

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

JOINT GOVERNING BOARD MEETING

DATE: December 13, 2006

LOCATION: Adirondack Educational Center, Saranac Lake, NY

KIND OF MEETING: Regular

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

MEMBERS ABSENT: Daniel Bower, Christopher Nye

OTHERS PRESENT: Scott Amo, Superintendent, Saranac Lake
Stephanie Bannon, Secretary
Francis Barney, NYSUT Non-Instructional President, St. Regis Falls
Robert Bartlett, TLT President
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
Andrew Draper, St. Regis Falls Representative
Lyndon Farmer, Teacher Co-President, St. Regis Falls
Michael Gaudet, CSEA President, Tupper Lake
Margaret Hungerford, CSEA President, Malone
William Hungerford, CSEA President, FEH BOCES
Robert Lavoie, Teacher Co-President, St. Regis Falls
Paul Leahy, Saranac Lake Representative
Matthew Mayville, CSEA President, Saranac Lake
Besser McKee Hanna, MFT President
Elizabeth Mosher, BMT President
Celeste Norman, NYSUT Representative
Susan Perkins, Business Manager, St. Regis Falls
Patrick Quinn, Chateaugay Teachers Union Representative President
Polly McGeachie, CSEA President, Salmon River
John Simons, Salmon River Representative
Jacki Soucia, Chateaugay Representative
William Soucia, Chateaugay Representative
Ernie Stretton, Superintendent, Lake Placid
Karen Sullivan, NYSUT Representative
Rick Swanston, FEH BOCES Representative

CALL TO ORDER: Co Chairperson Moore called the meeting to order at 10:20 A.M..

APPROVAL OF MINUTES: Co Chairperson Moore asked for a motion concerning the minutes of the November 16, 2006 meeting. Dean Dietrich stated he would like to add a statement to the paragraph regarding cost comparison to include that the Consortium was 10% below the average. Paul Harrica then moved, seconded by Phillip LePage that the minutes be approved.

Yes - 15

No - 0,

Abstain – 1 (Keith Hazen), motion carried

DISCUSSION OF HEALTH PLAN 2007-2010: Patrick Calnon presented a power point presentation including several options on ways to maintain the plan for the future. He indicated that he had received information from all the Districts including their employees salaries and coverage. A question was raised as to whether or not the Joint Governing Board was authorized to make any changes in regards to employee contributions. Mr. Calnon indicated that it was his understanding that the Board had that right.

Following the presentation, the Employee Group requested a caucus at 11:30 A.M....Returned at 1:35 P.M.

Upon return from the caucus following lunch, Mr. DeSantis indicated that the Employer Group had discussed the long term future of the plan and the plan's ability to provide quality insurance coverage, as well as several points that he had been asked to convey to the full Board:

- The power point presented by Mr. Calnon does not represent an Employer Representatives Proposal. Rather, the Employer Representatives feel that it reflects the 10% participant share concept suggested by employee representatives in the last two meetings.
- Some portion of employee premium share is very important to most of the school districts.
- The Employer Representatives are concerned about the potential for "diminishing returns" from a totally plan design or claims reduction approach. This approach could discourage some individuals from using the plan due to increasing deductibles and co-pays.
- The Employer Representatives are concerned about the disproportionate impact a totally plan design or claims reduction approach could have on retirees and low income employees with total reliance on this option.

Dean Dietrich indicated that the Employee Group had shared the same philosophy as the Employer Group for the long-term future of the plan and to provide quality insurance coverage. However, he indicated that the Employee Group felt the best way to make changes was through plan design. He also stated that they would like to look at adding a wellness plan benefit.

The Employee Group requested a caucus at 1:45.... They returned at 2:00 P.M.

Patrick Calnon stated that a timeline should be set as budgets would need to be in place by March 1st.

David DeSantis presented the following Employer Representative proposal as a total package:

- A combination of plan design changes and premium contributions of \$1,375,000 per year for the next three years.
- A wellness component as well as discussion of a PPO (Preferred Provider Organization) Plan.

Mr. DeSantis indicated that the Employer Representatives expressed a preference for premium contributions for active employees only and would not include retirees.

Dean Dietrich requested a caucus at 2:08 P.M....

Robin Jones left at 2:09 P.M.

The Employee Representatives returned at 2:19 P.M.

Dean Dietrich offered a counter proposal as follows:

- Agree to add a wellness plan.
- Discuss phase-in of a PPO Plan for the future.
- \$1,375,000 for three years. However, the Employee Group felt that the total cost should be generated by premium increases and paid fully by the Districts.

Questions arose as to the \$1,375,000 dollar amount in the employer proposal. The Employer Group requested a caucus at 2:25 P.M.

Dana Wood left at 2:45 P.M.

The Employer Group returned at 2:50 P.M.

David DeSantis indicated that the \$1,375,000 dollar amount was incorrect and apologized for the error. He noted that it was not the intent of the employer representatives to propose that the employees would be responsible for the full amount after application of the Medical CPI.

Patrick Calnon reviewed several options with plan design changes and employee contributions.

David DeSantis presented a proposal based on the Districts payment of the Medical CPI with a means for a more equitable share of the remaining deficit. He proposed that the first year the Districts would pay a total of \$2,020,000 which would include \$1,040,000 plus the medical CPI of 4.2% (\$980,000). The additional \$1,000,000 would be born by the employees. This could include any combination of plan design and/or premium contribution such as \$500,000 in employee premium cost share and \$500,000 in plan design changes.

Dean Dietrich stated that the Employee Group would consider this as an Employer Group proposal and would respond at the next meeting.

It was also agreed that the Union Presidents would be authorized to attend the Joint Governing Board meeting to be held on January 10th.

It was also agreed that both groups would meet from 9:00 A.M. to 10:00 P.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 January 10, 2007 at 10:00 A.M. at the North Franklin Educational Center are as follows:

- Discussion of Health Plan 2007- 2010

ADJOURNMENT:

Dean Dietrich moved, seconded by Paul Harrica that the meeting be adjourned.

Yes – 13

No - 0

Abstain - 1 (Keith Hazen), motion carried

Meeting adjourned at 3:00 P.M.

These minutes approved January 10, 2007

Stephanie P. Bannon
Stephanie P. Bannon, Secretary