

MEA Bargaining 2016-2017
Session #9

Thursday, March 09, 2017

Those present: Pat Barber, Sara Brown, Melissa Cohen, Jacob Davis, Helen King, Melanie Newhall, Bruce Proud, Rebecca Roberts, Lesli Strickland, Bill Vogel and Dawn Walker.

Meeting began at 4:12 p.m.

Bill began by looking at the statute and talking about where we are. After the special magistrate (SM) report is issued such recommendation shall be discussed by the parties. Each recommendation shall be approved unless specifically rejected in writing within 20 days. Management went back and reviewed proposals we made after ratification failed and noted some things that were important to MEA: Go with 4/3 model instead of 3/2, COLA and longevity. Budget is a challenge. Look at options while still staying within 3%. SM looked at salary counts over past 4 years, but there has been a change in budget model this year. We are extremely tight. Had to take \$2 million out of fund balance already. Bill asked Rebecca to talk about how the district is budgeting funds.

Rebecca – We worked hard to identify where it is we have gains. Where appropriate we took advantage of gains in beginning of budget process. The good news is that we are coming in where she told Dr. Greene. Bad news is that we don't have any gains to take. Doesn't leave us opportunity for gains where we have had them in previous years. This morning she reviewed the forecast for this year, and we are very close.

Bill stated that topics for discussion include longevity, COLA, Supplements, 4/3 instead of 3/2. Barriers he identified include health insurance for those with a spouse and retro pay.

Because teachers are the only employee group not paying the health insurance increase it amounts to \$243,000/month that the teachers are not paying. That amount is actually more money than the retro that the teachers would be getting. Look at that as a "balance out." Retroactive pay for teachers would cost \$235,000/month. Bill asked what can we put together that MEA would be willing to send out to ratification utilizing concept MEA brought to table last time? District would like to avoid going to the school board. Retro would be a challenge for this organization to provide for more than one reason. Our goal is to see if there is something we can put out for a vote and avoid going to a hearing.

Bruce – where are we with retro?

Rebecca – We are not prepared to offer retro. 1. Cost 2. I don't think anyone in district wants another fiasco with payroll the way we had in December. I know it is not your problem but my problem. We do not have the technical expertise to do that anymore.

Bill – to offset that we have already paid look at COLA, one-time supplement. We can show that we are giving more. We can make it up to you with the COLA and longevity, even though the special magistrate rejected

those items. We want to do longevity even though the SM said no. We agree with longevity, but we want to talk about it.

Bruce asked, can you document payments into the health insurance fund? We haven't seen reports in the health insurance committee in 2 months.

Rebecca stated that the district put in \$243,000 per month for 3 months in February. She was misinformed and thought we were doing higher contributions but we were not. She authorized her staff to move payments for December, January and February. Payments will continue since we couldn't have another open enrollment until late April or May.

Bruce – The concept of not paying retroactive pay is extremely troubling for the future. If you are not able to pay retro, future negotiations will need to be completed before the beginning of the work year.

Rebecca – I am interviewing for new payroll manager tomorrow. We don't have the expertise now but we will in future. We have to engage a JDE expert to train people to put in place.

Bill – I see this as a one-time event, not establishing a past practice (Rebecca agreed). We think we could make the case that we have made up for the retro.

Bruce – Not having retro doesn't really sell at ratification for those who do not have a spouse. You turn the tables around and have another group of people not interested in ratification.

Bill – It is difficult to differentiate in your group. Have to look at this way. If we can't agree, board is going to do whatever they are going to do, not sure if that's what the board will do. They know the condition of the system. That would be your position if you went to the board.

Bruce – The money has to be appealing to those individuals. Are we talking about 4/3? What are we really talking about?

Bill – Longevity would be what we had before. Identical TA with tweaking – not retro – but would be for next year with some payment this year - \$2100 with 16 years and \$3600 – whatever the rest of the year's pay would be. If we're able to settle tonight what payday would this go into effect? At least longevity would be the same concept continued. We wouldn't be missing anybody. There wouldn't be 2 groups to get caught up next year.

Rebecca – it would depend on ratification.

Bruce – Ok, that's longevity. That's 58 people.

Bill – COLA –open with 3/2 model. Open to including longevity and either a \$300 supplement or a \$300 COLA (one-time supplement) and that would help make up for that and then get health insurance explained out. OR open to a 3/2 model no retro, longevity and a \$300 COLA not retro. Move every step on salary schedule up \$300 then do 3/2. Or we're open for accepting 4/3. GF and HE on PP get 4. Nothing retro. Cannot do retro. Our 2 biggest issues are retro pay and changing HI premiums. Everyone else is doing that; anything else would be insurmountable. We think we've made great strides.

Bruce – What makes health insurance insurmountable?

Rebecca – We can't go back and collect premiums and we can't give back premiums we've collected. What you have done – effectively the population of teachers avoided paying higher premiums for entire year. They avoided the HI increase. Would be unfair not have teachers on the same plan as everyone else. Everyone else has had to adjust or pay the increase. That is not a position management is willing to take.

Bruce – You're not in a position to change?

Rebecca – We are not going to go backward. Not going to change HI plan.

Bill – Aon made it clear that the plan is not actuarially sound. Chart that showed trust fund dipped down below \$5M. This happened in St. Johns and they went broke.

Bruce – MEA is not changing the overall amount of money in HI plan. I understand. I was here. I wrote a long list of questions to reveal the dilemma. The district's position is clear. Either the district pays or the employee pays and the district's position is that the employee pays more.

Bill – In past years instead of more burden being put on employees it was not. Maybe we should have done it gradually. I feel like we are making a good faith effort.

Bruce – For the value of conversation, it's appreciated. I don't think it goes far enough for ratification. We have a SM report. It's a dilemma. People start reading it and realize what it says. If we don't come up with something that makes it good or better how do we ratify?

Rebecca – I think most people know I try to give the facts. If we tried to pay for the total we would be at 2.2% fund balance. As of this morning's forecast I think it would be 1.89%.

Bruce – Your credibility is not good with me.

Rebecca – I don't care.

Bruce – You testified in the special magistrate hearing about McKay. You stated that it would have an \$800,000 impact on the budget from the \$2.6 million. You would have had to budget less for McKay scholarships than what they were three years ago to need \$800,000 more. It was only \$200,000 more compared to last year.

Rebecca – Regardless of what I said about McKay it is a pass-through. I don't get to use it anyway. That's because it was higher than budgeted. No one can touch it.

Bruce – Then it's really not part of \$2.6M. It's a pass-through of \$200,000 not \$800,000 in a hearing under oath. And I'm wondering why and about the credibility of the budget director.

Why did you budget \$3.4? That's a good questions for the board.

Bill – Here we come in with options for considering. Let's just keep it that way. We have put a lot of time in this. The budgets are never stable and you never know how many will retire. I think we can adequately explain.

Bruce – And I question everything in budget because of that. How can I rely on budget? Why would that make sense?

Bill – you can question but we are sitting right at 3%. You would have opportunity to try to convince board. If that's where we are going to end up. That would be fine. Rebecca is CFO. She has better grasp of finances than anyone else and has lost lots of sleep.

Bruce – We understand pressure when we hear from teachers. I don't see how not doing retro really provides perspective in anyone's mind that they are going to come out ahead.

Bill – In HI no one comes out ahead.

Bruce – Where does it provide offset?

Bill – We have been paying increased premium for 6 months. That is more than retro pay people would have received for those who would have been paying the increased premium.

Bruce – And they have not been happy with it. They would be paying a little less.

Bill – Who knows what's going to happen in future?

Bruce – Is that a threat?

Bill – No. Who knows what's going to happen with Obamacare?

Bruce – What makes HI insurmountable?

Rebecca – It is not a position district can take. We can't afford it.

Bruce – Where is the appeal? You have an increase that does not add anything in teachers' pockets.

Bill - \$300 supplement. One-time payment.

Rebecca – One-time payment in paycheck.

Bill – As soon as we could ratify.

Bruce – does \$300 cover the retro?

Bill - \$300 + HI is more

Rebecca – We got to this point because we had to protect 40% who would see increases. Now you are concerned with 60%? You damaged them. Only 40% were going to see increase. The rest would have seen no increase or decrease.

Bruce – We didn't choose. They chose.

Rebecca – You are not going to make all of them happy.

Bruce – we already know that your position is not going to be acceptable to 40% with spouse. How do we get 60% to see as viable option and vote for it even though I didn't vote for it last time and it was detrimental to my colleagues? Not as good as TA.

Reb – If I were one people of those people . . . You increase everyone's pay by \$300 and that's appealing with 3/2. Though not retro they see that in next year's salary. Won't see in any other scenario. 4/3 is continuing but not all would get something. Only under 3/2 does everyone get something.

Bring total cost of package equal to or better than surrounding counties.

Bruce – You're dead last in effectives.

Bill – Overall package we are.

Bruce – No one else faced with sizeable increases. \$6M in Pinellas. I haven't seen your comparability.

Rebecca – It was \$4.9M for last year.

Bill – We contributed.

Bruce – I'm waiting to hear comparables for this year.

Bill – We received less than 1% from state.

Bruce – like everybody else did.

Bill – We only had so much and that's all that we can do. We can move forward with what is called for in 447 if that is what you want. We made a good faith effort. Disappointed with your reaction.

Bruce – You still have not come up to where TA was.

Rebecca – We are even or a little better than the TA. I don't have my computer with me. Total package 4.5% for 300 – even 5% total package.

Health insurance is like a huge amount you can't overcome as a total package. \$3.5M in the hole as a minimum.

Bruce - Let's see some data for once that shows that the data is true.

Rebecca - \$243K x 3 months – \$750K. 3 months before we can do open enrollment. \$1.7. That's part of package. \$845,000 for \$300 for all teachers. Total package 6.3M that's 5%.

Bruce – You took money out of health care and then put it back and credited it back.

Rebecca – You didn't. \$4.6 went back into HI. Or \$3.6M, don't quote me.

We had \$5.1 to work with.

Bruce – You're holding it against us.

Bill – We're not getting anywhere.

Bruce – We're trying to figure out what it is. Trying to be clear about where we are.

Bill - \$300 supplement, 3/2 model, no retro and longevity

3/2 model, COLA not retro

4/3 model and longevity, not retro

We have already paid more money in HI than retro.

Bruce – you haven't paid yet but anticipate that you will. I'm taking her word that it has been for 3 months because the data has not been provided to us. We'll be happy to discuss it.

Caucus at 5:05 p.m.

Reconvened at 5:42 p.m.

Bruce – We reviewed proposals and did calculations about what it would be to employees, what employees would get and would not get, impact on each of them next year. Of course that's subject to negotiations for next year. And other than what you're contributing to HI for those with spouse. Calculations don't come out different than what TA said.

Bill – Your argument for ratification failing was for 40%. Health insurance will help those people. I understand your point and your challenge.

Bruce – it's a bigger challenge than last time because of the special magistrate's report. That's the standard now. Why would I vote for something less than that? That's normally what happens at a Legislative Body hearing when SM disagrees with us. So I don't see it as something we can take to ratification.

Bill – we will take a caucus and talk about that.

Caucus at 5:45 p.m.

Reconvened at 5:58 p.m.

Bill – Let's move to logistical aspect to move forward. Hearing – best day would be March 27th at 5 p.m.

Bruce – another day?

Bill – unfortunately Mr. Miner is in Tallahassee that week. That’s the problem. That’s the only day we will have a full board.

Pat – That’s the first day back and we have a constitutional responsibility but we will figure that out.

Bill – Next steps are that both parties have to send a letter to PERC regarding our position on the recommendations. Bill will provide copy of what we will send to PERC in a.m. Rejecting salary and retro pay, rejecting overall increase in health insurance and accepting recommendation to deny COLA and longevity. Superintendent shortly thereafter will send letter to board that has the recommendations that district has for settling impasse issues. What is your timeline on those 2 areas?

Bruce – We will obviously send a letter to board as well as to how to recommend solving issues. We don’t need to respond if MEA is accepting all 4 issues unless we change our mind in the next couple of days. No response is required when you’re accepting. The deadline is 3/14/17.

Bill – Format for the hearing: since we started last time, you start, 20 minutes, management, no cross, board asks questions.

Bruce – no cross no rebuttal? I’m requesting time to rebut. Usually the person who goes first has the opportunity to rebut.

Bill – do you want to do just the 20-20?

Bruce – no. give me 30 minutes and I’ll reserve some time to rebut.

Bill – you do closing, we do closing.

Total of 30 minutes each.

Association

Superintendent

Association

Superintendent

Meeting adjourned at 6:08 p.m.