

**MINUTES OF BOARD WORK SESSION
BOARD OF TRUSTEES
ST. LOUIS COMMUNITY COLLEGE
Friday, January 20, 2017**

A work session of the Board of Trustees of St. Louis Community College was held on Friday, January 20, 2017 at the Forest Park Campus, St. Louis, Missouri, pursuant to notice and in accordance with R.S. MO 610.020 as amended.

Call to Order/Roll Call

Ms. Joan McGivney, Chair, called the meeting to order at 11:15 a.m. The following members of the Board of Trustees were present: Ms. Joan McGivney, Chair; Mr. Rodney Gee, Trustee; Ms. Hattie Jackson, Trustee, and Mr. Derek Novel, Trustee. Dr. Doris Graham, Vice Chair, Ms. Libby Fitzgerald, Trustee, and Dr. Craig Larson, Trustee, were absent.

Also present were Dr. Jeff Pittman, Chancellor; Ms. Mary Nelson, General Counsel; Mr. Bill Miller, Associate Vice Chancellor for Human Resources; Mr. Paul Zinck, Vice Chancellor for Finance and Administration, and Ms. Kristy Arciszewski of Arthur J. Gallagher & Company.

1. Employee Benefits

Ms. Nelson explained that any trustee covered under the College Insurance Plan is ineligible to vote on employee benefits, as it would be considered a conflict of interest. She also explained that the strictest interpretation of the law would also restrict such Trustees to not be allowed to state their viewpoints in the discussion. The Board reached a consensus that it would allow such Trustees to participate in the discussion to understand their perspective.

Mr. Zinck reviewed Fiscal Year 2017 Revenues and Expenditures with the Board, followed by projected Health Insurance costs for FY 2018. He advised the Board that Health insurance costs make up 9 percent of total operating expenses. He said that due to our claims last year, there is currently projected to be no increase in premiums in the current year.

Ms. Arciszewski then shared a comparative data plan providing options between the current PPO plan and a new a Health Savings Account (HSA) plan. Ms. Arciszewski shared charts showing cost/rate projections for employee/family plans 90/60, 85/60 and 85/50 scenarios, each assuming a hypothetical 10 percent migration to the new plan. Ms. Arciszewski pointed out that even a 10 percent employee migration to one of the new plans would save the college approximately a half-million dollars. She pointed out that she did look at offering a high-deductible plan under the current plan as requested by the Board last month and determined that there was no clear benefit to the college or employee. The high-deductible plan will only be beneficial if a new plan is adopted, using a higher employee co-pay of the premium. She stated that the industry standard on health care is 75%/25% and 80%/20%. (The employee paying 25 or 20 percent of the premium.)

The Board requested that Ms. Arciszewski generate additional charts showing cost/rate projections of 75/60 and 75/50 and to present these to the committees and the Board.

The Board then looked at the current Board Policy C.27 Group Insurance Plan. It was noted that this policy has been in place since March, 2006. Mr. Zinck, Dr. Pittman and Ms. Arciszewski agreed that the current cost share scenarios of the College paying 90 percent of the premium and the employees paying 10 percent give the administration no flexibility for cost savings.

Dr. Pittman said the first \$146 million in budget cuts may just be the beginning. There may be more cuts in February. Employee costs and benefits account for approximately 77 per cent of the college's expenditures. He suggested going to an 80/20 cost share premium between the college and the employee, but that the Board should consider going with wording of "not less than" due to more anticipated budget cuts. Using the words "not less than" gives the college more options in the future.

Mr. Miller suggested taking smaller, incremental steps in changing employee benefits, as it would be easier on employee morale. Ms. Arciszewski recommended changing the premiums in a year when there is no increase, as it will be easier for the employees to make the shift.

Mr. Zinck presented a timeline for insurance enrollment as follows:

January 20: Discussion at Board Work Session
February: Presentation to Benefits Advisory Committee, Leadership Team and Governance Councils
February 23: Present recommended changes at the Board of Trustees Meeting
March/April: Present information to employees/participants
April: Open enrollment begins
May: Begin Contributions
June 1: Plan year Begins

It was the consensus of the Board that the college proceed with the above timeline of meetings with the above-mentioned committees in February, using the four cost/rate charts and to make recommendations. There was a positive dialogue about changing the Board Policy to a not less than 80/20 coverage and not less than 50 premium for dependent coverage.

2. Adjournment

There being no further business to come before the Board, the Board Work Session was adjourned at 12:16 p.m.

Respectfully Submitted,

Rebecca Garrison
Associate for Board Relations