CITY OF LOS ANGELES
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

PROPOSED MINUTES
SPECIAL MEETING APRIL 7, 2016 – 9:00 A.M.
103 PASEO DE LA PLAZA, EL PUEBO

Present:

Committee Members:
Chris Hannan – Building & Construction Trades Council
Wendy Macy – Personnel Department
Cheryl Parisi – AFSCME, Council 36
Matthew Rudnick – Cultural Affairs Department
David Sanders – SEIU Local 721

Alternate Committee Members:
Gregory Dion – Personnel Department
Marleen Fonseca – Engineers & Architects Association
Errol Griffin – City Administrative Officer
Norma Gutierrez – Fire Department

Personnel Department Staff:
Alexandra Castillo – Senior Personnel Analyst II
Russell Escueta – Management Assistant
Helen Georgeson – Personnel Analyst II
Samantha Hanzy – Senior Personnel Analyst I
Steven Montagna – Chief Personnel Analyst

Office of the City Attorney:
Curtis Kidder – Assistant City Attorney

The Segal Group
Robert Mitchell
Stephen Murphy

Keenan Associates
Steven Balentine
Steve Gedestad
Laurie LoFranco

1. CALL TO ORDER

Wendy Macy called the meeting to order at 9:11 a.m.
2. PUBLIC COMMENTS

There were no public comments.

3. MINUTES

Steven Montagna indicated the end time listed on page 6 of the March 3, 2016 minutes as 9:37 a.m. should be changed to 10:37 a.m. A motion was then made by Chris Hannan and seconded by Matthew Rudnick to approve the JLMBC minutes of the March 3, 2016 Regular Meeting as amended; the Committee unanimously adopted this motion.

4. STRATEGIC PLANNING DISCUSSION

Steven Montagna began the discussion on strategic planning. He provided key dates in the history of the JLMBC as well as the Flex Benefits Program, including City Council authorization to study the feasibility of offering a “cafeteria” flexible program and the establishment of the JLMBC for creation of the Flex Benefits Program in 1988-1989. He continued with the 2009-2013 plan design changes implemented as cost-saving measures. He further continued with the Flex Benefits recent 2015-2016 initiatives, which included going to City Council and securing five-year contracting authority to help improve longer-term service provider partner relationships; and lastly, developing a comprehensive Wellness Program. He then turned the presentation over to Keenan Associates.

Steve Gedestad of Keenan Associates indicated he would begin with an overview of new trends in the marketplace and proceed with an analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT), focusing on key initiatives going forward. He pointed out that many new healthcare mergers are taking place, and that other changes including mandates from the Affordable Care Act (ACA), prescription drug development, new technology and the development of private exchanges were creating changes in healthcare services. He discussed the development of new technologies and services including telemedicine and minute clinics. He indicated that market trends comprise health systems collaborating or creating new products to reach employer groups. Matthew Rudnick asked if there are any drawbacks or threats as more technology is introduced. Mr. Gedestad replied there could be security issues such as when personal data in databases is breached. Ms. LoFranco added that proper training is very important in order to keep up with technological changes.

Mr. Gedestad then discussed private exchanges. He noted that initially all exchanges are the same because they are technology based and designed to complement how insurance is purchased; but from there exchanges differ depending on carriers and options offered to prospective members. He pointed out the importance of having a strategic plan, noting that it is the blueprint for growth and he explained that it includes a mission, action items and vision for the future. He described strengths, such as the City’s recent focus on Wellness, and its shift to a member based perspective regarding
resources and services. He also indicated as strengths better options for employees, affordability of good coverage and accessibility for employees, and the collaborative structure of the labor and management team. Through discussion, JLMBC members discussed potential weaknesses such as low participation, lack of incentives, the macro-economic environment, and other factors. Mr. Gedestad and Ms. LoFranco then asked for feedback regarding upcoming opportunities, which included rehiring and restoring the workforce, the addition of entry level positions, and a changing workplace with changing demographics and leadership styles. Finally, the JLMBC discussed potential threats such as new regulatory requirements, changing networks, and costs.

Mr. Gedestad proceeded with further elements of SWOT Analysis. He indicated that it involves evaluating the strengths and weaknesses, opportunities and threats that lead to action items which ultimately lead to a vision for a plan for the two years. The Committee members were then given the opportunity to rate strengths and weaknesses, ranking them in order of most important to least important. Mr. Gedestad and Ms. LoFranco concluded the presentation by summarizing the results. They noted that the Committee listed strengths in the following order: investment in Wellness, affordability and access of benefits for employees, ensuring that Wellness meets the needs of employees, and communication to employees. They then noted that the Committee listed challenges in the following order: understanding and communicating employee issues, costs, and government compliance.

5. COMMITTEE REPORT 16-13: 2016 BENEFIT ELECTION DATA/RESULTS

Mr. Montagna presented this report recommending that the Committee receive and file the report regarding data/results from the Flex Benefits Open Enrollment for Plan Year 2016. He noted that the report reviews the results of the 2016 Open Enrollment campaign as provided in a report by the Flex Benefits Third-Party-Administrator, Mercer.

A motion was made by Norma Gutierrez, seconded by David Sanders, to receive and file the report regarding data/results from the Flex Benefits Open Enrollment for Plan Year 2016; the Committee unanimously adopted this motion.

6. COMMITTEE REPORT 16-14: STAFF REPORT

Mr. Montagna briefly presented this report. A motion was then made by David Sanders, seconded by Marleen Fonseca, to receive and file the report from staff regarding Flex Benefits service announcements and pending projects; the Committee unanimously adopted this motion.

7. REQUESTS FOR FUTURE AGENDA ITEMS

None.

8. NEXT MEETING DATE
A Special meeting was noted for May 12, 2016 at 9:00 a.m.

9. **ADJOURNMENT**

The meeting adjourned at 11:00 a.m.

_Minutes prepared by staff member Helen Georgeson_