

THE SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA

MINUTES, SEPTEMBER 19, 2011

The School Board of Escambia County, Florida, convened in Special Meeting at 5:30 p.m., in Room 160, at the J.E. Hall Educational Services Center, 30 East Texar Drive, Pensacola, Florida, with the following present:

Chair: Mr. Gerald W. Boone Vice Chair: Mr. Bill Slayton

Board Members: Mr. Jeff Bergosh
Mrs. Patricia Hightower
Mrs. Linda Moultrie

School Board General Counsel: Mrs. Donna Sessions Waters

Superintendent of Schools: Mr. Malcolm Thomas

Meeting was advertised in the Pensacola News Journal on September 10, 2011 – Legal No. 1537349

[Discussion occurred throughout this meeting among Board Members, the Superintendent, staff, and representatives of the Association and Union.]

I. ADOPTION OF AGENDA

Mr. Boone called the Special Meeting to order at 5:37 p.m. It was noted that the purpose of this meeting was to resolve disputed insurance issues pursuant to Master Contract Provisions: Escambia Education Association, *Article XIV.1.1* and Union of Escambia Education Staff Professionals, *Article VI.1.1*. Mr. Bergosh suggested that the Invocation and Pledge of Allegiance be added to the agenda. On motion by Mrs. Hightower, seconded by Mr. Slayton, adoption of the agenda (as amended) was approved unanimously.

ADD INVOCATION AND PLEDGE OF ALLEGIANCE

Dr. Alan Scott, Assistant Superintendent of Human Resource Services, delivered the invocation and Mr. Bergosh led the Pledge of Allegiance to the Flag of the United States of America.

II. PRESENTATIONS & DISCUSSION

A. PRESENTATION OF PROPOSALS

(Supplementary Minute Book, Exhibit "A")

1. Superintendent

The Superintendent's proposal for employee benefit changes for the 2012 plan year was presented by Mr. Kevin Windham, Director of Risk Management.

Employee Benefits Committee (EBC) and Trustees Recommendation

▪ Item 1: Wellness Initiatives:

- *Contract with Baptist Medical Group for conducting Health Risk Assessments (HRA) with no increase in costs (\$98,500 annual cost)*
- *Wellness Incentives for Participation in all (3) phases of the HRA of \$75. An additional incentive of \$50 will be given to those employees that have either maintained a health BMI (per the CDC Chart) or have lowered their BMI from the previous assessment by at least 1 point.*

- Item 2: Board Adopt Smoke Free Campuses
- Item 3: Health Insurance Plans in Exhibit A:
 - *New Health Savings Account (HSA) and Plan Descriptions*
 - *Base HRA and Plan Descriptions Including Rollover*
 - *HRA (\$500) and Plan Descriptions Including Rollover*
 - *PPO and Retiree and Plan Descriptions*
- Item 4: Health Insurance Premiums:
 - *Premium Schedule Detailed in Exhibit B*
 - *District Contribution Amount of \$26.50 Million*
- Item 5: Medical Gap Plans (HSA and HRA Compatible) on a Voluntary Basis (Colonial Life Plans)
 - *To make available for employees to purchase, on a voluntary basis, one or more medical gap plan options for both the HSA and HRA/PPO plans. This will assist employees with an option to bridge the “gap” to offset potential out-of-pocket expenses for unexpected medical procedures that would subject employees to large unfunded medical expenses for 2012 with mostly high deductible plans as a choice.*
- Item 6: Additional Recommendations:
 - *Explore RFP’s for health plan benefits for 2013*
 - *Implement the Value Max RX Program at no additional cost to the plan*
 - *In anticipation of the potential negative funding relating to the District’s 112.08 filing for the period ended 6/30/11, it is requested that the plan design and premium schedules reflect an ending fund balance for 12/31/12 be projected to be, at minimum, the actuarially required minimum of 2 months of projected claims to achieve an acceptable 112.08 filing for the period ending 6/30/12.*
 - *Explore the community health clinics concept and provide a feasibility study to present to the Trustees. If the study reveals a cost savings to the plan, or even a breakeven to the plan but savings to employees, then the Trustees would move forward with securing a company to operate/manage such a facility as soon as feasible.*

2. Association and Union

The Association and Union’s suggestion regarding the 2012 insurance proposal was presented by Mr. Bill Vincent, Escambia FEA-Service Unit Director.

- Reconvene the committee
- Direct the District to commit funds to the plan in an effort to seek a more reasonable solution for employees
- Using a 70% - 30% split, the committee would have access to \$10 million if the District pledged \$7 million and the employees absorbed \$3 million in premiums and plan changes

B. REBUTTAL

1. Superintendent

Rebuttal was given by Mr. Kevin Windham, Director of Risk Management.

2. Association and Union

Rebuttal was given by Mr. Bill Vincent, Escambia FEA-Service Unit Director.

C. BOARD QUESTIONS & COMMENTS

Board Members posed general questions regarding the proposal presented by the Superintendent’s staff and the suggestion made by the Association & Union.

D. PUBLIC FORUM

(Supplementary Minute Book, Exhibit “B)

The following individuals requested to address the Board regarding the insurance issue:

Jeff Jordan	Kathy Breakall	Glen Thompson
Sarah Leah Davies	Cathy Boehme	Terry Teets
Catherine Rudd	Dave Sanna	Janet Reithmiller
David A. Pittman	April Gunnell	Camylle Moore
Stephanie Gaffney	Ellen Crow	Lillian Robertson
Kathy Fellgren		

E. CLOSING REMARKS

1. Superintendent

Closing remarks were provided the Superintendent.

2. Association and Union

Closing remarks were provided by Mr. Bill Vincent, Escambia FEA-Service Unit Director.

III. BOARD ACTION

The Board took the necessary time to determine their best course of action in resolving the disputed insurance issue. They thoroughly discussed the proposal presented by the Superintendent (as recommended by the Employee Benefits Committee) and the suggestion made by the Association and Union. Board Members expressed frustration with the “process” for resolving this issue and with having to make a quick decision on such an important matter. (It was noted than any delay in a decision by the School Board would in turn delay implementation and enrollment for the new plan year beginning January 1, 2012.)

Mrs. Moultrie offered a motion to return the insurance issue back to the Employee Benefits Committee for further negotiation (as recommended by the Association and Union). Motion was seconded by Mr. Slayton. There was discussion as to whether the motion on the floor could even be considered as Mrs. Waters had advised that it was not appropriate to refer the issue back to the Committee for further negotiation as both parties were now at impasse.

Board Members expressed that they were not ready to take action on either proposal (Superintendent’s or the Association and Union’s). Eventually, a motion was made by Mr. Slayton and seconded by Mr. Bergosh, to recess the Special Meeting until September 20, 2011 immediately following the 5:30 p.m. Regular Meeting. Motion carried 3 to 2, with Mrs. Moultrie and Mrs. Hightower voting “No.” The Special Meeting was recessed at 8:18 p.m. on September 19, 2011.

The Special Meeting reconvened on September 20, 2011 at 7:25 p.m. with all Board Members, the Superintendent, and General Counsel present. Mrs. Waters outlined the procedures that would be followed: (1) the Superintendent and the Association and Union would each be given an opportunity to readdress their proposals, the public would then be given another opportunity to address the School Board, and finally the School Board would return to discussion regarding the motion pending on the floor.

PRESENTATION OF PROPOSALS

1. Superintendent

Information to support the Superintendent’s proposal was presented by the Superintendent and Mr. Terry St. Cyr, Assistant Superintendent for Financial and Business Services.

2. Association and Union

Mr. Bill Vincent, Escambia FEA-Service Unit Director, reiterated the suggestion made by the Association and Union.

PUBLIC FORUM

(Supplementary Minute Book, Exhibit "B")

The following individuals requested to address the Board regarding the insurance proposals: Cathy Boehme, Barbara Dean, David Pittman, Amanda Venis, and Kathy Breakall.

BOARD ACTION

It was noted that the following motion was pending on the floor: Motion by Mrs. Moultrie, seconded by Mr. Slayton, to return the insurance issue back to the Employee Benefits Committee for further negotiation (as recommended by the Association and Union). Given that there were concerns as to whether or not the insurance issue could or should be returned to the Employee Benefits Committee at this point in this process, Mrs. Moultrie withdrew her motion and Mr. Slayton withdrew his second.

Discussion ensued and the Superintendent eventually offered a "reasonable" solution by committing an additional \$900,000 to the plan from the School District's Local Capital Improvement Fund (LCIF). He was hopeful that the School Board would be willing to move forward in accepting the Committee's proposal with this additional \$900,000 District contribution.

After much discussion regarding the additional \$900,000 District contribution, Mrs. Hightower offered the following motion: "To amend the proposal from the Employee Benefit Committee (as presented by the Superintendent) to address Item 3 and Item 4, to add an additional \$900,000 to the District's contribution to come from the sale of surplus property, and to apply the additional funds to lower premiums for employees plus one dependent and employees with family, and that the Employee Benefits Committee will convene immediately to determine the feasibility of a health clinic, alone or in partnership with another entity, and to develop an RFP (Request for Proposals) to find a new consultant and look at new plans, with a report to be given to the Board no later than the end of the year (December 2011), on the feasibility of the health clinic and the RFP for a new consultant." Motion was seconded by Mr. Bergosh and approved unanimously. Motion was then made by Mrs. Hightower and seconded by Mr. Bergosh, to adopt the Superintendent's proposal (as recommended by the Employee Benefits Committee) as amended, minus the schedule of premiums. Motion carried unanimously. It was noted that the premium schedule would need to be re-calculated to distribute the additional \$900,000 District contribution. Motion was made by Mrs. Hightower and seconded by Mrs. Moultrie, to recess the Special Meeting at 9:56 p.m. (September 20, 2011) and reconvene at 5:00 p.m. on September 23, 2011, to consider approval of the adjusted premium schedule. Motion was approved 4 to 1, with Mrs. Moultrie voting "No."

The Special Meeting reconvened on September 23, 2011 at 5:00 p.m. with Mr. Boone, Mr. Slayton, Mr. Bergosh, Mrs. Hightower, the Superintendent, and General Counsel present. Mrs. Moultrie was not present. Mr. Kevin Windham, Director of Risk Management, reviewed the rates as outlined in the premium schedule that resulted from the Board's direction to use the additional \$900,000 District contribution to lower the premiums for employees with one dependent and employees with family. The following speaker requested to address the Board regarding the impact of the Superintendent's proposed insurance changes: Stephanie Gaffney. Motion was made by Mr. Slayton and seconded by Mr. Bergosh, to approve the premium schedule for the 2012 plan year.

For the remainder of this meeting, there was much discussion regarding the following topics: the Superintendent's commitment to issuing a Request for Proposals (RFP) for health plan benefits for 2013, plans to explore the feasibility of a community health clinic, the need for improving the communication between the Superintendent, his staff, and the School Board with regard to insurance matters, and the School Board's desire to address the issue of equity of insurance coverage by negotiating the elimination of "free" coverage for single employees and "free" coverage for two married employees.

Motion to approve the premium schedule for the 2012 plan year carried 4 to 0, with Mrs. Moultrie absent for vote.

IV. ADJOURNMENT

There being no further business, the Special Meeting adjourned on September 23, 2011, at 5:45 p.m.

Attest:

Approved:

Superintendent

Chair