

Minutes of November 3, 1999 meeting

2:30 p.m., Room 404 A/B Union



Attending:

Julie Andrews, Betty Brown, Joni Camp, Onice Carter, Mary Chrestman, Bbuster Clark, Thelma Curry, Cherry Douglas, Shirley Fisher, Laura Gillom, Mary Harrington, Willie Hilliard, Clay Jones, Buddy Kahler, Floyd Klepzig, Theresa Knight, Denise Knighton, Jonnie Manning, Lynn Mills, Traci Mitchell, Jerry Moore, Conny Parham, Donna Patton, Lamar Pickens, Kirk Purdom, Lucienne Savell, Michael Vanderlip, Larry Weeden, Martha Woolfolk

Excused:

Judy Fos, Cassandra Pinson, Barbara Smith, Sherry Wall

Unexcused:

Robert Bishop, Woodson Boyden, Dennis Bullard, Etta Miller

Guests:

Several guests also attended the meeting.

The meeting was called to order by President Traci Mitchell, who welcomed the guests and introduced the guest speaker.

Guest Speaker

The guest speaker was Dr. Richard Miller, associate dean for Clinical Affairs at the University Medical Center in Jackson and the IHL's representative on the board of Public Employees Retirement System (PERS). First, Dr. Miller made some general comments about PERS. The system covers a large group, including IHL, county, municipal and state employees, the Highway Patrol and the legislature. PERS also oversees the Optional Retirement Program and the Deferred Compensation Program. The number of retirees is increasing every year and eventually the number of retirees will equal the number of active members in the system. Dr. Miller explained that our system is not a fully funded system, and that most public systems are not fully funded. Often in election years, there are perks added to retirement benefits.

Dr. Miller addressed changes in PERS resulting from the 1999 legislative session, specifically from House Bill 472. Until now the cost of living adjustment (COLA) every year was based on the Consumer Price Index (at 2.5%). The COLA formula allowed payments based on CPI equal to or exceeding 2.5%, with the board having the option to add to the increase up to a total of 4%. This year the CPI was 2.1%. In 1999 the Mississippi Legislature stabilized this payment, with the CPI no longer being a factor. Actually now the COLA will be an annual raise, with a 3% across the board raise up to age 55 and after age 55, 3% compounded annually.

Another change in the system concerned how the retirement benefit formula will be calculated. Service over 25 years will be valued at 2.25%/year rather than 2.00%. Current retirees will have their service credit recomputed at the new rate. Additional benefits are to be implemented as money and the unfunded liability permit. All these provisions are predicated on the unfunded liability amortization period not to exceed 22 years. This safeguard assures that such changes will not cause PERS to become actuarially unsound.

- **Phase 1**--years of service credit less than and including 25 will increase from 1.875% to 2.0% in five-year increments.
- **Phase 2**--once all years up and including 25 are at 2.0%, the years in excess of 25 will be valued at 2.375%.
- **Phase 3**--when the fund can afford to do so, the last change will be to change the value of years in excess of 25 from 2.375% to 2.5%.

HB 472 also provided that retirees who have previously elected to receive the COLA in equal monthly installments and who wish to switch back to the December Lump-Sum (13th check) payment will be given a one-year period to do so. Dr. Miller said that phase 1 will probably be implemented in the next year or two.

When asked about any upcoming legislative bills that might impact on the priority of the steps, Dr. Miller replied that any major spending bills would have an impact and also the performance of the stock market.

The PERS has had the same actuary for many years and all proposed changes are studied carefully by the actuary.

In regard to legislative initiatives, Dr. Miller responded that each year 100-150 bills are introduced related to PERS. Most are private bills involving individuals, and most of those bills die in committee. Most proposals come through PERS and have been studied by actuaries. Presently being considered is a change to the Deferred Compensation Plan (IRS 457 plan) which is overseen by PERS. This is compensation which is tax deferred until retirement, at which time there is no state tax, only federal tax. A bill may be filed in which the legislature would mandate some state funding match for employee contributions.

One proposal which PERS is strongly against is Drop Programs of various types, in which retirees reach retirement age, but keep on working and thus draw both retirement pay and a regular salary.

In response to a question about plans to expand the Optional Retirement Program (ORP) to include staff, Dr. Miller advised that this was not popular and he doubted that it would be expanded further. The ORP was initiated about ten years ago for faculty at major universities and recently expanded to include key administrators, librarians and some coaches.

When ranking the performance of Mississippi PERS compensation to other states' systems, Mississippi is ranked 16th of systems with non-Social Security systems.

About 15 years ago, a constitutional amendment was adopted which protects PERS funds from the state legislature.

PERS uses Callan & Associates, a well-respected money market managing firm, which reports to PERS on performance, and which makes recommendations for changes in investments, etc.

Dr. Miller had several handouts which were distributed to the group, and noted the PERS website which is at www.pers.state.ms.us. These handouts as well as a video tape of Dr. Miller's presentation are on reserve at the Library. President Mitchell expressed appreciation to Dr. Mitchell for updating the council on PERS.

Insurance Update

Clay Jones, President-Elect, and Director of HRS, reported on the health insurance situation. Traci Mitchell has expressed our concern to AHS (new network) and to University administrators and the State Insurance Office. The Chancellor is concerned and involved in getting local and Memphis physicians to join the plan. As of this date, there has been no "deal" reached. The Chancellor, Johnny Williams and Clay Jones met Friday, 10/29/99, with Baptist Hospital administrators. Baptist is now negotiating with AHS to get a contract satisfactory to both sides, but the final decision rests with Baptist Hospital System in Memphis. A Baptist representative has met in Jackson with DFA and AHS and they hope to reach a reasonable agreement. If Baptist Hospital in Mississippi joins AHS, they will then attempt to get the Memphis market on board. All physicians (except those in organized clinics) must sign the AHS contract individually, but it might be possible to negotiate with the Memphis Baptist Hospital and the physicians associated with that hospital as a block. That would save time and time is of the essence.

The Chancellor, Johnny Williams and Clay Jones met with local physicians' representatives on November 2. The physicians feel this is a bad contract and that many of the items in the contract are not specific enough and there could be many problem areas. Clay advised that we are now going to work through the Health Insurance Management Board, which is made up of representatives from each large group involve--IHL, school teachers, junior colleges, the

Insurance Commission, etc. The local physicians are adamant about their position. Clay Jones stated he believed that fees, though often cited by the doctors, are not really the main problem. There doesn't seem to be a major problem in other areas of the state.

One-Way Traffic Proposal Update

Dr. Keith Womer, Chair of the University Traffic Safety Committee, reported on the one-way traffic proposal. He observed the nature of the problem about two years ago when his class did a study of traffic counts at several key intersections around campus. In the time periods 7-8:15 a.m. and the next class change time (8:45-9:15 a.m.) , they studied where the cars were coming from and where they were going, and what decals were displayed, if any. The primary study location was the 4-way stop at the intersection of University and All-American Drive/Grove Loop. Their observations were (1) traffic included a large number of non-University vehicles, and (2) there were a large number of vehicles of students with dorm/sorority parking decals (students driving to class). To some extent the current proposals arose from the results of that study. The idea for one-way traffic was to try to reduce the number of cars cutting through campus. Another objective was to reduce the amount of parking lots designated "general". Now many of those lots have been designated for "commuters", so that students with dorm or sorority decals are not able to park there legally. What is needed is a system of re-routing traffic to make it inconvenient for outside traffic to cut through the campus. The one-way system would prevent cross-traffic at that particular intersection. This would speed the flow of traffic through the intersection and would hopefully discourage those from off-campus. It would also significantly increase pedestrian safety. A potential downside is that this proposal would make some trips around campus less convenient, and would obviously force lots of changes in current routes. Another possible concern is that traffic would move faster. A positive associated with the one-way proposal is that parking on both sides of streets would be more accessible. Dr. Womer believes this plan would cut down on congestion and provide a slightly safer environment for pedestrian traffic, and that it would decrease the amount of traffic on campus. He invited anyone with problems or questions to contact him on the Web or at the Business School.

A motion to adjourn was passed due to the length of the meeting, and it was agreed that the meeting would reconvene at 9:30 a.m. on Friday 11/5/99 at a site to be announced.

MEETING RECONVENED 11/5/99 IN POWERS HALL AUDITORIUM

Attending:

Woodson Boyden, Dennis Bullard, Joni Camp, Onice Carter, Mary Chrestman, Buster Clark, Thelma Curry, Shirley Fisher, Laura Gillom, Willie Hilliard, Clay Jones, Buddy Kahler, Floyd Klepzig, Denise Knighton, Jonnie Manning, Lynn Mills, Traci Mitchell, Jerry Moore, Conny Parham, Donna Patton, Kirk Purdom, Lucienne Savell, Barbara Smith

The meeting was called to order by President Traci Mitchell.

Minutes

A correction was made to the October 1999 minutes, correcting the name of Continuing Studies and Public Service to the Institute for Continuing Studies. The minutes were approved as corrected.

Project Discover Update

Buster Clark announced that the University's goal is to have an estimated payroll notification to each permanent employee by the end of November. He stressed that **this notification regarding the January paychecks is an ESTIMATE only**, because some tax rates and insurance rates will change in January. The notification will contain the estimated pay for the January 15 and January 30 paychecks, to help employees decide if they want to choose the transition payment. The transition payback (in 10 payroll deductions) will begin with the February 15 paycheck. The current plan is that the transition payment will occur unless an employee notifies the Payroll Office they do not want it.

Several departments went "live" on SAP financial and plant maintenance modules during the past week with only minor problems. Training on how to use the SAP software is continuing for departments and will continue until everyone has been trained. Project Discover is using the web page as a primary means of communications about the project. *Good Things are Happening at Ole Miss* will be the secondary means of communication. Employees should be reminded that files or programs that have the old departmental account numbers must be changed to the new account numbers. The account conversion, revenue, and expense tables are listed on the web. Departments have submitted leave records to Human Resources to be audited in preparation for HR going live on 1/1/2000.

Announcements

- MASCO will meet on campus on November 11. We will have a guest representative from IHL, Pamela Myer Smith, and we have invited Dr. Lorenzo, President of the Faculty Senate, to join that group for lunch.
- The Chancellor's Thanksgiving luncheon for employees will be held 11 a.m. - 1 p.m. on Wednesday, November 24th.
- One volunteer is needed for the Standing Traffic Safety Committee.
- Also volunteers are needed for the December 8 exam breakfast.
- Firing Line needs 15 staff volunteers to help usher on Friday, December 3.

Committee Reports

- The Executive Committee met with Dr. Staton on November 2. They discussed the health insurance situation and received an update from Clay Jones. The Committee thanked Provost Staton for allowing the staff to be involved in the planning for the Leadership Institute. Traci Mitchell reiterated our interest in on-going planning for campus day care. Tim Angle, director of the day care center, has already requested more space for additional facilities in Meek Hall. It is possible that the Department of Family and Consumer Sciences will move to the Zeta House, which would free up space in Meek Hall.

The Committee gave Dr. Staton information on the proposals which the Council will consider today, and asked questions regarding possible funds for computer and software upgrades for staff similar to that currently in place for faculty. Dr. Staton asked for a list or for suggestions on how to allocate such resources to staff.

- Treasurer's Report: Donna Patton reported that our October beginning budget balance was \$12,537.63, with expenses of \$557.11 (primarily printing costs), and our current balance is \$11,980.52.
- Traci Mitchell advised that Dr. Fred Lorenzo, chair of the Faculty Senate, has been very cooperative with Staff Council, and has invited staff to attend the next Faculty Senate Meeting. He was hoping to have Mickey Brown, head of AHS, as a speaker, and also someone from the local physicians' association.

One-Way Traffic Proposal

Traci Mitchell announced that responses to her request for input from employees on the one-way traffic proposal have been about even, for and against. One Council member pointed out that the Traffic Safety Committee has spent a great amount of time studying this issue and we should bow to their expertise and follow their recommendation. Someone asked if there was any plan to implement this proposal on a temporary basis? Dr. Womer had noted in his presentation that any plan would have to have refinements and modifications once put into place.

Floyd Klepzig, SC representative on the Traffic Safety Committee, noted that the Committee has studied this problem for over two years and he strongly recommended we support the proposal.

There was some discussion regarding the recently mentioned plan to build a north-south corridor from the Highway 6 Bypass to Molly Barr road, roughly along the route of the railroad. Such a corridor should significantly relieve non-campus traffic congestion in the interior of campus. Also mentioned was that as part of Project Discover, the Receiving Department will be relocated somewhere on the west side of campus, and that move would divert large delivery truck

traffic away from the central campus.

A motion was made that Staff Council formulate a resolution on the one-way traffic proposal. In the ensuing discussion, several Council members said we should take a stand and not to do so would be a cop-out, since we have asked for and received input from the staff. It was also suggested that all Staff Council members should support our stand on the issue once a vote has been taken. The motion passed unanimously.

A motion was made that the Staff Council support the one-way traffic proposal based on the facts we have available now. Jerry Moore noted an objection for two reasons (1) he felt the responses from staff were 50-50 at best and (2) that we should support the position taken by the student body (against the proposal).

Buddy Kahler pointed out that it is our place to advise and recommend the best plan to the Chancellor and this would be the best way to reduce traffic congestion. The proposal for a walking inner campus will force traffic out of the interior in any event. The result will be a safer environment for students. He noted that if we expect to take our campus appearance to the next level, this would be a step in the right direction, and would be better for the students, staff and for the University in the long run.

Mary Chrestman noted that we should state reasons WHY we vote the way we do on this motion. Onice Carter stated that all of the positive responses she had received were based on pedestrian safety. Objections mentioned that one-way traffic might cause confusion for visitors on campus. She received 10 replies from her e-mail message to 100 employees asking for input.

The Council voted on the motion to support the one-way traffic proposal and the motion passed, 17 to support - 3 against.

Proposals from University of Southern Mississippi

Traci Mitchell announced that the Faculty Senate will also vote on these proposals which originated at the University of Southern Mississippi.

- A. Restoration of Full Faculty and Staff Tuition Benefit--To restore to all employees the full 100% tuition benefit, which at this time is awarded only to those employed before 1977, with newer employees receiving 50%. Jonnie Manning moved to approve the proposal and Clay Jones seconded. Floyd Klepzig pointed out that in January, 2000, employees who receive the 100% tuition benefit will actually get 100%, because the portion previously considered activity fees, etc., which at this time is not being paid, will then be paid as tuition. The motion passed unanimously.
- B. Portability of Faculty/Staff Tuition Benefit--Proposal that faculty, staff and their dependents who cannot pursue their educational goals at the home institute may find appropriate programs of study at another state-supported Mississippi institution, and that tuition benefits be portable to that institution. Jonnie Manning moved to support the proposal and Onice Carter seconded. Buddy Kahler noted that since tuition differs at some universities, this would be difficult to administer. Jonnie Manning asked if this would only apply to students who cannot pursue their degrees at their home institution. Discussion and comments indicated that such a restriction would be difficult to police in this case. When it was pointed out that IHL dependents already have this privilege (attending any Mississippi state-supported University), Mr. Kahler withdrew his objection. Onice Carter pointed out that this issue has been raised at several Presidents' Council meetings and, to her knowledge, the Chancellor has supported it. The motion carried unanimously.

Resolution on Health Insurance Issues

The Council was asked to consider a resolution initiated by Anne Klingen, Law Library staff, and some of her fellow staff members, with the resolution basically the same as the petition which has been circulated around campus and

which now has about 500 signatures. The main points of the resolution are as follows:

1. to express the concern felt by many of the employees of the University about the decision of the Office of Insurance in the Department of Finance and Administration and the Health Insurance Management Board to eliminate the election of network choices in the State and Public School Employees' Health Insurance Plan.
2. to express the employees' concern about the decision by those groups to make AHS, Inc. the state network for all State and Public School employees in the state.
3. to request that the Office of Insurance in the Department of Finance and Administration make available by November 15, 1999, a list of all physicians, Physician Groups and other health care providers that are included in the AHS State Network on their web page and to continue to update that list.
4. to request the Office of Insurance in the Department of Finance and Administration and the Health Insurance Management board to urge AHS to address the concerns raised by health care providers from previous networks who have not agreed to participate in AHS and to redouble their efforts to add providers in areas where participation by health care providers is currently lower than the combined participation of providers in all the previous networks.
5. to request the Office of Insurance in the Department of Finance and Administration and the Health Insurance Management Board to urge AHS and the physicians, physician groups and other health care providers to work together to resolve any differences quickly. This would insure that all State and Public School Employees in Mississippi have a representative number of health care providers.
6. to send this resolution to all members of the Health Insurance management board, to Therese Hanna, Director of the Office of Insurance in the Department of Finance and Administration, and to all candidates running for state office.

Conny Parham moved to vote for the resolution and Floyd Klepzig seconded, with the amendment that we change the last sentence to "candidates elected to state office."

Clay Jones noted that our state-funded health insurance plan, which is self-insured, is losing money by the millions of dollars. First, there must be changes to make the plan solvent. The change to one network would save money in administrative costs. Also we have not done the research to back up the wording in this resolution. A statutory bid process was followed and very few bids were presented.

Lucienne Savell noted that many employees were concerned years ago when the plan changed to choices of networks, and now there is another change, which always upsets people. It was also noted by Jonnie Manning that the 11/15/99 date is probably an unrealistic expectation to expect AHS to meet. A vote was taken on the resolution as presented, with the vote 1 for and 17 against.

It was noted that most of the items suggested in the resolution are now on-going and in progress. Many local state employees and teachers are not aware of this proposed change in the insurance plan and it was felt that when word got out there would be a public outcry which might push the parties to come to agreement. Jonnie Manning moved that the Staff Council write a letter to AHS and to local physicians urging them to work out an agreement, as so many employees are involved and are concerned about the uncertainty created by this situation. Denise Knighton seconded and the motion passed unanimously.

Our vote was not a vote against the concerns of the employees that forwarded this resolution. The Council had questions about the resolution as is. Traci Mitchell will contact Ms. Klingen to discuss the Council's concerns.

Additional Announcements

- Traci Mitchell expressed her feeling that it is important for us to be involved in community service. The Volunteer Connection has a Christmas Wish List from local charitable organizations, and Traci has contacted Tina Hahn in Public Relations and hopes they can coordinate an effort to have University departments adopt an agency/group to fulfill their wish list. Traci asked for volunteers to help with this effort.
- Dr. Kellum has asked for staff input about the *Good Things Are Happening* publication, including ideas of how to make it a more University-wide publication and more inclusive. Please forward any suggestions to Traci

Mitchell or Dr. Kellum.

- Children on Faculty/Staff Scholarships will in January begin receiving full tuition benefits (at either the 50% or 100% rate) including the activity fee amount.
- Staff Council posters are available--please post in your area.
- Remember the group photo will be December 1.
- Thelma Curry reminded employees to send in their United Way pledge cards right away.

The meeting was adjourned.

/s/Traci Mitchell, President

/s/Clay Jones, President-Elect

/s/Conny Parham, Secretary

Staff Council e-mail address: staffcouncil@olemiss.edu

Staff Council Homepage: http://www.olemiss.edu/orgs/staff_council/

If you are interested in joining the Staff Listserv, please visit the Staff Council Homepage or talk to a Staff Council Representative or send an e-mail message to Majordomo@listserv.olemiss.edu with the words "*subscribe staff*" in the body of the e-mail message.