

Inlet Grove Community High School
Governing Board Meeting
Conference Room 102A
October 22, 2024 12PM
Emergency Board Meeting

Dr. Charles Woodard Called the governing board meeting to order at 12:13 pm at the Inlet Grove Community High School Conference Room 102A in Riviera Beach, Florida. Those in attendance and constituting a quorum were:

Present:

- Dr. Charles Woodard, Chair
- Dr. Emma Banks, CEO
- La Voise Smith, Vice Chair
- Clarence Williams, Secretary
- Bill Washington, Treasurer
- Lonnie Martens, Board Member
- Danny Jones, Board Member- **Google Meet**
- Jim Pegg, Board Member- **Google Meet**
- Francisco Lopez, Principal
- Monica Banks, Assistant Principal
- Annette Gardner, Financial Consultant- **Google Meet**
- Anita Williamson, Finance/Bookkeeper
- Natacha Dominguez, Administrative Assistant

- **Investment Funds:**
 - \$628,000 in leftover referendum funds was reviewed.
 - Proposal to invest funds in a five-year plan, with interest and settlement funds factored in.
 - Investment rate options:
 - 3 years: 4.5%
 - 5 years: 4.75%
 - 7 years: 4.8%

- **Reserve Contributions:**
 - The board contributes \$15,000 monthly to the reserves, now totaling approximately \$800,000.
 - The reserve remains untouched, with only interest and settlement funds under consideration for investment.

- **Total Investment:**
 - \$2,153,132.83 available after setting aside \$1,005,540 for prior commitments.
 - The board is weighing options for low-risk investments.

- **Commission Concerns:**
 - Lonnie Martens raised concerns about commissions associated with annuity products.

- Mr. Lopez agreed to check with the financial advisor regarding commission fees and alternatives like CDs.
- **Discussion Dialogue:**
 - **Lonnie Martens:** "I think it's important. I hope you all agree."
 - **Ms. Gardner:** "No question. It's the right move."
 - **Lonnie Martens:** "There's always a commission."
 - **Clarence D. Williams:** "Could there be a commission percentage?"
- **School Bus Purchase:**
 - Approval for a new school bus costing \$150,548 was discussed.
 - Jim Pegg asked about fund transfers and whether the purchase required moving funds to capital.
 - **Clarification:** It was confirmed that fund transfers to capital were not necessary.
 - **Action:**
 - *Motion by Jim Pegg:* Approve the purchase of the school bus without transferring funds to capital.
 - *Seconded by Danny Jones.*
 - **Vote:** Unanimously approved.
- **Health Insurance Discussion:**
 - Annette Gardner raised concerns about staff dissatisfaction with the current Blue Cross Blue Shield plan.
 - Mr. Lopez explained the process of getting quotes from multiple brokers.
 - After surveying the staff, 50% preferred Cigna over alternatives like Curative, and Mr. Lopez recommended proceeding with Cigna to meet staff needs.
- The discussion focuses on choosing between health plans (Aetna vs. Cigna), with input from brokers and employees.
- Inlet Grove conducted a survey where most employees preferred Cigna, likely due to familiarity.
- The brokers recommend similar products, with slight differences in premiums (around 5-10 cents).
- Clarification is needed on what the contributions from the school and employees would be, given that the school intends to cover 50% of the lowest plan (around \$300 on a \$600 plan).
- The board is considering whether to present both plans (from both brokers) to employees again for final review, including detailed benefits and services.
- Time is a factor, as a decision must be made in the coming days.
- A new broker was introduced, but both brokers are providing similar product offerings.

Annuities vs. CDs Discussion:

- A question was raised about the recommendation to invest in annuities versus CDs, focusing on higher interest rates in annuities.
- Concern expressed about commissions on annuities, which may be higher than on CDs.
- CDs typically don't have commissions, whereas annuities often do.
- Clarification sought on the commission structure for annuities and how it compares to non-commissioned products like CDs.
- CD interest rates are currently lower, with a 5-month CD offering a 3.92% APY and a 12-month CD offering 3.5% APY.
- The team discussed the potential future drop-in CD rates and whether reinvestment would be beneficial.

- Inquiry about whether jumbos (larger investments) offer higher CD interest rates—confirmed that no special rates exist for jumbos in CDs.

Health Plans Decision Discussion:

- Aetna and Cigna are the two health plan options being discussed, with input from brokers and employees.
- A survey conducted among employees revealed a preference for Cigna, likely due to familiarity with the provider.
- Brokers are offering similar plans with minimal differences in premiums (around 5-10 cents).
- Clarification is needed on the contribution from the school (50% of the lowest plan) and from employees. The lowest plan costs around \$600, so the school would cover \$300.
- It was suggested to present both plans to employees again for a detailed comparison, including the additional services each plan offers.
- There is urgency as the final decision needs to be made within a few days.
- **Action:**
 - *Motion by Clarence Williams with Health insurance options in proceeding with possible Cigna as the new health plan provider based on staff preference, while confirming the final benefits and premiums with the broker.*
 - *Seconded by Danny Jones.*
 - **Vote:** Unanimously approved.
 - **Follow-Up:** Mr. Lopez will finalize terms with the broker and report back to the board.

Annuities vs. CDs Discussion:

- Lonnie Martens raised concerns about understanding the commission structure of annuities versus CDs.
- Martens requested more transparency on the commission fees associated with annuities compared to the non-commissioned nature of CDs.
- Ms. Williamson mentioned she wasn't sure of the exact commission rate for annuities but promised to obtain the information.
- Martens requested that all disclosures and commission details be provided in writing for better decision-making.
- Annette Gardner inquired if the amount the school plans to invest needs to be disclosed to the broker, with Martens clarifying that commission rates are based on the product, not the investment amount.
- Martens emphasized the importance of not putting all investments in one basket, suggesting a combination of annuities and CDs for better risk management.

Actionable Steps and Clarifications Needed:

- Gardner suggested the board vote on the dollar amount the school intends to invest.
- Martens reiterated the importance of receiving a prospectus and other relevant documents to make an informed decision.
- **Clarence D. Williams** raised questions about the rationale behind deciding on a dollar amount without full clarity on the business impact.
- Mr. Lopez mentioned they would get projections and rate comparisons for annuities and CDs, along with commission rates, before proceeding.

- It was decided to table the discussion until more information is available.
- Once the requested information (prospectuses, commission details, and projections) is obtained, it will be shared with the board for further review.
- A final decision will be made once the board has all the necessary information to evaluate the investment options.

Next Steps:

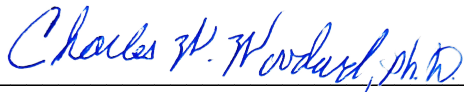
- Mr. Lopez will follow up with financial representatives about commission fees before voting on the investment.
- The board will finalize the school bus purchase and insurance decision in the next meeting.

Discussion Points:

- Lonnie Martens raised concerns about higher commissions typically associated with annuities versus CDs.
- The board requested further details on commission structures and a comparison of projected returns for each investment option.
- **Action:**
 - *Motion by Lonnie Martens:* Table the decision on investment allocation between annuities and CDs until a prospectus and commission details for annuities are provided.
 - *Seconded by Clarence D. Williams*
 - **Vote:** Unanimously approved.

Meeting Adjourned: The meeting concluded with consensus to address any outstanding items in the forthcoming board meeting.

Next Governing Board Meeting November 12, 2024 12pm



Dr. Charles Woodard
Board Member Approving Signature

11/11/2024

Date: