



Minutes from the GASB 45 Citizens Taskforce August 5, 2008

The seventh meeting of the GASB 45 Citizens Taskforce was convened August 5, 2008 at 5:36pm.

Attendance:

Members of the Task Force: Vince Pasquale (Binghamton University), Mark Whalen (Legislature), Jerry Marinich (Legislature), Alan Hertel (United Way).

Internal Members of Task Force: Michael Hanbury (Legislature), Jerome Knebel (Finance Dept.), Bob Murphy (Risk & Insurance), Michael Klein (Personnel), Jennifer Royer (Legislature).

Union Representatives: Chet Kupiec (AFSCME 1883), Mark Shofkom (AFSCME 1912), and Pamela Shear (CSEA 6150).

Press & Media: Nancy Dooling (Press & Sun Bulletin).

Others Present: Jim Baumgartner (Public).

Chairman Whalen - In April of 2008, the taskforce started meeting. These meetings are to get an understanding of health benefits – every state, city and county are dealing with this issue. We're doing our best to understand GASB Statement No. 45. We have got a lot of information from the International Firefighters and the New York State Association of Counties. GASB 45 is a complex issue with a lot of different implications. The costs for healthcare are going up and people are also living longer – we need to look at possible adjustments to save us money down the road. We do not want to end up like GM who became a giant health care provider and also makes a few cars.

Chairman Whalen -Today we're covering the vesting process – right now employees are vested after they have reached 10 years employment with the county and reach retirement age. It is a generous benefit – but Nassau County does it after 1 year.

Chairman Whalen - We have handed out a lot of information about Broome County's benefits – i.e.: Broome Health plan, statistics, etc. – as well as any information we have found on the internet about this issue.

Michael Hanbury – Asked all members of the Taskforce, to write and submit any questions or ideas they may have regarding GASB 45, OPEB, Broome County health plans, etc. Otherwise, we'll just be going through meetings using my research.

Michael Hanbury - Handed out an information breakdown sheet to get everyone started. The information that was collected was with the assistance of John Elliott from Personnel.

Michael Hanbury - Temporary personnel, whether full or part-time, do not receive any benefits so we're not going to concentrate on them.

Michael Hanbury - To retire and receive benefits one must be 55 years old with at least 10 years of service at the county, and be able to retire under the New York State Pension Plan.

Mike Klein - Pointed out that Deputies can retire before age 55 if they have 20 years of service and Correction Officers if they have 25 years of service.

Alan Hertel - Asked whether the definition of a family plan was just more than 1.

It was stated that a family plan consisted of the employee and any additional dependents, such as a spouse or child.

Vince Pasquale – Asked how many hours' part-time permanent employees have to work.

It was stated that they have to work more than half time (18.75)

Chairman Whalen - Vesting is an interesting place to start. Some of employees start working at age 45, work 10 years and then get health insurance subsidized at 85% for possibly the next 40 years. He then asked Alan Hertel to tell the group what is going on in the private sector.

Alan Hertel - Stated that the retiree cost for benefits is exponentially higher and there is a cap on how much will be paid for.

Chairman Whalen - We need to make sure that we keep all options in mind. We could possibly raise the number of years new employees will have to work in order to get vested.

Vince Pasquale - Stated that it's clear that the number of changes that we are allowed to make is finite. We can't really change present contracts. Often the argument for better benefits in the public sector is that salaries don't compete with the private sector, so

employees need something to compensate them. There could possibly be a difference in the quality of benefit for those who worked for 10 years v. 20 years v. 30 years – i.e.: allow them to earn more benefits. Everything needs to be negotiated and some things are not legal in New York State – so the list of choices really is finite.

Jerry Marinich - Stated that he would like to see the number of employees, when they can vest, how many years they have in and how it all comes together. Also, he'd like to see what the timing and retirement rules are.

Retiree health Insurance rules require 10 years of full time service, and then workers can retire at any age after 55.

Chairman Whalen - Pointed out that we need to look at the easiest options, the low hanging fruit, first. We need to see what is viable, what is easy to change – especially with new employees.

Chairman Whalen - We can look at HRA's, Health Retirement Accounts, which are one of a number of vehicles to put money in. We need to look at vehicles for health retirement accounts; they will have to be organized. We can also look at defined contribution plans.

The group then watched a video webinar on “Managing the Impact of GASB Statement 45” presented by Roscoe Haynes, Principal Consulting Actuary.

Chairman Whalen - After the video, it was stated that we are in the process of gathering as much information as we can so we can put together a plan that will allow us to continue providing benefits to retirees with out breaking the back of tax payers.

Jerry Marinich - Pointed out that we need to do research on the state retirement system and research reduction of NYS pension plan based on service. Maybe we can make a correlation – it might be more fair.

We also need to get premiums for other services and a breakdown of guidelines. We need to get parameters for what other places are doing and what the state is doing. What can we adapt and adjust to fit our situation without reinventing the wheel.

In an update on the two bills that are at the State level – neither has moved. The moratorium bill has not been sent to the Governor's desk, a bill is not sent unless they ask for it.

Chairman Whalen - GASB 45 is a mind-boggling process. If you need more information to help you catch up, most is online. Minutes of all the meetings are on the GASB 45 Taskforce webpage. There are also links to sites. Michael Hanbury can also give you copies of the videos we watch at meetings.

Michael Hanbury- Asked if there was any further information that people wanted him to find out.

Then it was asked what the attrition rate for the county was – and whether some departments have higher attrition rates than others? It was also asked what the average retirement rate is?

It was pointed out that Department of Social Services and Willow Point Nursing Home have the higher attrition rates. Also, that the average employee age was 47.

Chairman Whalen - The concept of making changes to the plan for people who have yet to begin working for the county is important, so that people can know the rules of the road when they start. Hopefully, we can put some product together with the pay package and benefit package so that we can make sure we can attract quality people to work in the public arena.

Chairman Whalen - agreed. He pointed out that he believes we still need to look at every side of the legalities.

The meeting was adjourned at 7:20 pm.