

University of Central Missouri
Board of Governors
Teleconference (Open)
October 10, 2012

The University of Central Missouri (UCM) Board of Governors convened a special meeting via teleconference on Wednesday, October 10, 2012, at 9:30 a.m. The call originated from ADM 204 on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting and participating by phone was Board President Marvin E. Wright. Other Board members participating by phone were Governors Gus Wetzel II, Walter Hicklin, and Edward Baker. Governors Mary Dandurand, Weldon Brady and Kyle Shell participated in the call from ADM 204. Governor Mary Long was unable to attend the meeting and was excused. Also present and participating from ADM 204 was University President Charles Ambrose; General Counsel Henry Setser; Assistant Secretary to the Board Monica Huffman; and Dr. Deborah Curtis, Mr. John Merrigan, Mr. Rick Dixon, Mr. Jeff Murphy, and consultant Bob Charlesworth of Charlesworth Benefits, LC.

Call to Order/Roll Call– Agenda Item No. 1

Mr. Wright called the meeting and asked Ms. Huffman to call the roll. It was determined that a quorum was present to conduct business.

2013 Health Insurance – Agenda Item No. 2

President Ambrose stated that following the Board's September Work Session, staff invested much effort into researching and preparing viable options for the Board to consider for the University's 2013 health insurance. He asked John Merrigan to present the information.

Mr. Merrigan referred the Board to a briefing paper that was distributed electronically to members prior to the meeting (Attachment 1). He reviewed the information contained in the briefing paper and discussed the different options for the 2013 health insurance in greater depth. Following his review, Mr. Merrigan stated management was recommending that the Board consider and approve "Option 3: Modified Cost Plan, Plus Modifications to Certain Co-pays" for UCM's 2013 health insurance.

The Modified Cost Plus feature adds a terminal liability, self-insurance fund for claims run-off of approximately 2.5 months of claims incurred by not reported if the plan was later terminated with Blue Cross/Blue Shield. The University would hold and invest the self-insured funds. This option also raises the current plan's copays for: a specialist visit from \$20 to \$40; urgent care visit from \$20 to \$40; and emergency room visit from \$75 to \$100. The co-pay for a general practitioner would remain the same at \$20. Mr. Hicklin expressed concern regarding the impact increased co-pays will have on employees and their families. President Ambrose said that a benefit change is something that must be considered if we are to reduce the premium increase from the originally proposed 9.5% to 4.65% for both the University and its employees, who also contribute to the premium costs.

Mr. Baker expressed hope that the rising costs of health insurance would influence employees to make healthier choices that lead to better and improved health. Dr. Wetzel provided information related to copays and the influence they have on a patient's decision to see a general practitioner or a specialist for basic illnesses.

Following the Board's discussions, *Mr. Baker moved that the Board of Governors approve Option 3 of the proposed options for UCM's 2013 health insurance as shown in Attachment 1. The motion was seconded by Dr. Wetzel and carried with the following roll call vote:*

<i>Walter Hicklin</i>	<i>aye</i>	<i>Weldon Brady</i>	<i>aye</i>
<i>Edward Baker</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Gus Wetzel II</i>	<i>aye</i>	<i>Marvin E. Wright</i>	<i>aye</i>

Mr. Brady remarked that he was pleased to see the various constituencies represented on the UCM Health Insurance Committee that will be established to work with the development and evaluation of bids for the 2014 health insurance. He noted that a retiree was not listed and asked if one should be appointed to represent this group. Mr. Dixon said yes, the group should be represented and an individual will be appointed to represent this group. Mr. Wright asked if UCM would obtain a consultant to help develop a Request for Proposals. Mr. Dixon answered yes.

Hourly Wage Consideration – Agenda Item No. 2

Mr. Merrigan presented information contained in a briefing paper that was distributed electronically to the Board prior to the meeting (Attachment 2). He noted that salary considerations are typically brought to the Board in the Spring as part of the annual budgeting process. However, given the current economy that has impacted the cost of food, utilities, health care insurance and gas prices, and a growing concern by all employees for our lowest paid employees, the University is asking for the Board's consideration to raise the minimum hourly wage rate for UCM's full- and part-time hourly employees who are subject to UCM's classification and compensation system.

The Board had a lengthy discussion related to improving compensation for the University's lowest paid employees. This discussion included the pending forecast for the next budget year, which has not yet been determined. In an effort to soften the economic impact on this group of employees, it was suggested that the University increase the lowest hourly wage for full- and part-time hourly employees that fall under UCM's CJS system, from \$8.00 per hour to \$8.50 per hour. This will also allow the lowest paid employees to have some assistance now and allow the University time within this budget year to further consider how it might improve wages for employees and still stay within any budget constraints of the upcoming budget year.

Mr. Baker moved that the Board of Governors approve the implementation of a new minimum hourly wage rate of \$8.50 per hour for UCM full- and part-time employees that are subject to UCM's classification and compensation system. The motion was seconded by Mr. Brady and carried with the following roll call vote:

<i>Walter Hicklin</i>	<i>aye</i>	<i>Weldon Brady</i>	<i>aye</i>
<i>Edward Baker</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Gus Wetzel II</i>	<i>aye</i>	<i>Marvin E. Wright</i>	<i>aye</i>

Other – Agenda Item No. 4

There was no further business to discuss.

Request for Closed Session – October 10, 2012 – Agenda Item No. 5

Ms. Dandurand moved that pursuant to the Missouri Revised Statutes, Section 610.021(12), that the UCM Board of Governors meet in closed meeting, with closed record and closed vote, for the purpose of considering contractual matters. The motion was seconded by Dr. Wetzel and carried with the following roll call vote:

<i>Walter Hicklin</i>	<i>aye</i>	<i>Weldon Brady</i>	<i>aye</i>
<i>Edward Baker</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Gus Wetzel II</i>	<i>aye</i>	<i>Marvin E. Wright</i>	<i>aye</i>

The meeting concluded at 10:20 a.m.

**University of Central Missouri
Board of Governors
Plenary Session
Attachments Listing**

<u>Attachment No</u>	<u>Attachment Description</u>
1	<i>Briefing Paper 2013 Health Insurance</i>
2	<i>Briefing Paper – Hourly Wage Considerations</i>