

BOARD OF EDUCATION
(Official)

November 30, 2016
Elizabeth, New Jersey

A special meeting of the Board of Education was called on November 30, 2016 at 5:30 p.m., in the Multi Purpose Room, Donald Stewart Center for Early Childhood Education, 544 Pennsylvania Avenue, Elizabeth, New Jersey.

Board President Charlene Bathelus presented the following statement at 5:55 p.m.

“Ladies and Gentlemen, good evening. This is a special meeting of the Board of Education. Pursuant to New Jersey Statutes and the rules adopted by the Board of Education, notice of this meeting was sent to The Star Ledger and Cablevision of Elizabeth on Monday, November 28, 2016. In addition, this notice is posted on the Bulletin Board in the lobby of 500 North Broad Street, and pursuant to this act, a copy has been filed with the City Clerk of Elizabeth.”

“I wish to extend a warm welcome to everyone present to this November 30, 2016 meeting of the Board of Education. We are here to govern, provide management oversight, and make policy for the district. The Superintendent manages the district. This is a meeting of the Board in public, not a meeting of the public.”

“This meeting is being recorded and will become part of the Elizabeth Board of Education permanent record. In order that the recording will adequately reflect the proceedings, please refrain from talking while others are speaking. I also ask that you silence the sound on your electronic devices. Since it is legally mandated that these proceedings be accurately recorded, I may have to ask for order periodically should noise begin to interfere with our recording capabilities. I am pleased that you have taken time this evening to join us. Thank you for your interest in the Elizabeth Public Schools.”

“There will be a public portion for citizens to address the Board. Participants for the public portion must sign in prior to the commencement of public participation so that they may have the opportunity to speak. The sign-in sheet states the name, address, telephone number and reason that the person wants to comment, whether it is an agenda item or a general education comment.”

Present: Mrs. Carvalho, Miss Goncalves, Messrs. Neron, Rodriguez, Ms. Bathelus – 5
Absent: Mrs. Amin, Messrs. Nina, Perreira, Trujillo – 4

Superintendent of Schools Olga Hugelmeyer, School Business Administrator/Board Secretary Harold E. Kennedy, Jr., Assistant Superintendent for Schools Rafael Cortes, Interim Assistant Superintendent for Human Resources Francisco Cuesta, Co-General Counsel Jonathan Williams, Esq. of DeCotiis, Fitzpatrick & Cole, LLP, and members of the public were in attendance.

Pledge of Allegiance

Ms. Bathelus thanked Board Vice President Maria Carvalho for leading the last meeting in her absence.

Board President Bathelus presented the following public participation statement.

“At this time, the microphones are open for public comment to those who have signed in prior to this session. I shall call individuals to the microphones based on the order of the sign-in. Each statement made by a participant shall be limited to three minutes in duration. The total time of public comment shall be limited to sixty minutes. No individual is able to yield their time to

another individual. All statements shall be directed to the presiding officer; no participant may address or question Board members individually. The following rules for public participants shall apply: time limits will be strictly enforced, no personal attacks on individuals, no vulgar or indecent language, a person may address the Board no more than once during a single meeting, speakers should refrain from naming individuals, and comments or questions posed during public participation will not be debated. As a reminder, this is a meeting of the Board in public, not a meeting of the public.”

Ms. Bathelus called upon the first public participant, Maria Lorenz, to address the Board.

Maria Lorenz, 103 Murray Street, spoke about transportation concerns, bus accidents not being reported, the hospital policy not allowing parents to be with their children, and the need for cameras on busses.

Ms. Bathelus thanked her for her comments. Since there were no other citizens to address the Board, Ms. Bathelus declared this portion of the public meeting closed.

Mrs. Hugelmeyer addressed the hospital concern and stated that she understood that it is a priority of Trinitas Hospital to allow parents to be with their children and will follow-up with Trinitas Hospital.

Ms. Bathelus introduced Edmund A. Palmieri and George Mouded, Economic Planning Group, and Chris Brazzano, Acrisure LLC, to present a review of medical benefits.

Mr. Palmieri, Economic Planning Group, stated that the Economic Planning Group was hired as an insurance consultant and one of their charges was to look at all the benefits including medical, dental, prescription, and vision benefits. Mr. Palmieri stated that Acrisure, LLC was hired as the broker for health insurance/major medical, prescription, dental, and vision and has been working diligently on prescription, dental, and vision to lower the rates. Mr. Palmieri introduced Chris Brazzano, Acrisure LLC, to present the medical benefits review.

Chris Brazzano, Acrisure LLC, presented a 2017 medical benefits review and stated that the charge was if the Elizabeth Board of Education can obtain “equal to or better” medical benefits outside the State Employee Health Benefits Program (SEHBP) in a manner of minimal disruption of service and continuance of comprehensible medical coverage. Mr. Brazzano explained the current Elizabeth Board of Education Medical Insurance Program with its current insurer, SEHBP, covering approximately 3,426 employees in 17 PPO/HMO plans. Mr. Brazzano stated that the 2017 SEHBP rate increase is 8.10% which is an additional premium of \$4,975,258. Mr. Brazzano stated that they solicited for proposals for “equal to or better” than the current medical benefits and received four proposals from Aetna 15 month, Aetna 18 month, AmeriHealth, and Horizon. Mr. Brazzano showed a comparison with the monthly premiums, percentage increase/decrease from the current medical plan premiums, and savings. Mr. Brazzano stated that Aetna has agreed to hold the rates for a February 1 start date making it essentially a 17-month contract. Mr. Brazzano stated that Aetna supplied a letter stating that they will match benefit for benefit and is committed to ensuring a smooth transition for the employees and families of the Elizabeth Board of Education. Mr. Brazzano explained the Aetna network comparison overview of providers and hospitals and a chart of Aetna contracted hospitals in five surrounding counties. Mr. Brazzano stated that he has a list of New York hospitals that are covered as well. Mr. Brazzano stated that Aetna has a dedicated staff to help facilitate the initial enrollment and going forward. Mr. Brazzano stated that concludes his report.

Ms. Bathelus asked if any employees of the district had questions. Since no one came forward, Ms. Bathelus asked if there were any questions from Board members.

Mr. Neron asked if an employee has been seeing a specialist for a chronic illness how will that be affected.

Mr. Brazzano stated that the specialist may already be in network. Mr. Brazzano stated that Aetna will provide a coordination of benefits so that you can maintain seeing that specialist, even if they are not in network with Aetna, for the remainder of the treatment.

Mr. Rodriguez commented that the district he works in just switched to Aetna. Mr. Rodriguez stated that the guaranteed savings of almost \$1.8 million will go directly to the classroom and the money will be used to do a lot of things we need to do. Mr. Rodriguez stated that over the years we said we were going to come into this Board of Education to make sure to find any kind of money we can to go straight into the classroom. Mr. Rodriguez stated that we know health care costs keep going up and up and it seems like Aetna is being very aggressive in trying to take a lot of customers away from Horizon. Mr. Rodriguez stated that there are some teachers who have some severe cases and are stressed about it and we are going to have to work with them on an individual basis. Mr. Rodriguez stated that we have been always able to guarantee good health benefits and we are going to try to continue to do that. Mr. Rodriguez thanked Mr. Brazzano for what they will be doing and for the town hall meetings that they will be having.

Mrs. Carvalho asked how will the town hall meetings happen in order to have a smooth transition and stated that not everyone may be computer savvy to fill out the new forms which may be confusing. Mrs. Carvalho stated that she needs reassurance that this team that is going to come in and help this transition happen without any more stress than we are putting on the staff.

Mr. Brazzano explained that the transition process is giving us two months to do this. Mr. Brazzano stated that we could do whatever works for everyone's schedule including webinars, town hall meetings, and individual meetings that we hold after for people who have personal things they don't want to discuss in public. Mr. Brazzano stated that we are anticipating getting a tape currently from the State Health Benefits that has everyone's enrollment and directly inputting that into Aetna in the same exact plan that they are in today and then deal with the changes during the open enrollment meetings.

Mrs. Carvalho asked what happens to someone who is on sick leave or on COBRA.

Mr. Brazzano stated that we will reach out to those people directly.

Mrs. Carvalho asked if the benefit for children still stays at 26.

Mr. Brazzano stated that yes, it is still 26. Mr. Brazzano stated that everything is identical to what you have today.

Ms. Bathelus asked if there is a reason why we are not changing dental, vision, or prescription and only medical.

Mr. Brazzano explained that dental, vision, and prescription benefits were renewed in July. Mr. Brazzano stated that with a 17-month contract all of the benefits will renew in July.

Mrs. Carvalho asked about dental surgery.

Mr. Brazzano explained that if it is covered now, then it will be covered.

Ms. Bathelus thanked him for the information.

Resolution – Terminate All Participation under the State Health Benefits Program and School Employees' Health Benefits Program (including Prescription Drug Plan and/or Dental Plan Coverage)

A motion was made by Miss Goncalves, seconded by Mrs. Carvalho, that the resolution be adopted.

The motion was carried by the following vote:

Affirmative: Mrs. Carvalho, Miss Goncalves, Mr. Neron, Ms. Bathelus – 4

Abstain: Mr. Rodriguez – 1

Negative: None

Resolution – Authorize Placement of Health Benefit Coverage with Aetna effective February 1, 2017

A motion was made by Miss Goncalves, seconded by Mr. Neron, that the resolution be adopted.

The motion was carried by the following vote:

Affirmative: Mrs. Carvalho, Miss Goncalves, Mr. Neron, Ms. Bathelus – 4

Abstain: Mr. Rodriguez – 1

Negative: None

Mrs. Hugelmeyer stated that this is a very important issue for all of our team members. Mrs. Hugelmeyer stated that Mr. Kennedy, Mr. Cuesta, and she will be working very closely with Mr. Brazzano to schedule as quickly as possible multiple orientation sessions throughout the district at varying times to ensure that we make the opportunity available to everyone to come out and learn about the change in our health insurance and ask their questions. Mrs. Hugelmeyer stated that we will ensure that the sessions are translated appropriately as well.

Mr. Neron stated that he wanted to reassure the employees of the district that we are highly concerned about the benefits that we provide as a district. Mr. Neron stated that all the questioning and review that we have been doing over the past couple of weeks has been to ensure that no hardship or stress will be caused. Mr. Neron stated that any issues that you do encounter you have a full team and the full support of this Board as well as the gentleman that presented tonight and the consultant that we are working with to make sure that this is a seamless process and you should have no concern. Mr. Neron stated that he knows there is a lot of propaganda out stating that we are about to devastate the lives of so many people and change things drastically. Mr. Neron stated that the ultimate goal of what we are doing tonight is to make sure that we can save some dollars, put those dollars back into some necessary services, put it into the classroom and that we have all the necessary staff and support and resources we need to run an effective school district. Mr. Neron stated that we want to reassure the employees on that level. Mr. Neron stated that the Board will be held accountable for it and we are holding our team accountable. Mr. Neron thanked the gentlemen for their presentation tonight and for reassuring this Board that we are moving in the right direction.

Mrs. Carvalho stated that they do not take change lightly and this decision was made in the best interest of our district. Mrs. Carvalho stated that if in any way we thought that this would affect any service to the employees of the district it would not be here. Mrs. Carvalho stated that she knows that the unions were involved and we would not bring this forward without knowing that the unions were okay with this. Mrs. Carvalho stated that the Superintendent, Assistant Superintendents, and numerous committee meetings were held in order to bring this to the table tonight. Mrs. Carvalho stated that you can be assured that your service and everything that can be done will be done so that it is a smooth transition. Mrs. Carvalho stated that everyone sitting up there will make sure that happens and make sure that this company works with the best interest of all of our employees.

On a motion by Mr. Rodriguez, seconded by Miss Goncalves, the meeting was adjourned at 6:35 p.m.

The motion was carried by the following vote:

Affirmative: Mrs. Carvalho, Miss Goncalves, Messrs. Neron, Rodriguez, Ms. Bathelus – 5

Negative: None

Harold E. Kennedy, Jr.
School Business Administrator/Board Secretary