



Setting the Record Straight

In an article dated April 30, 2011 titled "Playing Favorites" the Northwest Florida Daily News (NWFDN) attempted to address a complex issue implemented prior to my administration without the benefit of proper research and the necessary legwork. This once again resulted in the reporting of rumor and innuendo rather than facts and news. I feel it necessary to correct this misinformation.

The issue raised is related to a post employment health insurance subsidy that several retirees of the sheriff's office receive. The subsidy was implemented by former Sheriff Morris and was subsequently continued by Sheriff Ed Spooner. Our office received an inquiry from the NWFDN about the insurance subsidy last week. Our agency had already answered a similar inquiry from a citizen and we posted our response to this inquiry on our agency website as we do all public information requests. Because the NWFDN inquiry was not received until late on the afternoon of Friday, April 29th my staff did not have sufficient time to review the particulars associated with each of these individuals and their retirement agreements with former Sheriffs. They could not respond with informed and meaningful comments prior to the NWFDN opting to publish the article on Sunday. There was no known immediacy attached to their request however the story was published without input from me or my staff. The tone and tenor of the article and a subsequent Editorial titled: "Sheriff's health plan hubbub", which appeared in their paper, implied that I refused to respond to their questions. That is simply not true... Again, we had already posted our answer to this public information request on our website. The issue appears to be that we did not respond according to their self imposed and arbitrary deadline. We certainly were not going to respond irresponsibly to an issue as complex as this without fully researching the details. This is especially necessary when it deals with a practice or program that my administration did not initiate. Sheriff Morris did not codify the management practice into policy and we have found no documentation which refers to a policy or to the specific agreements he made with the retirees who now receive the insurance subsidy. We do know that specific commitments in regards to insurance subsidies were made to these retirees, and that these retirees made career and life decisions based on those commitments. **It should also be noted that I closed the program to any future participants upon assuming office. It will remain closed until such time as I have fully reviewed all the facts, received the benefit of my staff's counsel, and can determine if continuing the practice is both a viable incentive to encourage higher waged veteran employees to retire and is also a fiscally sound and sustainable practice.** I won't make a

final decision on continuing this practice for future retirees until this review is completed during the ongoing budget process.

I would also like to clarify the information the Northwest Florida Daily News inaccurately reported regarding this issue. To begin with, **All Sheriff's Office retirees are, by law, entitled to remain in the agencies health care plan at their own expense, if they choose to do so.** This requirement creates potential future obligations and costs associated with those members being on the plan. Those anticipated obligations are based on an actuarial projecting probable health care costs for those covered under the plan. Those projected costs are summarized as a potential future liability in the annual audit. As of April 2011, there are 22 retirees, or spouses of deceased retirees, plus qualifying dependants enrolled in the agencies health insurance plan. Angela Balent of the accounting firm of O'Sullivan & Creel, the county's auditor, provided an explanation in greater detail at the May 3rd County Commission meeting. Please refer to the County's website to view Mrs. Balent's full explanation: <http://okaloosacountyfl.iqm2.com/Citizens/VideoMain.aspx?MeetingID=1052&MinutesID=1046&FileFormat=pdf&Format=Minutes&MediaFileFormat=wmv>.

Let me also clarify the retiree subsidy aspect of this issue. It appears that Sheriff Morris began a practice in 2006 that provided an insurance premium subsidy for retirees having twenty years or more of service with the agency. The Sheriff's Office subsidizes these insurance premiums for the retiree until they reach the Medicare age of 65. As of April 2011 there are eleven agency retirees receiving a subsidy of their health insurance premiums under this arrangement. In addition, the Forgione children receive a full premium subsidy from the agency. **These subsidies currently cost the OCSO approximately \$68,000 annually and not the \$1.4 million reported by the NWFDN.** The management practice of using a post employment health insurance premium subsidy as a voluntary separation incentive is a common management tool used to encourage higher salaried employees into retirement. In fact the Okaloosa County Board of County Commissioners in preparation for the FY 2011 budget offered a voluntary separation incentive program which included the following: *"Assistance with the cost of health insurance. Okaloosa County will pay the cost of 50% of the employee's single rate health insurance for up to 18 months through COBRA or as a retiree, contingent upon the employee continuing to make the remaining 50% premium contribution."* Sheriff Ed Spooner also offered this voluntary separation program and three retirees receive this benefit, including the retiree quoted in the NWFDN article.

Understanding that I will not attempt to explain the management practices of former sheriffs, **my staff's initial review of the recipients of the subsidy shows no indication that the practice was administered in an unfair or discriminatory manner. I opted to close this health insurance premium subsidy practice for new members when I took office. This is no indication that the practice was unnecessary or unbeneficial rather that the practice required further examination in order to determine whether it was a viable and sustainable plan. It warrants a comprehensive review and that it what we will do as we prepare for the upcoming budget process.**

We have instituted one of the most transparent and open law enforcement administrations in the State of Florida. We place great value on openness and honesty in everything we do at your Sheriff's Office. Unless information is statutorily protected as is the case in these retirees' names we will provide as

much information as we can, as quickly as possible and in response to every request we receive from our citizens. I stand ready to discuss any and all of the relevant matters of your Sheriff's Office with you and invite and encourage you to come visit your Sheriff's Office.

Sincerely,

Sheriff Larry Ashley