

## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

### Commission Meeting Open Session Minutes July 16, 2014

The Maryland National Capital Park and Planning Commission met on July 16, 2014, at the Montgomery Regional Office in Silver Spring, Maryland.

#### PRESENT

##### Montgomery County Commissioners

Françoise M. Carrier, Chair  
Norman Dreyfuss  
Marye Wells-Harley

##### Prince George's County Commissioners

Elizabeth M. Hewlett, Vice-Chair  
Dorothy Bailey  
John Shoaff

#### ABSENT

Amy Presley  
Casey Anderson

A. Shuanise Washington  
Manuel Geraldo

Chair Carrier convened the meeting at 9:48 a.m. The Commission recognized July 16<sup>th</sup> as a special day, as today's meeting is Chair Carrier's last full Commission meeting. Chair Carrier thanked the Prince George's County Planning Board for honoring her with flowers and balloons. She also thanked everyone for their support during her term.

#### ITEM 1 APPROVAL OF COMMISSION AGENDA

Corporate Policy and Management Operations Chief Anju Bennett participated in the meeting as Acting Executive Director in the absence of Executive Director Patricia Barney. Ms. Bennett requested two changes on the Commission meeting agenda: Move Item 5d – Maryland Stadium Authority, Study Related to Show Place Arena to be presented first under Action and Presentation Items, and add Resolution #14-26 – Appreciation for Françoise M. Carrier as Item 7a after Rotation of Commission Chair.

ACTION: Motion of Bailey  
Seconded by Hewlett  
6 approved the motion

#### ITEM 2 APPROVAL OF COMMISSION MINUTES

a) June 18, 2014, Open Session  
ACTION: Motion of Hewlett  
Seconded by Bailey  
6 approved the motion

ITEM 3

GENERAL ANNOUNCEMENTS (Carrier/Hewlett)

Not listed on agenda:

- Chair Carrier announced the Montgomery County Council appointed Commissioner Casey Anderson as the new Chair of the Montgomery County Planning Board.
- Vice-Chair Hewlett reminded everyone that July is National Parks and Recreation month as proposed by the National Recreation and Parks Association. Vice-Chair Hewlett acknowledged Montgomery County Parks and Prince George's County Parks and Recreation for their work in promoting health and wellness throughout the region.
- Chair Carrier announced Mike Riley was appointed as Director of Montgomery Parks. She thanked Gene Giddens for performing as Interim Acting Director for the last several weeks.

- a) GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR FINANCIAL REPORTING AWARD FOR THE 2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (Zimmerman) – The finance team has again been honored by the Government Finance Office Association of the United States and Canada for outstanding financial reporting during the 2013 fiscal year. This is the highest form of recognition in the area of governmental accounting and financial reporting and is a significant accomplishment. M-NCPPC has received this distinction 40 times and is tied only with the Chicago Metropolitan Water Reclamation District for the greatest number of times receiving this prize. The finance team was photographed with the Commissioners for the Update newsletter.

ITEM 4

COMMITTEE/BOARD REPORTS – (For Information Only)

- a) Executive Committee Minutes – Open Session – June 4, 2014
- b) Executive Committee Minutes – Closed Session – June 4, 2014
- c) Executive Committee Minutes – Open Session – July 2, 2014
- d) Minutes of the Regular Employees' Retirement System Board of Trustees Meeting, June 3, 2014

ITEM 5

ACTION AND PRESENTATION ITEMS

- d) MARYLAND STADIUM AUTHORITY, STUDY RELATED TO SHOW PLACE ARENA (Taken out of order) (Gathers)

Prince George's County Parks and Recreation Director Ronnie Gathers thanked Chair Carrier for her accomplishments during her term with the agency and for all she has done for the Department of Parks and Recreation. Mr. Gathers presented an overview of the market and operational study done by the Maryland Stadium Authority on the Show Place Arena, as contained in the meeting packet. The study was initiated in an attempt to determine whether the facility is utilizing best practices to accelerate the profitability and use of that center. The study also addressed findings in earlier Audit Committee recommendations.

Mr. Gathers introduced Deputy Director of Facility Operations Roslyn Johnson, and Special Projects Coordinator, Alvin McNeal. Mr. McNeal provided background on the history of the Show Place Arena Complex. The Show Place Arena was constructed by M-NCPPC in 1993. In 2011, M-NCPPC engaged the services of the Maryland Stadium Authority (MSA), to evaluate the operations, management, structure, governance, staffing levels, and overall performance and effectiveness of the facility, as well as the economic and market impacts this complex could provide.

Mr. McNeal introduced M-NCPPC Show Place Arena General Manager Jeanine Hunter, and Director of Operations Shannon Bethel. He also introduced MSA Senior Vice-President Gary McGuigan, who provided background on the history and mission of the MSA; MSA Senior Project Manager Al Tyler, who reviewed the operational study; and AECOM Technology Corporation Principal David Stone, who focused on the market, comparable environments, and fiscal impacts, as contained in the packet.

Mr. Stone reviewed the recommendations from the Market and Economic Study. Details are in the meeting packet.

- Study Recommendations
  - Increase non-equestrian usage, particularly during winter (coincides with end of equestrian season and typical season for indoor arena events).
  - Renovate:
    - Arena: F&B, restrooms, rigging, scoreboard
    - Equine facilities: more warm-up areas, more/improved stables and stalls, better drainage, footing, and power/water
  - Total estimated cost of all improvements: \$13.7 million*
    - Impacts of renovation: increased usage and revenues. Specific event types include equestrian, sports/competitions, concerts, and consumer shows.
    - Impacts of no renovation: subsidy could remain stable in short term but increase over time, as the facility becomes less competitive.

Deputy Director Johnson reviewed the progress on recommendations from the Audit Committee and the Maryland Stadium Authority Study:

OPERATIONAL & PROCEDURAL

- Develop and implement formal written policies and procedures General Manager – *(Completed)*
- Update and improve overall security and risk management *(Completed)*
- Update and improve emergency action plans *(Completed)*
- Develop a comprehensive marketing plan *(In process)*
- Implement facility improvements and update mechanical/electrical plumbing systems that are at the end of their service life *(In process)*

MANAGEMENT, STAFFING AND GOVERNANCE

- Secure experienced personnel to fill the following positions: *(In process)*
  - Operations Manager with strong experience in operating equestrian venues *(Completed)*
  - Hiring Event Services Manager - (new position)
- Continue to audit food service operations *(In process)*
- Capture and measure user and patron services *(In process)*
- Create an Advisory Committee to engage members with a vested interest in the facility *(In process)*
- Consider the merits of using a private third-party to manage the facility *(In process)*

IMPROVEMENTS

- Develop a comprehensive master plan for the facility *(Completed)*
- Perform a facility condition assessment every five years to assist with long-term capital expense planning *(In process)*
- Perform targeted improvements to the box office *(In process)*
- Improve traffic and parking conditions *(Completed)*

Ms. Johnson thanked staff from Prince George's County Parks and Recreation: Shannon Bethel of Natural & Historic Resources; Leslie Long, Southern Region Manager, and Darlene Watkins, Acting Chief of Arts and Cultural Heritage Division, who were instrumental in making changes necessary to bring Show Place Arena to where it is today.

The Commissioners stated they would support the renovations to the arena because of the site's impact and importance to the community. They added that the decision could not solely be based on the economic impact. Chair Hewlett shared that the Show Place Arena has challenges because it is primarily an equestrian venue, and the County and town want to preserve this use, which poses certain limitations. She thanked Jeanine, Shannon, Leslie, and Darlene for their efforts and for getting the Show Place Arena back on track. Chair Carrier thanked the presenters and wished them well on the project.

b) PROPOSED AMENDMENTS TO THE MERIT SYTEM RULES AND REGULATIONS ON OVERTIME COMPENSATION PROGRAM – (Taken out of order) (Bennett/Thom-Grate/Dupree)

Corporate Policy and Management Operations Chief Anju Bennett introduced two members of the policy team who assisted on this item: newly appointed Policy and Corporate Records Manager Janis Thom-Grate, and Senior Management Analyst Lisa Dupree. Ms. Bennett asked the Commission to consider proposed amendments to the Commission's overtime compensation program as codified in the Merit System Rules and Regulations (MSR&R), Chapters 1200 (Employee

Compensation) and 1400 (Employee Leave: Personal, Annual, Sick, and Compensatory Leave).

Ms. Bennett explained that the policy team undertook a comprehensive review of the overtime program following an earlier inquiry from Commissioners on one element of the program. She shared highlights of the extensive research and analysis that was conducted in formulating recommendations that were presented in the meeting packet. Ms. Bennett explained that total overtime made up less than 1% of total payroll hours, thus the amendments were not due to overuse of overtime, but were proposed to address operational concerns raised by management or identified by the policy team during its review. Ms. Bennett thanked Directors, the Commission Chair and Vice-Chair, for input on operational needs. Ms. Bennett shared that the Merit System Board, which reviews all policy changes affecting Merit employees, fully supported the proposed amendments.

Policy and Corporate Records Manager Janis Thom-Grate thanked Ms. Bennett for the opportunity to return to M-NCPPC, and wished Chair Carrier well in her new endeavors. Ms. Thom-Grate gave a brief overview of the Overtime Program and reviewed the requirements of the Fair Labor Standards Act (FLSA), the law that establishes requirements for overtime. Ms. Thom-Grate explained the agency is in compliance with applicable laws. Ms. Thom-Grate walked Commissioners through the specific proposals explaining that amendments improve consistent application of overtime policies, promote the use of flextime, recognize full payout of all earned compressed leave balances in the case of an employee's death, and amend the amount of compressed leave balances that may be accrued by staff in positions that are exempt from the FLSA mandates for overtime. She shared that while changes were made to improve internal application of policies, the changes also provide greater parity with programs adopted by Montgomery and Prince George's Counties.

Proposed Policy Amendments:

- Modify Overtime Eligibility for "Exempt" Positions at Grade J  
Modify existing overtime policies to permit Grade J positions to receive straight time Compensatory Leave without the current "exceptional situation" restriction.
- Modify Required Number of Hours to be Worked before Overtime Can Occur for "Exempt" Positions  
For positions that are exempt from FLSA, modify number of hours that must be worked from 40 to 80 hours before overtime compensation may be granted. Amendments support the use of "flexing" out of overtime hours for exempt employees by extending the period during which overtime hours can be "flexed" out for time off. Amendments also require employees/supervisors to first consider flexing out extra hours before overtime compensation is considered.
- Modify Limitations on the Transfer (Carry-over) of Earned Compensatory Leave by Exempt Employees  
For exempt employees, reduce current year end rollover of Compensatory Leave from 160 to 120 hours (effective December 31, 2014).

- Establish Policy that Specifically Addresses Payout of Compensatory Leave Balances Upon Death  
Permit the full payout of all accrued Compensatory Leave in the event of death regardless of exempt or non-exempt status.

Other Proposed Amendments that Clarify Existing Policies and Federal Overtime Laws

- Section 1260: Amendments emphasize the requirement that employees receive prior authorization for overtime work.
- Section 1261: Amendments clarify the application of the federal overtime law (FLSA) on employer mandates for overtime.
- Section 1262: Amendments explain that non-exempt employees may request the form of overtime compensation (pay or Compensation Leave). However, the option is subject to Department approval, and based on the availability of funding and work program considerations.

ACTION: Motion of Hewlett

Seconded by Wells-Harley

6 approved the motion

a) RESOLUTION #14-24 – FUND BALANCE POLICY (Zimmerman)

Secretary-Treasurer Zimmerman presented Resolution #14-24, Fund Balance Policy for approval. The Resolution increased the reserve balance for the group insurance fund, from 7.0% to 7.5% of expenditures. Mr. Zimmerman explained the change would be implemented in financial statements this year. General Counsel Gardner added that there was an inquiry by the Office of State Legislative Audits regarding M-NCPPC's health insurance fund. According to General Counsel Gardner, this change developed from that level of focus. The audit results were satisfactory and the agency is following up implementing the desire that was negotiated with our labor partners.

ACTION: Motion of Hewlett

Second by Wells-Harley

6 approved the motion

c) HEALTH BENEFIT CHANGES FOR CALENDAR YEAR 2015 (Spencer/McDonald)

Human Resources Director William Spencer introduced Health and Benefits Manager Jennifer McDonald, who presented recommended changes to the health benefits program for Calendar Year 2015. Ms. McDonald reviewed the packet materials titled, Summary of Plan Changes and the Cost Impact. Ms. McDonald explained that changes were being recommended to help enhance plans and/or contain costs. She shared the Executive Committee supported all recommendations with the exception of a change which would have added prior authorization for compounded drugs that cost \$300 or greater. Based on a prior request of the Executive Committee, Ms. McDonald provided additional information about this design change during the presentation. Ms. McDonald also responded to the Executive Committee's earlier request on the duration of a rate guarantee for the recommended Vision Plan change. Ms. McDonald reported that the rate would be guaranteed for four years. A summary of recommended changes and the cost impact to the Health Benefits is highlighted in the chart:

Plan Design Change	Cost Impact
Implement Step Therapy for specialty drugs.	3 year savings of \$127k.
Add the Pharmacy Advisor program to the prescription plan.	\$17k in annual fees, with an estimated \$150k in medical plan savings.
Add Prior Authorization for compounded drugs with a \$300 or greater ingredient cost.	May have some savings, but not able to quantify until the program goes live.
Extend dental and vision coverage for children up to age 26.	No immediate impact, but premiums may increase in the future if we experience much higher utilization. However, reductions in the administrative costs/burden for administering the current program may help offset costs.
Change the Vision Service Plan type from Signature (premier) to Choice.	Current utilization indicates that premiums will increase significantly at the next renewal for 1/1/2016. Changing to Choice will reduce claims costs, mitigating the expected increase in rates and bring the plan up to industry standards.
Waive the 8/4 hours contributions for Sick Leave Bank in 2015 for current members.	Reduce the growing bank balance.
Increase Supplemental Life Insurance by adding an additional 2 levels that will allow employees to elect up to 5 times their annual salary with a maximum of \$750,000.	Current option is 1 to 3 times salary up to a maximum of \$300,000. Increased cost to employee if additional coverage is elected, none to the agency.
Increase dependent life insurance coverage, offering three options.	Increased cost to employee if elected, none to the agency.

Commissioners supported all changes as recommended with the exception of the recommended requirement for prior authorization for compound drugs. Commissioners were concerned about the insurer Caremark having the final decision about dispensing a drug rather than the employee's medical provider. Commissioners modified the recommendation stating that the prior authorization should only be used to verify that the drug is being recommended for a covered condition, thus the prescription could be denied only if it is not written for a condition that would not normally be covered by the prescription plan. Chair Carrier recommended providing education to employees about obtaining preauthorization before purchasing compounded drugs, including when drugs are dispensed through apothecaries as used in the example by Commissioner Wells-Harley. Mr. Spencer offered that the program can be piloted for one year allowing the agency to revisit the plan and to obtain the results next year. If the results are not satisfactory to the agency, there would be an option to discontinue the program.

Commissioners agreed to a one-year trial of the prior authorization for compounded drugs, limited to determining whether the prescription is for covered conditions. The Commissioners voted on this item apart from the other benefits.

ACTION: Motion of Shoaff  
Seconded by Wells-Harley  
6 approved the motion

The second vote covered the following items:

- Extend Dental and Vision Coverage for Young Adults to Age 26 – Commissioners agreed to extend coverage.
- Change in Benefits of Vision Plan – Commissioners supported Option 3: Change to the Choice Plan with changes recommended as contained in the meeting packet.
- Waive Contributions to Sick Leave Bank – Commissioners supported the recommendation to waive contribution to the Sick Leave Bank for current members.
- Increase Dependent and Supplemental Life Insurance – Commissioners supported the recommendation to increase current coverage for dependent coverage. They also supported offering supplemental life insurance, which permits employees to be insured up to five times their base salary. Supplemental coverage is fully paid by the employee.

ACTION: Motion of Hewlett to approve the recommendations for Health Benefits changes for Calendar Year 2015  
Seconded by Dreyfuss  
6 approved the motion

- e) PERSONNEL MANAGEMENT REVIEW – FY 13 (Spencer/Glover)  
The Personnel Management Review (PMR) provides a comprehensive overview of the demographics of the Commission's workforce for each department. Human Resources Director William Spencer shared things have remained the same for the past four to five years because of the economy. Principal Administrative Specialist Jeannette Glover provided an overview of the PMR, and reported that between FY14 and FY18, 70.6% of Officials/Administrators will reach normal retirement eligibility. This continues to be a major succession planning issue.

## ITEM 6

### OPEN SESSION – OFFICERS' REPORTS

The Commissioners accepted reports for information without presentation except for item 3b.

- a) Executive Director – (For Information only)  
Employee Evaluations Not Completed by Due Date – (June 2014)
- b) Secretary-Treasurer
  - 1) Investment Report (April 2014) – (for information only)
  - 2) MFD Purchasing Statistics – 3<sup>rd</sup> Quarter – (for information only)
  - 3) Enterprise Resource Planning (ERP) Briefing – Mr. Zimmerman reported that



Finance department is in the process of closing and rolling over the budgets for the financial system. The April cash reconciliation was completed successfully. The Sympro System that helps with cash management, debt issue, and investment management is working well. The Finance department is working on process improvements, and listening sessions are scheduled for this month.

He is aware that some processes, such as Supply Chain Management will require further refinement to be more functional for managers. The point-of-purchase document archival add-on will help make information more readily available. Human Capital Management is being reviewed to determine the best way to bring it live with the least amount of risk and the greatest amount of service to users and employees. Chair Carrier congratulated Mr. Zimmerman on a successful launch.

c) GENERAL COUNSEL

Litigation Report (June 2014) – (for information only)

ITEM 7

ROTATION OF COMMISSION CHAIR – At the end of the meeting, Chair Carrier passed the gavel to Vice-Chair Hewlett symbolizing the rotation of the Chair's position to Ms. Hewlett.


ACTION: Motion of Carrier to nominate Vice-Chair Hewlett to Chair of M-NCPPC  
Seconded by Bailey  
6 approved the motion

a) RESOLUTION 14-26 – RESOLUTION OF APPRECIATION FOR FRANÇOISE M. CARRIER

On behalf of the Maryland-National Capital Park and Planning Commission, Chair Hewlett presented Chair Carrier with a Resolution of Appreciation and thanked her for her outstanding leadership.

Chair Hewlett opened the floor for sentiments to Chair Carrier. A farewell celebration will be held at the Silver Spring Civic Center on July 24<sup>th</sup>.

There being no further business to discuss, the meeting adjourned at 12:21 p.m.

  
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Gayla I. Williams, Senior Management Analyst

  
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Patricia Colihan Barney, Executive Director

