in their discussions they had discussed requiring an affidavit of all employees going forward.

Marrs said that requiring all employees to complete an affidavit may not be a bad idea for dependents.

Myers asked for research to see how many employers require a birth certificate. Myers asked if there are stipulations put on how many times an employee can change their dependent. Marrs said that it would fall under the same rules. A person can be added if they meet a qualifying event. They can come on the plan within 30 days of the qualifying event.

Lane asked about any provisions in the Affordable Care Act relating to QAB. Marrs said that he was not aware of the act addressing QAB. He said that employers can include or exclude spouses from coverage, and once that it is determined, they are subject to the new law. Lane went on to ask about what each dependent costs the LFUCG. Marrs said that he does not have the information but can readily access the information and provide it.

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Lane said that all employees should fill out identical paperwork. He does not want to discriminate against one class of employees.

Lane asked if the coverage would cover a surrogate. Marris said that he is not aware of anything relating to a surrogate being covered.

Kay said that when he started working no one asked him to sign an affidavit. He and his wife do not have the same last name. Kay said that we need to provide the same coverage to everyone under the same conditions.

Kay asked Maxwell at what level the LFUCG subsidizes each employee's coverage. Maxwell said it depends on the plan. Maxwell said that from an actuarial standpoint there are additional costs.

Lane asked Maxwell if there is a cost to the government to add individuals to the healthcare plan. Maxwell said yes. He went on to say that if the person added does not have claims then the cost is only administrative.

Lawless said that she wanted to clarify that the LFUCG does not pay any additional monies towards adding a spouse or a dependent.

Ford said that he supports the proposal. He said it is a matter of fairness and competitiveness.

Myers said that there is a subsidy to assist employees. Myers also asked if the subsidy is mentioned in the Code of Ordinances. Janet Graham said that they may be referring to the state statute that requires a subsidy for retirees.

Myers asked if there is an ordinance that states that the LFUCG will cover the lowest health plan completely. Graham said that she was unaware of that ordinance.

Kay said that cost is not the defining issue; instead, it is the right thing to do. Kay asked if there is a difference between the subsidy for the employee versus the employee and a spouse or an employee and a child in the present healthcare plan. He asked for the difference.

Marris said there is a difference and it differs by division. Marris said the supplement is \$75 for a single employee or \$100 for an employee and spouse or employee and child. It is \$200 for a family per month.

Myers asked Marris if we subsidize families or employees plus one. Marris said that they have the benefit pool, the supplement, and the tobacco credit. There could also be a deposit into a Health Savings Account. Marris said that it changed a few years ago.

Gorton asked Graham if any of the entities in Kentucky that require an affidavit for QAB also require one for all employees. Graham said that was unsure. Graham said that legally they may not be required to have all employees sign it, but they may want to from a policy standpoint.

Gorton asked Graham how difficult it would be to have all employees sign an affidavit. Graham said legally it would not be difficult. She said that they did an affidavit check box for the tobacco credit. Gorton said having all employees sign an affidavit would be a good idea.

Gorton suggested that they may want to tentatively go ahead and have a motion about the affidavit and the proof of financial interdependence. She said that they could ask for the next meeting to have a draft ordinance ready and have the survey results to discuss. Gorton suggested taking a vote on just a piece of it to go into the draft ordinance.

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Beard asked Marris about the waiting period for the benefits. Marris said that there would be a minimum of 12 months. Beard said that he can see situations where there could be abuse. He cited an example of a parent with a child suffering from leukemia who makes an agreement with another adult to reside together, causing a large expense to the government. Marris said that he reached out to Humana and they do not foresee additional risk by allowing QAB.

Lane asked if there was a difference between the individual subsidy and the subsidy for a family or a spouse. Lane asked Marris to bring back to the committee a detailed description of the subsidies.

Stinnett said they are trying to find out the weight of the subsidies. Marris said that the tiered value allows for a standard relationship. He said single coverage is probably too high and family coverage is probably too low.

Stinnett said that the Council voted to put in an additional \$1MM towards healthcare which is further subsidizing the rates.

Gorton said that it was obvious to her that there were additional questions that needed to be answered.

Gorton went on to say that there would be an opportunity for a special open enrollment for QAB because it would be a qualifying event. She said that they would not have to wait an entire year to implement it.

Motion by Gorton to bring back to the November General Government meeting a draft ordinance with proposed affidavit which includes the eligibility requirements that the qualified adult has resided with a covered employee for at least 12 months, are at least 18 years of age, and have been financially interdependent for at least 12 months as shown by proof of two of the following: Joint Bank Account, Joint Utility Bills, Joint Mortgage or Lease, Durable Power of Attorney, Joint Automobile Ownership, and/or Designation of Primary Beneficiary on Life Insurance or Will. Seconded by Clarke.

Myers asked if the affidavit would be the end all be all to prove they are qualified. Graham said that she wants to think about what the affidavit would say and bring a draft back to the committee.

Myers asked for research on the criteria for qualifications. Gorton said that there is an opportunity to research the issue further. The draft ordinance will allow for further discussion. Gorton said that they need to discuss if these are the criteria they want.

Lane asked for additional information on the Affordable Care Act and domestic partner benefits. Graham said that since it is a Federal law, she believes it would not have an impact.

Beard told committee members that he and his spouse would not be able to produce 2 of the proof documents because they have separate finances. Graham said that the list is solely devoted for qualified adults and the Council may not want to require it of married persons.

Akers asked Maxwell for the total number of employees in each of the municipalities/organizations listed. She also asked Maxwell if the entire LFUCG would be eligible or if the bargaining units would have to bargain to have these benefits in their contracts. Maxwell said that all of 3,000 LFUCG employees would be eligible.

Lawless said that providing these benefits is a matter of being progressive and it will draw people to Lexington.

Motion to amend by Kay to bring back a draft ordinance to the November General Government Committee meeting but not specify the details of the affidavit and those conditions. Seconded by Ford.

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Gorton simply wants to bring back a draft ordinance including the idea of an affidavit and conditions for a full discussion.

Kay withdrew with motion to amend. Ford withdrew his second.

Ford said that he supports the motion.

Clarke asked Maxwell if we are adding unmarried with a dependent to the list. Maxwell said that we are going to have to add a different category.

Maxwell said that currently, when you fill out an enrollment application, there is a section that is filled out that says that if you are not being truthful, the employee is committing insurance fraud.

Kay said that the basic issue is fairness and equity.

Gorton's motion passed without dissent.

3. Building Security, 200 East Main Street

Jamshid Baradaran, the Director of Facilities and Fleet, came to the podium to begin his presentation. He gave an overview on the current security services, past initiatives, initiatives currently under review, and future plans.

Baradaran told committee members that security had 14 full time and 1 part time staff that provides security 24 hours a day, 7 days a week at the Government Center and the Phoenix Building. They assist with emergency evacuations, and access control. Additionally, they manage the visitor ID badging system and do patrols. The security personnel provide security camera monitoring and first aid/CPR/AED services as needed. They lock and unlock the facilities and provide security for all Council sessions held at the Chambers. Finally, they provide security risk assessment as well as consultation for all security needs.

Baradaran said that he has researched the cost of installing metal detectors at the Government Center and the Phoenix Building. For the Sheriff's office to man the metal detectors the cost would be \$250,000-\$275,000 a year. They have also considered hiring additional security guards, Sheriff Deputies, other armed guard options and resources.

Baradaran said that they have reviewed the option of installing additional cameras and card readers and the potential to streamline access control system selection and installation for all LFUCG owned facilities.

Baradaran said his team is currently reviewing the overall risk factors and security operation. He is identifying the available options for high risk areas and the expansion of remote monitoring of facilities via camera.

Baradaran referenced the illustrations of the 5th Floor of the Government Center that were included in the packet. He said that there are three sets of stairs and three elevators. He said that they are still waiting on one proposal and he will then have the cost to improve security. He said the cost should be approximately \$17,500.

Beard asked about an off-duty policeman in the chambers. Gorton said that they do still have one and Baradaran said that the person is in addition to the security personnel. Beard said that they always sit in the back row and would be the first to go if someone came into the chamber to cause problems. Beard said that this is overkilling the department.

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Beard said that for the last 50 years there have not been problems. Beard said he is not in favor of this. He said that there are ways, if a person really wants to hurt the Council or Mayor that they could.

Gorton thanked Baradaran and told him that the issue had been discussed in the Committee of the Whole meeting. Gorton said in the early 2000's a person brought a handgun into the building and was loose. The Division of Police brought their SWAT team in. Gorton said that she is not a fearful person, but found herself disturbed that day.

Gorton went on to say that the front door of the Government Center is the problem. Gorton said that focusing on the 5th floor ignores the rest of the building. She wants all of the employees of the LFUCG to feel safe. Gorton said that she wants employees and members to the public to feel safe.

Gorton asked Baradaran to come back to the next meeting and explain what can be done to make everyone safe without a huge cost to the LFUCG.

Scutchfield said that her concern is that we are not protecting our employees. She said if we protect the front door, we protect the 5th floor. Scutchfield wants to see a broader view.

Baradaran said that although they are looking at the 5th floor, they are also working on ways to secure the 1st floor. Baradaran said they are looking at security on other floors, if the 1st floor security is ever breached.

Clarke said that he feels resentment that they even have to talk about this topic but he said he was afraid that there are too many examples showing that they are not safe. Clarke said that the concern is people getting into the building and are able to go anywhere.

Clarke said that he wants to ensure that people are not carrying weapons into the building. Clarke wants metal detectors at all points of entry. He said that although there is a metal detector downstairs, he has never seen anyone walk through it. Baradaran said that it is for non-employees to enter the Mayor's Office.

Baradaran said that the biggest challenge is that they may need to create just one point of entry into the building. Clarke said that he wants anyone coming through the front door to have to go through a metal detector.

Myers said that he had a reminder on his calendar to go downstairs to place someone back on the security list. This constituent has become hostile at numerous events.

Myers noted that the Division of Human Resources is locked because that is the department that the employee may try to enter. He cautioned Council Members that angry citizens may try to hurt the Mayor or Council Members. Myers told committee members that he wants protections for the staff that works 40 hours a week on the 5th floor.

Myers told the committee members about an incident in Evansville Indiana where a past Mayor was shot and killed by an angry constituent at their home.

Myers said that he does not want to take the chance that someone could be shot and killed because of lack of security.

Ford said that he supports the Council Members.

Ford asked if they could go into closed session to discuss building security. He said that he is uncomfortable discussing the topic in open session. He wants to safeguard the deliberations.

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Beard read a revision to KRS that stated that people can openly carry a weapon into Council Chambers in the State of Kentucky. Beard asked the Department of Law to look at this change. Baradaran said that Commissioner Janet Graham is currently looking into it.

4. Items in Committee

Myers said that the BGADD is putting information together. Myers asked that the item stay on the list.

The Procedure for Underwriting or Sponsoring One of our Facilities will be on the November agenda.

Gorton said that moving Human Resources from the Department of Law to the Office of the CAO needs to stay on the agenda. Clarke asked that they broaden the scope to consider making Human Resources a separate division.

Domestic Partner Benefits will be on the November agenda.

Building Security will be on the November agenda.

Grant Review Process will stay on the list.

Motion by Clarke to adjourn. Seconded by Beard. Motion passed without dissent.

Submitted by Jenifer Benningfield, Council Administrative Specialist.