COMMITTEE ON HUMAN RESOURCES/INSURANCE

July 7, 2009 **6:30 PM**

Chairman Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas, Lopez, Garrity, Pinard

Absent: Alderman Shea

Messrs: R. Robidas, T. Clark

Chairman Gatsas addressed item 3 of the agenda:

3. Ratify and confirm phone poll conducted June 26, 2009 accepting the recommendation that the City renews its contract with High Mark Life for Individual Stop Loss coverage at the current $200,000 level for the period of July 1, 2009 through June 30, 2010 at an annual premium of $482,150.
(Unanimous vote)

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted to ratify and confirm the phone poll.

Chairman Gatsas addressed item 4 of the agenda:

4. Communication from Ronald Robidas, Security Manager, regarding Identity Theft Awareness Training Program.
(Note: Referred by the Board of Mayor and Aldermen on 4/07/09.)

On motion of Alderman Garrity, duly seconded by Alderman Pinard, it was voted to discuss this item.

Alderman Garrity stated I believe this has been brought up in the past on the full Board level, has it not?

Alderman Gatsas replied I'm not sure. I guess it was discussed and it came here. I guess I'll let Mr. Robidas address it.

Mr. Ronald Robidas, Security Manager, stated that's correct, Alderman. It was on the April 7th Board of Mayor and Aldermen meeting. At that time, it was referred by the Board to this Committee for review. This is the letter that we submitted on March 25th on behalf of the Committee for the identification. This has to do with the Federal Trade Commission and the Red Flag Mandatory Training and regulations that we are required to put in place. Initially, the requirement was that the compliance was required by May 1st. On April 30th, the Federal Trade Commission sent out a notification that they extended that compliance requirement until August 1st so we still have until August 1st to begin the process. This deals with the identity theft protection program. Mr. Frank Mulcahy made a presentation to you at that meeting. Mr. Mulcahy is one of several companies that offer services for training for the Red Flag. When we looked at the committee, which was formulated by the City Solicitor's Office, Finance Department, Internal Auditor, Information Systems Personnel, Manchester Water Works and EPD, we noticed the immediate urgency to train the Water Works and EPD personnel. They would be trained to protect sensitive information because they store that information and then they bill people later on. The Federal Trade Commission requires utilities as well as banking and financial institutions to require Red Flags for identity theft. When we met as a committee and we started discussing the various information that's held by the City departments, most of our departments fall under the category of needing trained personnel about the sensitivity of information. What it basically boils down to is they are concerned about identity theft. The Federal Trade Commission is concerned about departments and companies that hold information, particularly people's dates of birth, social security numbers, or any information that could be utilized so someone could steal it and commit fraud. There are two motions that we are asking the Board and the Committee to take into effect. Mr. Mulcahy's company is the only company that we have been able to locate that would provide the training at no cost to the City. There is no cost to the City. They offer as part of the package a copy of a letter which each employee would receive. Each training session is about an hour. About 50 minutes of the training explains what identity theft requires and what information we are required to protect. The last ten minutes of the training talks about identity theft protection, which is completely optional. If the employee is interested, he can sign up. If he is not interested he does not sign up for the program. There is still no cost to the City, regardless of if there are five people who sign up, if no one signs up, or if 100 people sign up. That is strictly their risk. All of the other companies that we have done research on have minimal fees of $2,500 or licensing fees of $1295 or packages of $799 for every 25 individuals. There have been no companies that we have been able to locate that offer any of these services for free. We were looking at it as a cost savings for the City because it would not cost us anything to provide it. They provide us all the documentation and they provide certificates so we can document in the employees folders, as a protection for ourselves in the future, that they have been trained properly on how to protect sensitive information. Secondly, we also

included a packet that shows the Sensitive Information Policy and Program for the City of Manchester. We asked the Board of Mayor and Aldermen to adopt a program which we're required to have under the FDC regulations. We included in that packet the City policy for the program to show what we required to protect sensitive information throughout the City departments and explain to all City employees who handle sensitive information. I hope that's a thumbnail sketch for you.

Alderman Lopez stated this seems more complicated than what it is. A one page memo from HR instructing employees about the confidentiality and the integrity of customer information and security would suffice. I don't know why we're going through a complete training process when a one page policy that every employee should sign when they get hired stating that can't divulge information pertaining to the services of the City would work. The Right to Know Law is a different issue. Department heads are qualified so that their employees can go to them if they have any particular questions about people requesting information. In addition, we have a City Solicitor who the department head can go to. It doesn't matter whether five people, or ten people or no one signs up. If there isn't any type of policy in effect when some is hired that stated that they can't divulge sensitive information, then there is something wrong with our system.

Mr. Robidas replied let me backtrack if I may. Maybe I didn't explain it clearly and I apologize for that. The policy and the training are two separate issues. The training is what would be provided by Mr. Mulcahy and is what we are required to give employees from the Federal Trade Commission. Quite honestly, when we looked at it, like most federal regulations, it can be difficult to decipher what they are requiring for training. They are certified to do the training. They would come in, do the training in one hour training blocks that we set up. This is what is required. At the completion of the training, we, as well as the employees, would receive a certificate showing that they had received the Federal Trade Commission required training as it pertains to the Red Flags. Prior to the April meeting we had sent each member of the Board a packet. It was a black folder which contained all of the information, including the City policy. There was one particular document which we had modified in discussion with the City Solicitor's Office where they had agreed to use Mr. Mulcahy's company. I'll read it for you to give you a refresher. The City of Manchester does not endorse or recommend these plans. This is the identity theft that they offer for private individuals. The City is in no way responsible or liable for the cost of or services available under these plans. After the training the employee can check off if they want to enroll or if they have decided not to enroll in the plan. That is a separate issue from our own policy. Our own policy is what we are required by the Federal Trade Commission to do. There is no doubt, based on decisions and opinions by the Federal Trade Commission as well as the New Hampshire Municipal Association, that we have to at least require the Environmental Protection Division as well as the Water Works to participate and obligate them to follow the Red Flags of the Federal Trade Commission. So those are two departments that we specifically know that are required. Again, as we met as a committee we came across a variety of departments

throughout the City that handle sensitive information about a lot of folks. As a committee, we said it would probably be to the City's benefit to protect ourselves, to train employees and make them aware of the sensitivity of information and the consequences of liability for them and the City if this type of information gets in the wrong hands.

Alderman Gatsas asked the employees that are going to come to these informational sessions, are they going to be paid for that one hour that they are here?

Mr. Robidas replied yes, we're going to do it on City time. We'll arrange it with each department. The first two departments we would do are the EPD and Water Works because they are mandated by federal law.

Alderman Gatsas asked you're going to open this up to every employee in that department?

Mr. Robidas replied that's correct.

Alderman Gatsas asked even the guy who is reading meters is going to come in?

Mr. Robidas replied we may make some exceptions, but as you know, when we discussed it, we started thinking about all the various departments and all the various jobs within the department. I wouldn't say all, but a good majority of our folks. We even have personnel who handle sensitive information records. They may not do it regularly, but they come across the information.

Alderman Gatsas asked this training will be done at the department itself?

Mr. Robidas replied most probably, yes. For accommodations we'll go right to the departments and we'll do the one hour segments as we coordinate with the various departments.

Alderman Garrity asked how many employees are you estimating?

Mr. Robidas replied probably about 1,000 employees. This would take a few months to accomplish.

Alderman Garrity asked we're talking about 1,000 lost man hours for the training?

Mr. Robidas replied correct.

Alderman Garrity stated I tend to agree with Alderman Lopez. This should be standard procedure when you are hired if you are going to handle this type of information. People should know that this is what is expected, this is what you can reveal and can't reveal. I

think it's a lot of lost man hours. I think it has to do with a lot of common sense if people are handling personal information. I would know not to reveal someone's social security number. Something like that is common sense.

Mr. Robidas replied I understand that it's common sense. To follow up on one aspect, yes, we want to allow this to go forward after we have done the training as part of our orientation program. We would conduct our own one hour session as part of their orientation session. We would put aside an hour to make sure that all new employees receive the same type of information because it is quite extensive. Some of it is common sense, but unfortunately, not everyone follows the rules of common sense in properly securing the file cabinets, properly securing their computers, improperly divulging information to people, not intentionally, but unintentionally for what may seem like a good thing. We've had some incidents recently with scams where people call in and sound very legitimate so people have disclosed information, not about an individual, but have disclosed information about the department that they shouldn't have.

Alderman Gatsas asked there is a compliance that has to be in effect August 1st?

Mr. Robidas replied that's correct. The Federal Trade Commission…

Alderman Gatsas interjected what happens if we don't comply by August 1st?

Mr. Robidas replied then we would be subject to fines from the Federal Trade Commission. As an example, CVS pharmacy, nationally, was recently fined a few million dollars for how they disposed of prescription information on individuals. There is now another large lawsuit against Starbucks for how they lost information about their customers. It's a very up-taking business and it all deals with identity theft.

Alderman Gatsas stated let me understand. What do we get that shows that we are in compliance? Mr. Mulcahy saying he presented this? What if you have nobody that goes to the seminar?

Mr. Robidas replied the seminar is for those employees who are required to attend. They attend the one hour session where they receive our policy, if it's adopted by the Board and by the Federal Trade Commission. We are required to have a policy and a program in place. They receive our policy and they receive the standards by the Federal Trade Commission of what's required as far as protection of sensitive information.

Alderman Gatsas stated you didn't answer my question. It's voluntary whether you go or not. What if no employee attends?

Mr. Robidas replied it's not voluntary whether or not you go. It's voluntary whether or not you participate in their program that they offer for personal identity protection afterwards.

Alderman Gatsas asked we're going to make it mandatory that employees go?

Mr. Robidas replied correct. Once they receive the training, we'll have the documentation that our employees have been trained. Whether or not they subscribed to their service, that's their option.

Alderman Lopez asked can I ask the City Solicitor to weigh in on this?

Mr. Tom Clark, City Solicitor, asked what is your question, Alderman?

Alderman Lopez stated in reference to the comment that we have to do this by the Federal Trade Commission for the Water Works. Is that correct?

Mr. Robidas replied Water Works and EPD, yes.

Mr. Clark stated my office has been involved in meeting with Mr. Robidas, with Bill Sanders and other representative of the Finance Department, and other representatives of other departments. Yes, the Federal Trade Regulation has adopted these regulations and we're required to do it.

Alderman Lopez asked therefore, we can be fined as indicated?

Mr. Clark replied yes, we could. I'm not saying they would fine us, but they could.

Alderman Lopez asked if it is mandatory just for those two departments all those employees must go? Is that what you are telling me?

Mr. Robidas replied that's correct. Those who would have access to that type of information, correct.

Alderman Lopez asked the rest of the City employees who have access to sensitive information could attend the seminars on a volunteer basis?

Mr. Robidas replied we weren't looking at it on a volunteer basis. We were looking at it as mandatory attendance as we go through the departments of who has access. As an example, the Police Department has a lot of access to people's names, dates of birth, and social security numbers. Human Resources, Tax Collectors, Assessors, City Clerk and Finance Department also have a lot of personal data information. Not only is it pertinent to our employees, but also to our constituents and our vendors.

Alderman Gatsas asked who makes the determination of what departments must participate? The Federal Trade Commission can't say that firefighters have to participate.

Mr. Robidas replied no, and they have not.

Alderman Gatsas asked have they given us a list of who must participate, other than EPD and Water Works?

Mr. Robidas replied no. As we define and read their statutory requirements, EPD and Water are the two that are required. As a committee, we discussed it and we said here's information that other folks have within other departments. It would probably be in our best interest to provide training for them as well.

Alderman Gatsas asked I would assume that a motion would be that EPD and Water would be mandatory, at least from this meeting to go forward?

Alderman Garrity asked Mr. Mulcahy said he was going to come in at no cost? Is that right?

Mr. Robidas replied that's right.

Alderman Garrity asked are there any other follow up services that will be of cost to the City?

Mr. Robidas replied absolutely none.

Alderman Garrity moved to require Water Works and EPD employees to participate in the program. The motion was duly seconded by Alderman Lopez.

Alderman Lopez asked what benefit is there of Frank coming in here for nothing?

Mr. Robidas replied because they are a large company. They are on the New York Stock Exchange and have been around for a long time. Their records seem to indicate that if they offer the service of personal identity theft protection that's beneficial to them because a percentage of people who attend the seminar also sign up for personal service as well. You see them on television advertising identity theft protection for individuals. These folks offer that service and it appears to be advantageous for them because a percentage of those attending will subscribe to the service.

Alderman Garrity stated I'm going to rescind my motion because I don't think it's appropriate that we have a vendor who is giving a complimentary service to our employees, but in the long run are trying to boost their revenues by trying to convince

employees to participate in their services. I don't agree with that and I'll rescind my motion.

Alderman Gatsas asked if this is due by August and everyone else you have looked at is a cost to the City there isn't anything mandatory for any employee to participate in? If it's a requirement that we have to do it, I would think that it would be up to the employee if he wants to follow through on any program he has. I would think that the mandatory portion that the Federal Trade Commission has required for the City should at least be passed for EPD and Water. I don't think that someone who is reading a water meter is susceptible to this. I think the Human Resources Department should put together a list of what employees are looking at records that are susceptible. I don't think someone who is on a backhoe is susceptible to records.

Mr. Robidas replied no. It's anyone who would have access to the information. That's the requirement.

Alderman Lopez stated since he withdrew his motion, I think the mandatory portion, on advice from the City Solicitor, should be passed. The fact that the Trade Commission could fine us leads me to want to move forward on the mandatory portion of it.

Alderman Garrity stated I think it's extremely disingenuous that that wasn't mentioned in your presentation from the get go that they are going to come in and try to convince employees to participate in a personal ID theft session. That came up after my motion and again, I'm not going to support this. If we have to do it for mandatory departments that's fine, but we should receive a bid for the others because I don't want our City employees being convinced or sold on a service that they probably don't want and I don't want them to be convinced that they need it. It's not appropriate in the workplace. I'm going to rescind my motion. I think it is disingenuous that that wasn't mentioned before the motion.

Alderman Gatsas stated Mr. Robidas, correct me if I'm wrong, but when Mr. Mulcahy was here and gave the presentation to the Board didn't he inform us that the service to the City was at no cost? And if employees wanted to participate beyond that at their own level, they were free to do so?

Mr. Robidas replied correct. If memory serves me correctly, I believe Alderman Gatsas, you were the one who required them to agree that if only one or five people show up that that is their risk on their dime, at absolutely no cost to the City.

Alderman Garrity stated I don't think that the City's buildings or employees…I don't think there should be a sales pitch on company time. I don't believe that and I'm in sales myself. I can certainly understand the sales portion of it, but I don't think it's an

appropriate place on City time and when the employees are participating in a mandatory program. It's just something I feel strongly about, sir.

Alderman Lopez stated I made the motion for the simple reason that the City Solicitor said that we could possibly be fined. We do have mandatory training for the Water Works and the EPD. They look at sensitive information so that's why I made the motion on the advice of the City Solicitor. I would hate for the City to end up being fined for something that we're obligated to do under the regulations.

Alderman Garrity stated Alderman Lopez, I don't disagree with you, but this company should come in, put a bid in, and tell us how much it is going to cost. The employees don't need a sales pitch for their personal ID theft while they are on City time. I agree it needs to be done. The company ought to come in, put a bid in, tell us how much it's going to cost without the sales pitch to the employees.

Alderman Lopez asked could that be one of the stipulations that they do not do a sales pitch to the employees on identity theft?

Alderman Gatsas replied I don't think it would be at zero cost.

Mr. Robidas replied I don't think so. We've had that discussion and we knew about that from day one as the committee…

Alderman Gatsas interjected how about if we get a motion to table this if you can come back after talking with some of the other vendors to see what the cost is? If we are out of compliance…I don't think he would be able to set something up in the next four weeks anyway for failing to comply. Let's see if there is a vendor out there and see what those costs are. Maybe the costs will be such that we are going to come back and ask Mr. Mulcahy to do it for nothing and let the chips fall where they may.

Alderman Lopez asked could you go back to Mr. Mulcahy and tell him he is not to solicit City employees and see if he still will come at no cost?

Mr. Robidas replied absolutely. Let me ask you this if I may, just for guidance. I'm trying to anticipate a rebuttal question on his part. Would the City be opposed to them handing out literature?

Alderman Garrity stated I don't think it's appropriate. Not while our employees are on City time for an educational program that they are required to attend. I don't think it's appropriate. It's like putting something in the employees' paycheck envelopes. It's not appropriate.

Alderman Gatsas asked how about if we table this and you come back to us with two or three different recommendations from other companies who want to charge us and then we'll see where this committee wants to take it?

Mr. Robidas replied very good. May I ask the Committee for the second portion of the motion we had requested this evening? That was for the adoption of the City policy and program for the sensitive information, which was included in the packet that we sent to the Board.

On motion of Alderman Garrity, duly seconded by Alderman Lopez, it was voted to approve the policy to adopt a program to protect sensitive information.

On motion of Alderman Garrity, duly seconded Alderman Lopez, it was voted to table this item until more information is presented.

TABLED ITEMS

5. Communication from Jane Gile, Human Resources Director, recommending reclassification of school nurses.
(Tabled 3/3/09)

On motion of Alderman Gatsas, duly seconded by Alderman Lopez, it was voted to remove this item from the table.

On motion of Alderman Garrity, duly seconded by Alderman Gatsas, it was voted to discuss this item.

Alderman Gatsas stated I think the discussion was whether the money was in the budget and we were waiting to make sure the funds were available. The funds are now available and they are in the budget.

Alderman Garrity asked the funds are available?

Alderman Gatsas replied yes.

Alderman Lopez asked has the School Department certified in writing that the money is there?

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted to accept the reclassification of school nurses.

6. Discussion relative to the guidelines of the Bright Ideas Evaluation Committee awards.
(Note: Referred from the Board of Mayor and Aldermen on 9/16/08; The Committee has requested members of the Quality Council to appear at the next meeting to discuss the issue further; Tabled 11/12/08.)
(Revisions attached submitted by the Quality Council on 4/24/09.)

This item remained on the table.

7. Communication from Jane E. Gile, Human Resources Director, recommending that the Committee upgrade the part-time parking control officer from a salary grade 10 to a salary grade 11; and upgrade the reserve police officer from a salary grade 18 to a salary grade 19.
(Note: The Committee has requested additional information from Human Resources on this item; Tabled 8/5/08. Communication from Chief Mara regarding Reserve Officers was received and filed on November 24, 2008.)

This item remained on the table.

8. Recommendation from Thomas Clark, City Solicitor, regarding Section 33.011 Retired Employees; Policy on Rehiring, if available.
(Tabled 8/5/08)

This item remained on the table.

There being no further business, on motion of Alderman Garrity, duly seconded by Alderman Gatsas, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee