

## SRPE and SRCSD Negotiations

August 24, 2015

SRPE Representatives: Rhonda Chavers, President (RC), Jeanette Miller, Venetta Schang, Marie Bodi, David Godwin, Landra McCrary, Ruth Blackmon

SRCSD Representatives: Steve Ratliff, Chief Negotiator (SR), David Gunter, Floyd Smith

Mr. Ratliff notified SRPE that Mr. Wyrosdick had a statement that he would like to communicate to the bargaining committee. Mr. Wyrosdick delivered the following statement:

Good afternoon,

My express purpose is to convey to you the background regarding our offer today. **This message represents the desire of both your Superintendent and your School Board members to provide for all employees in a fair and appropriate manner.**

I do not come to argue with you about fund balance, Financial Condition Ratio or restricted budgets, but to express our **(and I mean the Board and myself)** desire to give our employees **as much as we can as soon as we can.**

May and June of 2015 were months we received some unexpected financial windfalls. These windfalls came in the form of tax sale certificates, an increase in FTE funding from FLDOE in late July 2015 and collection above the 96% budgeted threshold required by the state. These dollars came to us unexpectedly and are not recurring. Much like the additional dollars from the Navarre Beach settlement, we have no promise or expectation that they will reappear in our revenue next year. As a side note, in speaking with Property Appraiser Greg Brown, Mr. Brown shared that he met earlier this year with Mr. Godwin and Ms. Chavers and they validated that these dollars were **not** recurring. Let me be clear; IF this revenue was recurring, the Board and I would be putting more into a salary schedule. These dollars are NOT recurring.

**The Superintendent and Board desire to use some of this financial windfall to the benefit of our employees. In mutual agreement, the Board and I present, in addition to the already proposed salary increase, an additional 1% one-time payment to each employee for the 2014-15 school year.**

To clarify, the 1% proposed payment will not be part of the salary schedule since the funding for the 1% dollars is nonrecurring. The 1% proposal is from windfall dollars and if approved, will be issued as a one-time payment. This proposal of the 1% one-time payment is contingent upon acceptance of the Board's current proposed "Grandfathered" and "Performance Pay" schedules which reflect the Board's proposed salary increase.

In making this offer, we believe we can reward employees and maintain a growing Financial Condition Ratio. As I shared earlier, our desire is to give our employees **as much as we can as soon as we can.** I feel confident, with your help, our employees can have these dollars in October. **The Board and I maintain the responsibility to grow our Financial Condition Ratio and continue to be solvent.** A growing FCR is watched very carefully by those that service our financial needs such as bonding companies and the Office of the Auditor General. It simply means we are not spending more than we are receiving in revenue. To do so would be poor stewardship of the District's finances and is not in the best interest of the public nor our employees. Failing to grow an FCR WILL cause the Board and our employees to pay handsomely when we are required to borrow money. The Board also wishes me to share that they envision additional expenses relative to a 7 period day and adding back 30 minutes to the Elementary school day. The Board's desire is that this be accomplished sooner rather than

later and therefore requires prudent financial planning. A growing Financial Condition Ratio based on recurring revenue is required to accomplish this before we can implement adding this time back for our students and employees. In essence, the Board and I are required to plan not only for the current year and current situations but for years to come.

**In closing, the Board and I stand together with a resolve to give our employees as much as we can as soon as we can.** This offer will be fully explained by Mr. Ratliff and Mr. Gunter and represents the Board's last effort, without impasse hearings, to give our employees **as much as we can as soon as we can.** The individuals representing SRPE have the authority and ability to make this happen today. Will you help us do this for our employees?

Mrs. Chavers stated that SRPE would like to present their information following Mr. Wyrosdick's comments to the committee. RC turned the presentation over to David Godwin who presented and reviewed the information covered in their hand out (see Item #1 SRPE). Mr. Godwin reviewed the previous offer from SRPE presented on May 6<sup>th</sup>, 2015(see Item #2 SRPE). Mr. Godwin then reviewed the offer made by both sides during the May 6<sup>th</sup> session and noted that the difference in those two offers is approximately \$1.6M. Mr. Godwin then presented information where SRPE has calculated a Financial Condition Ratio of 7.52% if the district paid the additional \$1.6M dollars requested by SRPE (see Item #3 SRPE).

Before discussing the new offer from the Board, Mr. Ratliff asked about SRPE's willingness to address an issue concerning the shortage of sponsors for BEST Robotics and the fall in participation by the school sites. SR proposed and passed a MOU to Mrs. Chavers which would establish an \$800 supplement for BEST Robotics sponsors in hopes to increase interest and participation. RC said they would review and discuss.

Mr. Ratliff reminded David Godwin and SRPE that the May 6<sup>th</sup> SRPE offer was not accepted by the Board. SR notified SRPE that he did have another offer to make which would be reflective of the opening comments by Mr. Wyrosdick. This offer was structured to meet and based on the comments from David Godwin and SRPE during the August 4<sup>th</sup>, 2015 session which are taken from previous minutes and are as follows:

David Godwin verbally presented information stating that the district could afford to increase the salary offer by \$1.6 million but that SRPE would be willing to meet half way and would consider settling if the district would increase the current offer by \$1 million.

Mr. Ratliff offered to increase the previous salary offer from the board. This increased offer is comprised of the Boards offer from May 6<sup>th</sup> with an additional one-time bonus payment of 1% to the bargaining unit for a total increase ranging from of 3.18% to 3.91% based on whether the employee falls on the Grandfathered or Performance Pay Salary Schedule along with their evaluation rating. This would represent an increase over the previous offer by a total of \$1.182M dollars and bring the Boards current offer to a total of \$4.11M (see SRCSD Item 1 pg. 1-3).

David Godwin stated that he did not previously indicate that the increase could be in the form of a bonus and that the expectation of SRPE would be that the entire amount be in recurring dollars. Mr. Godwin also stated that if that was the offer from the Board that SRPE would not make a counter offer and they would go to impasse. RC restated SRPE's expectation that the entire amount should be in recurring dollars. RC asked for a caucus for SRPE to review the offer.

Following the caucus, Mrs. Chavers told SR that they had some questions. RC informed SR that SRPE would agree to the MOU and presented a signed copy to SR. RC asked why the current offer from the Board included performance pay when she believed that both parties had agreed not to implement performance pay until 15-16. Mrs. Chavers referred to minutes from a previous session where the Board made an offer which included not implementing performance pay until 15-16. SR reminded RC that the offer had been made in a previous attempt to settle and the offer was made in its

entirety by the Board and rejected in its entirety by SRPE. RC inquired about who decided that it was necessary to include performance pay in the current offer. SR informed RC that his directions come from the Board and senior staff of the district. RC and David Godwin both restated that the expectation from SRPE was that the increase in salaries be in the form of recurring dollars and they would not accept an increase in the form of a one-time bonus. David Godwin informed SR that SRPE is rejecting the offer and is willing to make their case at impasse. In keeping with previous statements by Mr. Godwin, SRPE did not make a counter offer during this session.

Mr. Ratliff informed SRPE that he had no other offer to make and asked again for SRPE to consider the offer. Mr. Godwin told SR that SRPE is better off presenting their case to the Special Magistrate and that the magistrate would more than likely “split the baby” and recommend a settlement somewhere in the middle in which case SRPE would end up with more than what is being offered by the Board.

The session concluded with no future negotiating session scheduled. The impasse proceedings will continue with the salary issues still pending. Mr. Ratliff brought the session to a close. There was no other negotiating session scheduled. The Impasse Hearing is scheduled to take place on September 2<sup>nd</sup> and 3<sup>rd</sup>.