

The Rockbridge County School Board held a special meeting on Thursday, March 8, 2018 at the Rockbridge County School Board Office.

Present: Chairman David McDaniel; Trustees Heather Hostetter, Wendy Lovell, Neil Whitmore; Superintendent Phillip Thompson; Clerk Rhonda Humphries. Absent: Trustee Corey Berkstresser.

CALL TO ORDER

Chairman McDaniel called the meeting to order at 4:35 p.m.

The purpose of the meeting was to conduct a Work Session.

HEALTH INSURANCE UPDATE

Jim Gordon, Principal, OneDigital Health and Benefits, provided a brief overview of the 2018 Health and Benefits Renewal Summary and Recommendations for Rockbridge County Public Schools.

Mr. Gordon stated that the initial Anthem renewal is a 13.5% increase with a revised renewal rate of 9.5%. There were no competitive options received from Optima, Signa, United, or Aetna in response to the completed Request for Proposal (RFP). These carriers declined to provide a quote. Mr. Gordon feels that those carriers are not able to penetrate facilities and discounts.

- Chairman McDaniel confirmed that some employees are concerned about the Augusta Health Center and the Anthem contract issue, but that at this time, OneDigital cannot find a solution.
 - Mr. Gordon stated that the contract issue is a separate financial issue with Augusta Health Center remaining out of network. He stated that talks between Augusta Health Center and Anthem are consistently taking place.

Mr. Gordon provided an overview of the three plan options recommended from OneDigital. He stated that the renewal option is reflective of a total premium estimated cost of \$261,000 at 9.5% for July 2018, based on the three plans currently offered by Rockbridge County Public Schools.

- Chairman McDaniel asked for confirmation that the Rockbridge County Public Schools administration is comfortable with a preliminary estimate of 10% at \$261,000.
 - David Daniels, Director of Financial Services, stated that some of the employer contribution will be picked up from other service lines and that it will not make a difference in the "Ask" of Board of Supervisors.

Chairman McDaniel stated that the insurance has gone up the past seven years that he has been on the Rockbridge County School Board which has resulted in having to ask the Board of Supervisors to fund it. The school system went to a high deductible option two years ago with the hope of controlling costs; however, there has not been much movement to the new plan by employees who are in the grandfathered plans.

- Mr. Gordon stated that, on average, most employees do not have large expenses, with hospital stays, and the high deductible may serve as money saved over time.
- Trustee Lovell inquired if there will be tools utilized during the open enrollment meetings for employees to see the impact of plans.
 - Mr. Gordon stated that there will be presentations to show the different tiers, to show examples of the online enrollment tool and how to utilize it, and provide financial tools that are aligned to help employees see the benefit of the plans.
- Mr. Gordon stated that he feels it is beneficial for employees to have a choice of the three plans, but to include an explanation to employees that the employer contribution structure may be changed in the future.

Mr. Gordon stated that for the plan year 2019, the combined proposal for Rockbridge County Public Schools, County of Rockbridge, and Lexington City would not be cost effective.

Mr. Gordon stated that his recommendation is to work with the 9.5% with a goal to get a better rate. His goal is to generate model scenarios that will reflect to employees where the school system is going.

- Chairman McDaniel confirmed that Rockbridge County Public Schools will have three plans, with a buy-up option, at the choice of the employee. He also stated that employees might find it beneficial to consider higher deductible plans as a way to save money long-term.
- Trustee Lovell stated that she feels the goal of the school board is to put more money in employee pockets referencing that if the school system has to spend more funds on healthcare for employees, it may take away from raises.

- Haywood Hand, Assistant Superintendent, inquired if OneDigital may have representatives available at open enrollment meetings so employees who desire can meet individually to discuss their needs.
 - Mr. Gordon confirmed that they will have representatives available to meet individually with employees at open enrollment meetings.

Mr. Gordon stated that there are no changes to the voluntary Delta Dental insurance rate or benefits. This is year two of a 2-year rate guarantee.

Mr. Gordon stated that he will be present at the joint meeting with the Rockbridge County Board of Supervisors on Thursday, March 15, 2018.

BUDGET UPDATES

Superintendent Thompson provided a brief overview of the FY19 State Revenue Estimate Comparison, based on ADM of 2540 as follows:

- Governor's 2018-2020 Introduced Budget (as of December 2017)

Governor's Proposed Budget:	\$15,215,181.00
FY 18 Budget:	\$14,503,524.00
Potential Gain from FY18:	\$ 711,657.00
- Proposed House Amendments for 2018-2020 Biennial Budget

House Proposed Budget:	\$15,302,543.00
FY 18 Budget:	\$14,503,524.00
Potential Gain from FY18:	\$ 799,019.00
- Proposed Senate Amendments for 2018-2020 Biennial Budget

Senate Proposed Budget:	\$15,201,782.00
FY 18 Budget:	\$14,503,524.00
Potential Gain from FY18:	\$ 698,258.00

Chairman McDaniel inquired if there are any mandates.

- Superintendent Thompson stated that there are not any currently but will check for 2020, as there may be restrictions at that time.

Superintendent Thompson stated that he anticipates that the FY19 Budget Planning Estimations-Revenues, based on ADM of 2540 reflecting an estimated grand total of additional funds needed for FY19 and offered the following scenarios:

- Total "Ask" from the locality based on Governor's Proposed Budget: \$486,959
- Total "Ask" from the locality based on House Proposed Budget: \$403,045
- Total "Ask" from the locality based on Senate Proposed Budget: \$503,806

Superintendent Thompson recommended that the board continue to use the Governor's Budget as a working tool.

Chairman McDaniel asked for clarification that the budget could accommodate a rise in the insurance rate, if necessary.

- David Daniels confirmed that the current working budget could accommodate the rate adjustment.

Chairman McDaniel stated that there has been a question of why the ADM (Average Daily Membership) number of 2540 is being used and not 2580. The ADM number used is an average of the past 5 years. He stated that he conveyed this information to John Higgins, Chairman, Rockbridge County Board of Supervisors.

- Superintendent Thompson stated that students graduating early from Rockbridge County High School impact the ADM but that it is important to remain somewhat flexible with education and to work with students to enable them to graduate instead of dropping out. He also stated that ADM is contingent upon daily attendance.
- Trustee Lovell stated that this is a trend statewide, not only Rockbridge County.
- Chairman McDaniel that even when students finish early, the cost to the division remains the same; no change in number of teachers.

CLOSED MEETING

Under Section 2.2-3711.A (1) of the State Code, Chairman McDaniel recommended that the Board go into a *Closed Meeting* to discuss one personnel matter. Motion was made by Trustee Lovell, seconded by Trustee Hostetter, and passed by 4-0 vote.

The Board entered into the *Closed Meeting* at 5:41 p.m.

The Board returned to open session at 6:37 p.m.

Trustee Lovell read the following motion to Certify the Closed Meeting:

WHEREAS, the Rockbridge County School Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the Code of Virginia requires a certification by this School Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rockbridge County School Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted by Virginia law were discussed in the closed meeting to which this certification applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered.

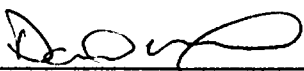
Upon initial motion of Certification of Closed Meeting by Trustee Lovell, and seconded by Trustee Hostetter, the motion passed by the following roll call vote:

Trustee Hostetter	- Aye
Chairman McDaniel	- Aye
Trustee Whitmore	- Aye
Trustee Lovell	- Aye

There was no action taken as a result of the Closed Meeting.

ADJOURNMENT

Upon motion by Trustee Hostetter, seconded by Trustee Lovell, and passed by 4-0 vote, the meeting was adjourned at 6:38 p.m.



David B. McDaniel, Chairman



Rhonda B. Humphries, Clerk of the Board