

# MINUTES OF THE AUGUST 3, 2018 SPECIAL MEETING OF THE BOARD OF TRUSTEES OF ST. PETERSBURG COLLEGE

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The Board of Trustees of St. Petersburg College met on Friday, August 3, 2018, at the St. Petersburg College Gibbs Campus, SS 202, 6605 5<sup>th</sup> Ave N, St. Petersburg, Florida. The following Board members were present: Chair Nathan Stonecipher, Katie Cole, Bridgette Bello, Bill Foster. Trustee Deveron Gibbons joined the meeting by phone. Also present were Tonjua Williams., President of St. Petersburg College and Secretary to the Board of Trustees. Proof of public notice of this meeting is included as part of these minutes. Notices were duly posted.

## NOTICE OF SPECIAL MEETING BOARD OF TRUSTEES, ST. PETERSBURG COLLEGE

The Board of Trustees of St. Petersburg College will hold a workshop to which all persons are invited, commencing at 12:00 p.m. on Friday August 3, 2018, at the St. Petersburg College Gibbs Campus, SA 114, 6605 5<sup>th</sup> Ave N., St. Petersburg, Florida. The workshop will be held for the purpose of the Board to review the health insurance plan designs and the presidential evaluation process. There are no rules being presented for adoption or amendment at this meeting, and no vote or official action will be taken by the Board.

A copy of the agenda may be obtained within seven (7) days of the meeting on the [SPC Board of Trustees website](#) at [www.spcollege.edu](http://www.spcollege.edu), or by calling the Board Clerk at (727) 341-3241.

If any person wishes to appeal a decision made with respect to any matter considered by the Board, he or she will need a record of the proceedings. It is the obligation of such person to ensure that a verbatim record of the proceedings is made. Section 286.0105, Florida Statutes.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the agency five business days before the meeting by contacting the Board Clerk at 727-341-3241. If you are planning to attend the meeting and are hearing impaired, please contact the agency five business days before the meeting by calling 727-791-2422 (V/TTY) or 727-474-1907 (VP).

**18-099.** In accordance with the Administrative Procedure Act, the following Agenda was prepared:

### AGENDA

ST. PETERSBURG COLLEGE BOAR OF TRUSTEES  
**August 3, 2018**

ST. PETERSBURG COLLEGE GIBBS CAMPUS, SS 202  
6605 5<sup>th</sup> AVE N.  
ST. PETERSBURG, FL

SPECIAL MEETING: 12:00 P.M.

I. Call to Order

Nathan Stonecipher  
Board Chair

II. Health Insurance Plan Designs (*Presentation*)

Michelle Manteiga  
Senior Benefits Manager

III. Presidential Evaluation Process

Mr. Stonecipher

IV. Adjournment

Mr. Stonecipher

If any person wishes to appeal a decision made with respect to any matter considered by the Board at its meeting August 3, 2018 he or she will need a record of the proceedings. It is the obligation of such person to ensure a verbatim record of the proceedings is made, §286.0105, Florida Statutes.

Items summarized on the Agenda may not contain full information regarding the matter being considered. Further information regarding these items may be obtained by calling the Board Clerk at (727) 341-3241.

Date Advertised: July 27, 2018

**18-100. Under Item I, Call to Order**

The meeting was convened by Chair Stonecipher at 12:00 p.m.

**18-101. Under Item II, Health Insurance Plan Designs**

Ms. Michelle Manteiga, Senior Manager, Benefits and Wellness presented the Health Insurance 2019 plan options. Ms. Manteiga stated health claims cost have had an average increase of 10% since 2017. When looking at claims for 2018, the college is trending 25% over 2017 claims for the period of January thru July 31<sup>st</sup>. Ms. Manteiga shared that in the last five years we only had one year where we had one month of claims exceed \$2 million dollars. In 2018, we have already had two months with claims exceeding \$2 million dollars.

Ms. Manteiga stated that the high-dollar claims are increasing. 2018 statistics show that we currently have 31 claims that exceed \$50,000. Out of those claims 58% are for chronic diseases. Only one of the claims for chronic diseases might drop off soon and the rest will be continuous claims. Ms. Manteiga shared that the self-funded balance is 32% less than where we were at the end of 2017.

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Ms. Manteiga presented that the goals of the proposed changes are:

- Allow SPC to maintain Safe Harbor requirements
- Align plan cost to current claim spend
- Minimizes cash infusions needed in future years.
- Shifts cost share – more sustainable longer term.

Ms. Manteiga shared the assumptions that should be considered when reviewing the plan proposals. SPC contributed a \$3.5 million cash fusion for 2018 to maintain safe harbor. If claims continue on the current path, then the college's share could increase closer to \$3.8 million. Assumption is to start 2019 having passed safe harbor. For the first four plans we are assuming minimal migration and the 5<sup>th</sup> plan option there would be a fairly significant consideration of migration. Ms. Manteiga stated the funding levels would be maintained by the college.

**Alternative 1:** Keeping existing plans as is, and increasing funding.

- Employee premiums increase 15% for 2019, 7% in 2020, and 6% in 2021.
- Employer contribution of additional \$1.1M for 2019.
- Actuarial value: 88/12 – POS and OA Select are platinum/ gold. HDHP is gold/silver.

Ms. Manteiga explained these are assumptions based on claims doing what we expect them to do. If claims continue to increase, there is no guarantee the increase in premium will be 7%, it may be higher. She shared that the plan would require an additional employer contribution of approximately \$1.1 million for 2019 based off current projections, but could be more depending on claims. She shared the actuarial values would remain almost the same at 88/12 for the HDHP, OA Select and POS plans due to the premiums would go up.

Chair Stonecipher asked if the \$1.1 million employee contribution is all inclusive of the 15% premium increase for 2019. Ms. Manteiga replied that the 15% would be the increase to the employee on the monthly premiums that they pay. The \$1.1 million is the additional funding the college would need to put in on top of their current funding.

**Alternative 2:** Realigning plans to match expense; creates 3 unique plans.

- Employee premiums increase 15% for 2019, 7% in 2020, and 6% in 2021.
- No additional employer funding needed.
- Actuarial value: 87/13 – POS, platinum; 82/18 – OA Select, gold; 75/25 – HDHP, silver.

Ms. Manteiga shared that the co-insurance is what the employee pays once they meet their deductible and before they reach their max out of pocket. She mentioned this is with the assumption that the premiums would increase 2019: +15%, 2020: +7% and 2021: +6%.

**Alternative 3:** Move employees from POS plan onto OA Select. Small plan changes to OA Select and HDHP plans.

- Employee premiums increase 15% for 2019, 7% in 2020, and 6% in 2021.
- Employer contribution of additional \$35k for 2019.
- Actuarial value: 85/15 – OA Select, gold; 77/23 – HDHP, gold/ silver.

Ms. Manteiga explained the difference in the POS plan the OA Select plan is that the POS has an out of network option whereas the OA Select does not. Ms. Manteiga shared that this alternate plan option would require a \$35,000 - \$50,000 contribution from the college for 2019 and it could shift depending on claims.

Chair Stonecipher asked if we know how many options other Florida state colleges offer for their plans. Ms. Manteiga stated that its typically two or three options. Very few institutions only offer one.

**Alternative 4:** Migrate all employees to HDHP.

- Employee premiums increase 15% for 2019, 7% in 2020, and 6% in 2021.
- Employer contribution of additional \$1.481M for 2019
- Actuarial value: 77/23 – HDHP, gold/ silver.

**Alternative 5:** Create “new” HDHP plan and OA Select plan. Open both plans to all employees.

- Employee premiums on the OA Select increase 20% for 2019. No increases to the HDHP premiums.
- No additional employer contribution needed.
- Actuarial value: 85/15 - OA Select, gold; 75/25 HDHP – silver.

Chair Stonecipher asked which plan would put the college into a solid financial position without having to revisit this every one to two years to make revisions. Ms. Manteiga replied that all three plans were created with the objective to create sustainable plans, but we will always have to make adjustments to keep up with medical costs. The goal of these plans is not to run into a deficit.

Dr. Williams shared in the past we had healthy reserves and when the claims increased we had the resources. Now that the claims have increased substantially the reserves are not as abundant. Dr. Williams shared that she has inquired if we can sustain being self-insured or if we may need to shift to the state’s insurance plan.

Chair Stonecipher stated that there is a lot of work being done behind the scenes to offer other programs within the college to minimize some of the claims going forward so that we can get out ahead of the rise in claims.

Dr. Williams shared that they are recommending option 5 and the purpose of bringing the options to the workshop was so that the Board had an opportunity to review and provide feedback. She stated that one of the hardest things coming in as president, was having a \$12 million deficit and not having the resources to pull from. She shared the college is working on reducing the reliance on the reserves, right-sizing our workforce, expectation of 75% of our budget to be personnel (currently at 77%), and looking at alternative ways to rebuild. Dr. Williams commended the college family on the work they have done this year.

Chair Stonecipher requested that for the August 21<sup>st</sup> BOT meeting to bring additional details on plan alternate two so that they can look more into options two and five.

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Mr. Foster inquired if there has been feedback from the employees regarding the health insurance plan alternatives.

Ms. Manteiga shared that throughout July, they have gone out to the campuses and presented to the employees the projection of 15-20% premium increases. Also, shared with employees what factors led to the projected increase.

Dr. Williams shared that she has received calls regarding the change. She stated this change impacts our Career Service employees more than any other division in the college due to lower salaries and having to pay more. Dr. Williams said that in her research we are still lower than the majority of other institutions on the employee contribution for insurance. She stated that there have been years where we have increased the administrators portion of pay and not increased the career service amount of pay. But we are bringing the best option forward that may be sustainable if we don't continue to have the increases in claims.

Ms. Bello shared that it looks as if alternative 5 has the largest impact with regards to cost.

Ms. Manteiga explained that the assumption with alternative 5 is that the college would see a 20 percent shift with employees moving from OA Select to the high deductible plan. She also shared that with the increase in 20%, we are expecting not to make premium increases in 2020 or 2021. But depending on how we do with claims in 2019 as we may have to do small premium increases.

Mr. Brian Miles stated that a few of the options required the college to put in a significant cash infusion. Mr. Miles shared that the funds to cover the cost of the plans has to come from somewhere within the college which is likely further reductions in personnel.

Ms. Cole inquired about the staggered premium amounts based on the category of employee. She asked if there are still differences in premium payments based on the type of employee.

Ms. Manteiga shared that we have a breakdown based on the salary bands.

Ms. Bello asked for the reasoning of recommending alternative five.

Dr. Williams explained that alternative five gives the employee options. Currently as a new employee they are only available to enroll into the high deductible plan. With this option it opens up for the employee to choose either the High deductible or the OA Select.

Ms. Manteiga added that employees will be able to choose the plan that suits their needs.

Ms. Bello asked if there is a way to get a guarantee to not have any plan increases.

Ms. Manteiga shared that we can't guarantee as the increase is based on the claims. If we have a good claim year in 2019 we would be able to build our balance.

### **18-102. Under Item III, Presidential Evaluation Process**

Chair. Stonecipher opened the discussion with reference to materials provided to trustees, attached, including the most recent SPC presidential evaluation tool, as well as sample evaluations from other Florida College System institutions and Association of Community College Trustees (ACCT).

Chair Stonecipher asked how do they want to evaluate the president going forward, what key points do they want to include in the evaluation and what changes should be made.

Ms. Bello suggested similarly to the sample evaluation from palm beach state college, not having to put a number when rating the president.

Ms. Bello stated that she would recommend an additional column alongside criteria to indicate “no opportunity to observe.”

Ms. Cole asked if the Board would want to see the President’s recent 360 evaluation as part of the overall presidential evaluation. In response to this question, Ms. Gardner stated that the President’s 360 evaluation was not be intended to be annual, however, the board could request that the results be included in the presidential evaluation.

Ms. Cole suggested adding a section on college-wide mission and success of strategic initiatives which could include metrics on institutional performance, graduation rates, responsiveness to the community, community fundraising, and an internal impact plan.

Chair Stonecipher suggested a category that outlines our strategic goals and wraps in academic excellence, economic mobility and community engagement. He also suggested that after the December strategic workshop adding those key priorities to the evaluation so that they can be measured.

Trustees also suggested an additional section on internal relations. Mr. Gibbons further recommended a section on institutional responsiveness as a main category to measure performance in that area. Chair Stonecipher commented that the budget section should include more specificity regarding fundraising by the president. Ms. Bello noted that Valencia College had a section on internal relations that includes employee relations, attracting employees and employee turnover percentage.

Trustee Foster brought up the fact that the presidential employment contract provides for an evaluation in June and any resulting action by the Board involving contract modifications occur prior to September 1, 2018. The question was posed with General Counsel, Suzanne Gardner, who stated that it would be permissible to request the president to enter into a short agreement extending that option through the general board meeting in September, subject to approval of Dr. Williams and the Board.

Chair Stonecipher summarized the discussion and considerations for the presidential evaluation at the upcoming Board meeting as follows: The Board of Trustees would like to review the president’s 360 evaluation before they conduct their evaluation. Trustees will accept from the

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president a summary of accomplishments that are reflective of the areas on the presidential evaluation. The Board Clerk will schedule individual meetings between trustees and the president for purposes of conducting the evaluation. Trustees will provide the Board Clerk and General Counsel with any recommendations for revising, or adding to, the current evaluation tool. The Board Clerk and General Counsel will work together to add any suggested edits to a draft document that will be provided to the Board on August 21 for finalization and use. Next year the evaluation will be conducted in June of 2019, and may be modified to include goals and strategic planning, and reflect that criteria adopted by the Board following the annual strategic workshop meeting in December.

**XII. ADJOURNMENT**

Mr. Stonecipher adjourned the meeting at 1:11pm

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**Tonjua Williams**  
**Secretary, Board of Trustees**  
St. Petersburg College  
FLORIDA

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**Nathan Stonecipher**  
**Chair, Board of Trustees**  
St. Petersburg College  
FLORIDA