

**LAKE TECHNICAL COLLEGE**  
**Board of Directors Special Meeting**  
**October 11, 2016**  
**2:30 p.m.**

The Board of Directors for Lake Technical College held a special meeting on Tuesday, October 11, 2016. Chairperson, Mr. Fred A. M. Cobb, called the meeting to order at 2:30 p.m. in the Board Room, Eustis, Florida.

**DETERMINATION OF A QUORUM:**

**PRESENT:**

**Board Chairpersons:** Chairperson, Mr. Fred Cobb, Vice-Chairperson, Dr. Issac Deas

**Director Members:** Mr. Mickey Gauldin, Mr. C.A. Vossberg, Mrs. Judy Beda

**Officers:** President, Dr. Diane W. Culpepper, PhD, Treasurer, Mrs. Lorraine Foster, Secretary, Mrs. Lana F. Payne

**Not Present:** Member, Mr. Joe Baxter, Tavares Fire Chief, Richard Keith

**APPROVAL OF THE MINUTES:** None.

**PUBLIC COMMENT:** None.

**PROGRAM SPOTLIGHT:** None.

**REPORTS:** None.

**UNFINISHED BUSINESS:** None.

**CONSENT AGENDA:** None.

**NEW BUSINESS:**

**RFA: Amendment to 2015-2016 Ending Budget** Dr. Culpepper stated that prior to the meeting, Board Members were provided a brief explanation as to why a new vote was required on the 2015-2016 Ending Budget. She asked Mrs. Salter to provide additional information to Members to help answer any questions regarding the amendment.

Mrs. Salter summarized that Lake Technical College (LTC) employees are District employees. The District has insurance through Blue Cross Blue Shield (BCBS), but a portion of the insurance plans are self-funded; any claims up to \$250,000 the District pays and anything above that amount, another insurance pays. Over the last School Year, claims have well-exceeded what the District planned or reserved for. Because Charter schools participate in the District's Health Insurance plans, each school pays its fair share of those costs. Last week, the District billed all of the Charter schools for their fair share in overages; however, the bills were dated June 30, 2016. She was only provided with a bill with an amount but, there was no calculations, explanation, or supporting documentation provided with it. Mrs. Salter stated the total in overages was

approximately \$4.2 Million and the District's portion of that was approximately \$3.8 Million; the Charter schools combined portion was approximately \$400,000.00; LTC specifically \$51,943.00.

A conference call took place between the Charter school principals and the District's Chief Financial Officer (CFO) on Thursday, October 6<sup>th</sup> to answer questions about the billings and to get a better understanding of how the District underestimated by this significant amount and how it could be prevented from happening again. The District's response was that some catastrophic claims went through and were not anticipated in addition to a fourth Wellness Center being opened in Clermont. For years, the District had not increased insurance rates for employees.

Mrs. Salter explained to Members that the insurance rates in 2014-2015 School Year were approximately \$61.45 per employee, in 2015-2016 the rates increased \$182.00. Based on that increase, she thought she had provided enough of a buffer when planning for 2016-2017. But, the rates were increased to \$314.00 per employee this year. Starting this year, the District will begin to annualize their insurance claims each month, so that they can better project costs for the year, see trends, or address concerns as they occur. The District will begin providing monthly reports of the annualized claims to Mrs. Salter so that she is able to plan accordingly.

Mrs. Salter informed Members that the audit deadline was extended because information pertaining to Florida State Retirement (FRS) is needed from the District. Because of the extension, the adjustments can be made to amend the 2015-2016 Ending Budget which requires Board approval once again to show that Members are aware of the change and are in agreement with backdating to last year. She confirmed that new insurance rates are calculated into the budget. In closing, Mrs. Salter stated that even after this expense is paid, the Net Surplus, (or increase to Fund balance), for the year will be \$317,000.00.

With no further discussion,

Member, Mr. Mickey Gauldin moved **APPROVAL OF THE AMENDED 2015-2016 ENDING BUDGET.** The Motion was seconded by Vice-Chairperson Dr. Deas; the motion carried.

**DIRECTOR'S REPORT:** None.

**DATE/TIME OF NEXT MEETING:**

Pre-scheduled meetings for 2016-2017 school year:

- *Special Meeting & Workshop*      *TBD (Mid-November)*
- Second Quarter:      Monday, December 12, 2016 (location TBD)
- Third Quarter:      Monday, March 6, 2017 (location TBD)
- Fourth Quarter:      Monday, May 15, 2017 (location TBD)

**All meetings to begin at 4:30 p.m.;** locations are to be determined at off-campus school extension sites.

**ADJOURNMENT:** The meeting adjourned at 3:00 p.m.

Respectfully submitted,

*Diana W. Culpepper*  
Executive Director