

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
MINUTES OF THE COMPENSATION & BENEFITS COMMITTEE
MARCH 28, 2016

A meeting of the Compensation and Benefits Committee of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on March 28, 2016 at the RMTA Central Office, 919 East Main Street, Richmond, VA at 9:00am. Committee members Ms. Marilyn West, Mr. Harvey Hinson, and Mr. Dick White were present. Mr. Carlos Brown was absent. Mr. Jim Holland arrived during the meeting. Also in attendance were Ms. Angela Gray, Ms. Sheryl Johnson, Mr. Curtis Doughtie, and Mr. Gonzalo Aida of the RMTA. Lastly, Ms. Hannah Clinger of Willis Towers Watson was present.

The Chair, Ms. West, called the meeting to order at 9:00am.

Ms. West asked the committee to consider the minutes from the October 29th, 2015 meeting. Mr. Hinson motioned to approve and Mr. White seconded the motion. The October meeting minutes were approved unanimously.

Ms. West then moved to the next business item which is the benefits presentation. Ms. Johnson then introduced Ms. Hannah Clinger from Willis Towers Watson. Ms. Clinger introduced herself to the committee and gave her presentation on RMTA health benefits options.

During the presentation Mr. White asked how many of the 61 RMTA employees on the high deductible plan have dependent coverage. Ms. Johnson referred Mr. White to page 8 of the presentation which lists that 23 of the 61 have dependent coverage. Ms. Clinger went into specifics over dependent coverage with the plan. Mr. White then asked for clarification if the RMTA currently used a Health Reimbursement Account (HRA) plan, Ms. Clinger responded in the affirmative. Ms. Clinger then went over the difference between a Health Saving Account (HAS) and an HRA account with the committee. Mr. White then asked about what the RMTA will change regarding employee cost sharing. Ms. West interjected with her own set of questions for Ms. Clinger and the committee members. Ms. West adds that the RMTA historically has a low turnover rate because of what the RMTA has offered to its employees in the past. Ms. Gray suggested that the committee let Ms. Clinger continue her presentation on the recommendation and go more into the Cadillac plan issues. Ms. West reiterated that she wants the committee to consider the kind of culture the RMTA was creating. Ms. Clinger responded by saying that culture evaluation is something they spent a lot of time trying to understand. Ms. Clinger also stated that the RMTA needed to be cognizant of what's in the future and that is the Cadillac excise tax of 40% which was extended to 2020. The Current RMTA plans would be hit by the tax. Ms. Clinger also added that the suggestion would be to slowly move away from that plan over time instead of abruptly not offer it when the tax goes into effect and that Anthem will discontinue the Cadillac level plans eventually because of the 2020 deadline. Mr. White adds that the 2020 Cadillac Tax deadline is very important when it comes to the HRA vs. HSA discussion and that the RMTA needs to move towards an HSA account over an HRA.

Mr. Holland arrived at 9:29am

Mr. White recommended going with the HSA, he mentioned that the learning curve is not that bad for employees. Mr. White also added that the RMTA needed to look at how much that

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change would impact its employees. Mr. White also recommended that starting next year the RMTA needed to go to high deductible plans and give employees advanced notice.

Ms. Clinger then moved to the renewal recommendation for the committee. Ms. Clinger gives option 1 as the recommendation for the RMTA. Mr. White wanted the committee to meet again soon with a plan that uses a HSA instead of an HRA. Ms. West insisted that the committee should act that day. Ms. Clinger then offered the option 2 renewal to the committee. Mr. White agreed with the recommendation of the Option 2 plan. Ms. West reiterated this to be a committee decision not an individual decision. Ms. Johnson then sought clarification if the committee wanted to move forward with the Option 2 recommendation with some adjustments. Ms. Clinger provided the details of that recommendation to the committee.

Ms. West asked staff if a follow up meeting is needed. RMTA staff responded that communication could be done via email.

Mr. White made a motion to vote on the option 2 recommendation. Mr. Hinson seconded the motion. The committee voted unanimously to approve option 2.

Ms. Johnson then briefly covered staff pay increases at the RMTA. Ms. West and Mr. White expressed that they are in agreement with the proposed salary increases which were a 3% merit pay increase and a performance based pay increase with a 3% maximum. Mr. White motioned to approve, Mr. Hinson seconded it. Then the committee voted unanimously to approve.

The Committee then began to review the strategic plan that was passed by the committee last year. Mr. White motioned to approve the strategic plan, Mr. Hinson seconded. The committee voted unanimously to approve the strategic plan draft.

Mr. White asked what would happen if one of the three benefits options had zero enrollments from employees and if the RMTA could drop it and get something back from Anthem. Ms. Clinger responded in the negative.

Ms. West then thanked Ms. Johnson and Ms. Clinger for their work and asked if there was any further business before the Committee.

The committee adjourned at 10:06am.

APPROVED:

Chairman

Secretary