

RECORD OF PROCEEDINGS

**Minutes of Franklin Township
Franklin County, Ohio**

Special Meeting

**Held via Teleconference
COVID-19 Emergency Declaration
Ohio's Open Meeting Act**

November 5, 2020

Call Meeting to Order:

Chairman Alex called the Regular Meeting of the Franklin Township Board of Trustees to order at 4:00 p.m. on November 5, 2020, via teleconference (ZOOM).

Roll Call: Alex, yes; Fleshman, yes; Horn, yes.

The Pledge of Allegiance: Led by Trustee Fleshman

Approval of Prior Meeting Minutes:

Alex made a motion to suspend approval of prior meeting minutes. Fleshman seconded the motion; with no discussion, the roll was called and the vote was as follows:

Alex: YES/ NO **Fleshman:** YES/ NO **Horn:** YES/ NO

Motion passed.

Old Business:

Alex stated the first item on the agenda being a possible consideration of a resolution regarding a new insurance broker for Franklin Township. He stated he was confused by the entire process that is happening. "I think in the last Special Meeting we had, I was confused even more about the reason we are doing things, the process that was used, what impacts the employees the most. I am unable to articulate the problem and the proposed solution in order to explain it to our employees. I know that there were some compliance issues, I know that we are going to address compliance issues at our next regular scheduled meeting."

Alex then handed over the meeting to Fiscal Officer Mary Rhinehart.

Rhinehart read and recommended the following resolution:

Resolution 2020-215

CHANGE OF AGENT OF RECORD OF 2021 EMPLOYEE HEALTH & LIFE INSURANCE TO PREFERRED BENEFITS

BE IT RESOLVED by the Board of Trustees of Franklin Township, Franklin County, Ohio, that the Board approves a "***Change of Agent of Record***" to Preferred Benefits Services Agency, Inc., 611 S. Sandusky St., P.O. Box 868, Delaware, OH 43015, via their current representative Brian Lenzo, (or successor) to provide all employee health and life insurance services on November 19, 2020, and:

WHEREAS: A "Letter of Authorization", if necessary, will allow Brian Lenzo to represent the Township regarding the processing and conversion to

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the renewals of all policies from this date forward. Open enrollment for 2021 will be completed by Brian Lenzo.

WHEREAS: *Brian Lenzo will provide a similar manual process of reimbursing HRA claims occurring between November 19, 2020 through December 31, 2020, so as to allow for a smooth transition to debit cards on January 1, 2021.*

THEREFORE: *Linda Faulk, of The Individual and Group Health Insurance Agency, LLC, shall:*

Section 1: *Complete all HRA service claims covered/incurred through November 18, 2020, and:*

Section 2: *Present a final invoice to the fiscal office per the June 9, 2020 Memorandum of Understanding (MOU) attached Exhibit A, by December 31, 2020.*

All services are subject to review and acceptance by the Township Fiscal Officer.

Alex stated that he was not prepared to make a motion on the resolution. He stated: "We have not done our due diligence. I am still very confused as to what the original problems are. My understanding is there were some problems, we have not remedied those in the timeline that we discussed at our last meeting. I am not opposed to making a change at some point, but I don't understand the extreme urgency, the lack of communication with our employees, the lack of communication with the Board. I should know what I'm going to be voting on and understand it.

Fleshman asked Rhinehart if the only change will be the vendor and nothing else regarding the employees.

Rhinehart replied that only the Agent of Record would change and the only change for the employees would be the use of a debit card versus the manual process effective January 1, 2021.

Alex replied:

"I don't know why we haven't interviewed multiple agents. If we really wanted to make a change in problems, we should have first tried to remedy the problems, and we should really shop around if we are going to make a big change. We have been burned in the Township before when we make a change and switch to someone else, to a better shiny object, and maybe it is better, but I want to know what our options are before we take action on something and have had the proper time to vet things. In the past the Fiscal Officer has pushed a lot of things and I think the Township has done a really poor job in taking our time and making the right decision. Ultimately this may be the right decision but we should make sure we are thinking through all of this, getting other options, vetting everything so we can say we are doing the right thing and give the reasons why."

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Rhinehart replied:

“I have sent you probably fifty pages of information regarding various concerns about other issues. All I am asking at this point is to change an Agent of Record.”

Alex replied:

“Have we asked other Agents of Record, have we looked around for other options? How did you conclude that this is the right person for us versus the Board interviewing people? This is technically a Board decision. I know that there are always turf wars between the Board and the Fiscal Office but this is the Board of Township Trustees, we are the ultimate decision-makers, we should be making recommendations, we should be interviewing other people, we should be actively making sure we are doing our job, and I am not going to use my job in doing the due diligence of the taxpayers of this Township and making changes without thoroughly vetting things.

When we buy new equipment or new fire engines, we put it out to bid. When we bring in new vendors, we interview multiple vendors. When we hired a Township administrator, we had an open process and posted that position and we interviewed multiple people and had multiple public hearings, our employees were engaged and our residents are engaged.

When we are making decisions that impact people, particularly our employees, our employees should have their say in this process because they are impacted.

Maybe we don't talk to all of the employees because of their elected representatives in their bargaining units, but with their bargaining units, we are able to articulate problems.

Even if this is the right change, our employees need to know why we are doing it, they need to be part of the process, we need to be working together so that we are united and know that when we are deciding, we know the reason why we are doing it.

I think there is a lot of confusion and unknown, a lot of that could be mitigated by us talking to one another and bringing more people into the net. I think when we do that, when we decide like this, we are in a place where we can say we have all done our due diligence and everyone knows what is happening. Not everyone is going to be happy with it, but at least we have done what we said we would, not have special meeting after special meeting with a different vendor we have never met or put out to bid or never interviewed other people.

Sending out fifty pages of documents, I am not an insurance person, I need to be taught these things, I need to understand it. I have learned a lot, but I don't understand the change we are making.”

Rhinehart replied:

“It is not a change in any of the benefits or policies, it is strictly a change in Agent of Record, and as I explained before, we had concerns for compliance for our auditor's state auditing, not her audit, our audit, and those were not

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complied with. We had another issue with ESP, right now we just need to stop the bleeding.”

Alex replied:

“While it may not be like the immediate money we are spending, there is a significant amount of money that has crossed paths, whether that be through the insurance company or other things. For us not to look at all of our options, this is mismanagement of the tax dollars that we have been entrusted to protect.”

Rhinehart replied:

“I have received the increase for the current policy which could not get provided by the current agent and it is slated for a 21.8% increase which will be \$191,004 in premiums and without changing policies, that is what we are facing.

The situation with Preferred Benefits, they work with many other townships, they are versed in all of these issues, they can look at negotiating that rate. They have many other benefits which are provided to you, and they can have us in compliance immediately.”

Trustee Horn questioned Mary regarding the rate increase.

Rhinehart replied:

“The insurance provider will determine the increase. They tell you what the premium will be for the next year, whether there is an increase or a decrease, that is a renewal figure that they provide.

All I am asking for is a new agent to allow them to work with the 2021 figure and provide an additional benefit of the debit card.”

Trustee Horn expressed his confusion about the 21.8% increase.

Chairman Alex commented:

“We should shop around and get a couple options, we should compare our options.”

Trustee Fleshman commented:

“If the Board is confused, I would rather withdraw my motion for the Resolution and allow the Board to be clear before we make any decision.”

Rhinehart replied:

“I don't think you understand. If you shop, you have to do Form Fire, and that is going to take time, you need to have employees fill out everything. If you shop, that means you are going to be changing the carrier and the services provided and you have to give a sixty-day notice to the union. There is just not time to do that before the renewal.”

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Alex replied:

“We should have engaged the union in the first place. I think we really need to look at our options before we make a decision with a single vendor and with limited information.”

Rhinehart:

“There is no change in the services except to add the benefit of a debit card. Why would we have to discuss that with a union?”

Alex replied:

“The unions have an equal seat at the table when it comes to the benefits that are provided by the Township you are employing, so we can't unilaterally make those decisions without them coming to the table and being part of those discussions. That is part of the collective bargaining agreement for all three bargaining units. This would be a change of service to them and if we were to unilaterally decide now, they would go to arbitration and we would then be in a worst-case scenario where we would have to change and break a new contract.

It is about making sure we are all on the same page and working together. I am not saying “no” to this, I just want to make sure we have everyone a part of the conversation that needs to be, that we have all of the information, that we have accurately shopped around so that we can make an informed decision.”

Fleshman agreed with the added benefit of employees using a debit card but stated that if the Board was not comfortable, they should table the discussion.

With no further discussion, Alex asked Administrator Mark Potts if there were any questions from the public.

Potts stated there was a question from Nick Schirtzinger:

“Don't we get a voice as the bargaining body regarding employees?”

Chief James Welch spoke and asked Potts not to answer any further questions from firefighter employees, they are to go through him or through the union to address the Board of Trustees.

Ron Delozier was given the floor to speak.

Delozier:

“We do have a say in this. The last time we made a change, we believed one person who told us they were making this one little change and it's going to be amazing, and it was awful.

I don't understand the rush. At the last special meeting we had, it was understood from everybody this was a rush, it was too fast, and it probably wasn't going to happen this time and we should wait until the next season if we wanted to shop our vendors out. That is completely fine. If we want to shop, we can shop, we can sit it out and try to figure out what's going on. Rushing is proof it is improper, and you are absolutely correct. If this goes through in a rush without us having a say at the table, we will see you at arbitration.

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Thankfully it sounds like the Board has made the correct decision to do things the proper way.

If I can say anything about our insurance now, I will say 100% on the Fire side, our members absolutely love Linda Faulk and the Individual Insurance Group. She has gone out of her way to make everything we need possible. We have multiple members in our department with children who have very specific needs. Linda has spent hours with each of our members trying to make sure they are taken care of within the boundaries of our current insurance policy. I have had personal conversations with Linda Faulk, and she can provide us with a debit card if that is what we want.

I am not sure what the communication breakdown is between Linda and the Township, but let's work on fixing that communication breakdown. Let's not hastily make changes to our insurance program and change brokers which were unilaterally picked without anybody else's input or anybody else having a chance to speak with this person.

At a time when we are losing positions in the Fire Department, the only steady thing we have is our insurance and for our members to sit back and hear that somebody wants to unilaterally change our benefits, it is horrifying.

We need some sort of stability. If we are able to hold on to anything right now, it is the fact that we have good insurance.

I appreciate all three Board members for making the right decision.”

Trustee Horn wanted to make a recommendation that the department heads and others who should be involved get together for discussion regarding employees' insurance.

Linda Faulk asked to speak.

“I would just like to personally apologize to John Fleshman for my behavior in the last few meetings. It was very unprofessional of me to call you to the table regarding my question that you're being on the health insurance, just my previous service. I do hope that you accept my apology. I was not prepared for that meeting and was just not thinking correctly and did not mean to disrespect you, John, or any of the members on the Board.

Just for the record, there again, my apologies and I'm sorry for acting so unprofessional and I didn't want that to turn out the way it did. That's not where I was going, but it ended up getting a little ugly.

As your current agent, I promise you that I am always there to give you the best price for your insurance, to make sure that your product line and the cost is there. I can match any competitor, any other agent's rates. What it comes down to is relationship and service after the sale.

I am very anxious to share my ideas with you. I know Mary is very interested in removing our current system of the HRA and I definitely feel that I can bring some ideas to her that are going to be very cost-effective, that we have a good working relationship moving forward.”

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Rhinehart replied:

“She misrepresented me. I said that we would continue with everything we currently have which is an HRA, so I don't know where she got the idea that I was going to do away with one. That definitely was not in the plan.”

Brian Lenzo of Preferred Benefits asked to speak:

Lenzo:

“I would be willing to talk to anybody at the Township, the Trustees, the Union reps, whether it be one-on-one discussions or in group chat. There definitely seems to be some misunderstanding. A change to a broker does not change your benefits at all. The plan that you have today with HRA, none of that changes. The only thing that changes is the service would now be handled by myself and my team at Preferred Benefits and we add different layers of services for the Township which would include compliance which we have already identified quite a few things that you're not doing today that should be and things that are opening you up for liability including the way the HRA is currently reimbursed, the manual process with your existing broker.

Our agency has been in business since 1994. We have over 300 group clients and every one of them would be happy to speak to you and talk about the level of service we provide.

The one-on-one interaction with your employees in helping with claims, navigating through the process, that in my biased opinion would be the answer for you. The things that we have already brought to the table for Mary and the Township are things that were not being provided or discussed with you from your current broker.

I welcome the opportunity to talk to any of the members, any of the employees on an individual setting or in a group setting to make sure everyone is comfortable with myself and my team at Preferred Benefits.”

Adjournment:

With no further discussion, Alex adjourned the meeting at 4:44 p.m.

Aryeh Alex, Chairman/Trustee

John Fleshman, Vice-Chairman/Trustee

Ralph Horn, Trustee

Mary Rhinehart, Fiscal Officer