

**FRANKLIN-ESSEX-HAMILTON SCHOOL DISTRICTS'
HEALTH INSURANCE CONSORTIUM**

JOINT GOVERNING BOARD MEETING

DATE: January 10, 2007

LOCATION: North Franklin Educational Center, Malone, NY

KIND OF MEETING: Regular

MEMBERS PRESENT: Daniel Bower, Mary Carr, David DeSantis, Dean Dietrich, Patricia Dovi, Patricia Godreau, Paul Harrica, Keith Hazen, Robin Jones, Michael Kilroy, James Kordziel, Philip LePage, Mary Moore, Christopher Nye, Pamela Savard, Kent Walrath, Tim Whipple, Dana Wood

MEMBERS ABSENT: None

OTHERS PRESENT: Stephanie Bannon, Secretary
Francis Barney, NYSUT Non-Instructional President, St. Regis Falls
Russell Bartlett, Teacher President, Tupper Lake
Al Bonaduce, LPCSEA President
Ron Burke, President Teacher, Saranac Lake
Patrick Calnon, Plan Coordinator
Patrick Cowburn, KBM Account Representative
Melissa DeVit, Teacher President, Saranac Lake
Thomas Dodd, Teacher President, Lake Placid
Elizabeth Dubee, Administrator, FEH BOCES
Andrew Draper, St. Regis Falls Representative
Lyndon Farmer, Teacher Co-President, St. Regis Falls
Besser McKee Hanna, Teacher President, Malone
Matthew Mayville, CSEA President, Saranac Lake
Polly McGeachie, CSEA President, Salmon River
Besser McKee Hanna, MFT President
Elizabeth Mosher, BMT President
Celeste Norman, NYSUT Representative
Patrick Quinn, Chateaugay Teachers Union Representative President
Polly McGeachie, CSEA President, Salmon River
Peter Reardon, Teacher President, FEH BOCES
John Simons, Salmon River Representative
Jacki Soucia, Chateaugay Representative
William Soucia, Chateaugay Representative
Stephen Shafer, Superintendent, Malone
Rick Spataro, Administrator, Malone
Karen Sullivan, NYSUT Representative

CALL TO ORDER: Co Chairperson Bower called the meeting to order at 10:40 A.M.

APPROVAL OF MINUTES: Co Chairperson Bower asked for a motion concerning the minutes of the December 13, 2006 meeting. Paul Harrica moved, seconded by Tim Whipple that the minutes be approved.

Yes - 17

No - 0,

Abstain – 1 (Keith Hazen), motion carried

DISCUSSION OF HEALTH PLAN 2007-2010: Dean Dietrich responded to the proposal that was made by David DeSantis at the December 13, 2006 meeting. Mr. Dietrich indicated that the Employee Group had agreed to the following:

- A PPO was worth looking at
- A wellness plan should be added
- Discussion of cost share premiums would not be discussed

Co Chairperson Bower asked for clarification regarding the indication that cost share premiums would not be discussed meant no discussion at the current time or no discussion now or in the future. Mr. Dietrich indicated that he had been instructed not to discuss premium shares.

The Employer Group requested a caucus at 10:45 A.M....
They returned at 11:30 A.M.

Co Chairperson Bower indicated that the Employer group was disappointed to hear that that the Employees were unwilling to discuss any options that include premium contribution because it is the Employers belief that this is the most equitable method to distribute costs to all of the members.

Co Chairperson Bower stated that the Employer group recognizes that it takes 14 votes to get any resolution passed. He also indicated that while the employees are saying that they are not authorized to discuss premium contribution or any option that contains premium contribution now or in the future, he is aware that there are members of the employer group who are not authorized to vote in favor of an option that does not consider premium contribution at some point.

Co Chairperson also stated that with all of that being said, the Employer Group feels that an attempt to come to some agreement that solves the financial shortfall that the Consortium is trying to overcome is important and the group is willing to listen to a counter proposal from the employees to the offer that is on the table.

Dean Dietrich offered a counter proposal as follows:

- Include money in the amount of \$119,000 for a wellness plan.
- Include \$200,000 in plan design changes.
- The spokesperson did give information which suggested that a 10% increase in premiums was a reasonable increase.

Michael Kilroy stated that cost share of premiums was a more equitable way of sharing costs and would benefit those in lower income levels.

Tim Whipple indicated that he felt raising deductibles and co-pays would hurt retirees and support staff.

Following lunch, Co Chairperson Bower stated that the employers were having difficulty in determining how the employee group proposal is related to past discussions and questions surrounding cost share. Although neither side had agreed, a cost share of 10% had been discussed in the past and the employee proposal was considerably less than that.

Dean Dietrich stated that the goal of the employees was to make sure that the District premium increase was in line with other plans.

The Employer Group requested a caucus at 12:55 P.M.
They returned at 1:55 P.M.

Co Chairperson Bower stated that the employer group assumed that maintaining a 10% cost share was important to the employees. The Employers would have liked to see a higher cost share than that in the original proposal but were willing to consider less because premium contribution share was important and has value to the Employer Group. The following counter proposal was offered by Co Chairperson Bower:

The districts would pay a total of \$1,980,00 which would include \$1,000,000 plus the medical CPI of 4.2% (\$980,000). The additional shortfall would be born by the employees through plan design changes. This proposal would be based on a one-year agreement.

Dean Dietrich asked for clarification on whether wellness was built into the proposal. Mr. Dietrich also asked if the moratorium would be extended until June 30, 2008.

The Employer Group requested a caucus at 2:04 P.M.
They returned 2:30 P.M.

Co Chairperson Bower presented two options for a counter proposal as follows:

Option A would include:

- A wellness component.
- Extension of the moratorium for three year.
- Premium contributions and plan design changes.

Option B would include:

- A one-year deal with \$1,000,000 picked up by the school districts.
- Remove premium contributions.
- \$40,000 towards a wellness plan.
- No extension of the moratorium. (The moratorium would expire on June 30, 2007)

Michael Kilroy stated that he felt all employees should be contributing to the plan and that by raising deductibles and co-pays, the employees being targeted would be the ones using the plan and other individuals like himself who did not use the plan would not be contributing. An example given was an employee earning less than \$10,000 would only be paying \$22 for a year and could end up paying much more than that if the deductibles and co-pays were increased.

The Employee Group requested a caucus at 2:26 P.M.
They returned at 2:40 P.M.

Dean Dietrich reiterated his statement at the beginning of the meeting that cost sharing was not open for discussion. He pointed out that the proposals given did not meet this criteria.

Patrick Calnon indicated that it takes 14 votes to approve a resolution. He noted that some districts feel it is important to get some cost share on health insurance premiums. He pointed out that the employer groups would need to go back to their Boards on this matter.

Mary Moore moved, seconded by Paul Harrica that the Union Presidents be authorized to attend the Joint Governing Board meeting to be held February 8, 2007.

Yes - 17
No - 0,
Abstain - 1 (Keith Hazen), motion carried

It was also agreed that both groups would meet from 9:00 A.M. to 10:00 A.M. prior to the start of the meeting.

AGENDA FOR NEXT MEETING:

Major issues to be discussed at the next meeting scheduled to be held on February 8, 2007 at 10:00 A.M. at the Adirondack Educational Center are as follows:

- Discussion of Health Plan 2007- 2010

ADJOURNMENT:

Paul Harrica moved, seconded by Robin Jones that the meeting be adjourned.

Yes – 17

No - 0

Abstain - 1 (Keith Hazen), motion carried

Meeting adjourned at 2:55 P.M.

These minutes approved 2/8/07

Stephanie P. Bannon
Stephanie P. Bannon, Secretary