



Municipalities building a
stable insurance future.

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**Board of Directors
December 19, 2013
5:30 p.m.**

Approved 2-27-2014

Scott Heyman Conference Room

Municipal Representatives: 13

Don Barber, Chair; Rordan Hart, Village of Trumansburg Mary Ann Sumner, Town of Dryden (excused at 6:30 p.m.); Mack Cook, City of Cortland; Kathy Miller, Town of Lansing; Peter Salton, Village of Cayuga Heights, Laura Shawley, Town of Danby (arrived at 5:39 p.m.); Charles Rankin, Village of Groton; Anita Fitzpatrick, Tompkins County; Judy Drake, Town of Ithaca (arrived at 5:31 p.m.), Michael Murphy, Village of Dryden (arrived at 5:32 p.m.); Lucia Tyler, Town of Ulysses (arrived at 5:34 p.m.); Steve Thayer, City of Ithaca (arrived at 5:37 p.m.)

Voting Union Representatives: 1

Scott Weatherby, Joint Committee on Plan Structure and Design Chair

Absent: 3

Glenn Morey, Town of Groton; Doug Perine, President CSEA White Collar; Herb Masser, Town of Enfield

Others in attendance:

Steve Locey, Locey & Cahill; Joe Mareane, Tompkins County Administrator; Rick Snyder, Tompkins County Finance Director; Ashley Ahmadijpour, David Schryver, ProAct; B. Miller, Excellus

Call to Order

The meeting was called to order at 5:30 p.m. by Mr. Barber, Chair.

Approval of Minutes – September 26, 2013

It was MOVED by Ms. Shawley, seconded by Ms. Miller, and unanimously adopted by voice vote by members present with Mr. Salton abstaining, to approve the minutes of September 19, 2013 as submitted. MINUTES APPROVED.

Changes to the Agenda

There were no changes to the agenda.

Ms. Drake arrived at this time.

Financial Report from Locey and Cahill

Financial Update

Mr. Locey said earlier today he distributed the financial results of the Consortium through November 30th.

Mr. Murphy arrived at this time.

Mr. Locey reported on the Treasurer's report data and said year-to-date the Consortium has slightly over \$33.27 million in income and \$25.7 million in expenses (predominantly medical and prescription drug claims). He estimates the Consortium will end the year with \$27.8 million in expenses; a net income of \$5.5 million, bringing the total ending balance to \$11,955,661. After accounting for liabilities and reserves he said the Consortium will have an unencumbered fund balance of slightly over \$6 million. Mr. Locey said the Consortium is ending the year in excellent shape from an overall financial perspective.

Mr. Locey reviewed the 2013 budget performance analysis showing budgeted versus actual. Medical premiums income was 10% over budget, primarily because the number of contracts has increased due to the addition of the Town of Lansing and City of Cortland. Also, changes in benefit plans that are negotiated have an impact on this number. Overall, the Consortium is 14.4% above budget. The budget was at \$21.9 million and actual is \$33.27 million. Although there was a substantial increase in covered lives in terms of contracts, medical plan claims are just below budget at .88% and prescription drug claims are below budget at by 4%. The total expense budget is 1.04% below budget.

Mr. Locey noted that for every dollar spent by the Consortium 92.6% went to pay benefits. The remainder goes towards everything else to run the program.

Mr. Thayer arrived at this time.

Mr. Locey said one of the things with the Affordable Care Act all insurance companies have to submit data to the federal government and a medical loss ratio standard must be met. For a large group plan the percentage of funds spent on claims has to be 85% or higher with up to 15% spent on administration in order for the program to be deemed efficient. He said the goal from the beginning was to make the administrative percentage for the Consortium as small as possible and make the paid claims percentage as high as possible.

Mr. Locey reviewed the history of monthly paid claims versus budgeted claims since the Consortium began. He said the Consortium is on target for 2013 through November 30th; budgeted income versus actual is within .26% and budgeted expenses versus actual is within .72%. He expects to be able to begin to perform more statistical analysis as the Consortium's data is becoming more mature.

Update on Municipal Cooperative Agreement

Mr. Locey said the recommendation from the Joint Committee on Plan Structure and Design on language changes pertaining to the union participation was sent to the attorneys for review. They have one small adjustment they will be making; once that is done a sample resolution will be provided to all the governing municipal boards for approval. He said once the required majority passes the resolution the amendment will have been made and municipalities would be bound by the new Municipal Cooperative Agreement. He said it is a small change and simply states that if membership of the Consortium goes above 17 that there is a mechanism to add another union member.

Chair's Report

Update on NYS Department of Financial Services Audit

Mr. Barber provided an update on the New York State Financial Services Department Audit and said the subsequent requests for information have been provided with the exception of a signed agreement with ProAct which he believes will be provided soon.

He reported on ancillary benefits and said there are several municipalities that have teamsters as a bargaining unit and they do provide benefits that are run through the Consortium. There has been a problem in that the JURAT report on revenues and expenses which he believes have been resolved. Some municipalities will be getting two bills to bring them up to the right billing schedule and from this point forward it will be up to municipalities take responsibility for their own bills and to notify the County if they believe they are not being charged correctly.

RESOLUTION NO. 007-2013 - ELECTION OF OFFICERS FOR 2014

MOVED by Ms. Shawley, seconded by Mr. Cook, and unanimously adopted by voice vote by members present.

WHEREAS, the Nominating Committee has proposed a slate of Officers to the Board of Directors at the December 19, 20E13 meeting, now therefore be it

RESOLVED, That the Board of Directors elects the following individuals to serve January 1, 2014 through December 31, 2014 in the roles so elected as follows:

- | | |
|----------------------|---|
| Chairperson | Donald Barber, Town of Caroline |
| Vice Chairperson | Judith Drake, Town of Ithaca, Human Resources Manager |
| Chief Fiscal Officer | Steven Thayer, City of Ithaca, Controller |
| Secretary | Anita Fitzpatrick, Tompkins County Personnel Commissioner |
| Treasurer | Rick Snyder, Tompkins County Finance Director |

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RESOLUTION NO. 008-2013 - DESIGNATION OF BANKING INSTITUTIONS

MOVED by Mr. Barber, seconded by Ms. Sumner, and unanimously adopted by voice vote by members present.

WHEREAS, Consortium Treasurer must select banking institutions to conduct financial transactions on behalf of the Consortium, now therefore be it

RESOLVED, That the banking institutions designated for the Consortium will be the Tompkins County Trust Company and First Niagara.

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RESOLUTION NO. 009-2013 – AUTHORIZATION TO ENTER INTO AGREEMENT WITH BONADIO & CO. LLP - FINANCIAL REPORTING FOR 2014

MOVED by Mr. Barber, seconded by Ms. Drake, and unanimously adopted by voice vote by members present.

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services in 2013, and

WHEREAS, the Consortium wishes to continue the current arrangement for an additional year, now therefore be it

RESOLVED, That the Board of Directors authorizes the Chair to sign a letter of engagement with Bonadio & Co. LLP for a one-year contract expiring December 31, 2014

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RESOLUTION NO. 010-2013 - AUTHORIZATION TO EXECUTE AN AGREEMENT WITH PROACT FOR THE PROVISIONS OF PHARMACY BENEFITS MANAGER

MOVED by Mr. Barber, seconded by Ms. Shawley, and unanimously adopted by voice vote by members present.

Whereas, the Greater Tompkins County Municipal Health Insurance Consortium authorized Locey and Cahill to issue a Request for Proposals for Prescription Drug Manager on August 25, 2011, and

Whereas, ProAct was selected to provide Pharmacy Benefit Services, for the period January 1, 2013 through December 31, 2013 with the option to renew for two successive years, now therefore be it

Resolved, That the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium hereby authorizes the Chair of the Consortium to execute a contract with ProAct for the provision of Pharmacy Benefits Manager effective January 1, 2014 through December 31, 2014 with the option to renew for an additional year.

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RESOLUTION NO. 011-2013 - AUTHORIZATION TO PURCHASE INSURANCE POLICIES: STOP LOSS, ERRORS AND OMISSIONS, AND DIRECTORS AND OFFICERS LIABILITY COVERAGE

MOVED by Mr. Barber, seconded by Mr. Cook.

Mr. Locey said several Stop Loss carriers were contacted and asked to provide a quote for the Consortium. He provided an overview of what the Consortium has paid in premium versus how much it received back in benefit. He stated that the Consortium has received substantially more in benefit than it has paid in premium because of a high cost case. When carriers looked at this continuing expense they chose not to bid after a risk benefit analysis. Highmark would like to stay on because it provides an opportunity for them to recoup revenues in the future. However, the quote submitted by Highmark included a higher quote for the one individual and is referred to as a "laser".

Mr. Locey explained that the Consortium is required to purchase aggregate insurance and this protects the entire group. Stop Loss insures specific people; for every individual covered under the Consortium each year if they have claims that exceed the \$300,000 level this insurance plan kicks in and reimburses the Consortium. Last year there were substantial claims and the Consortium received back from Stop Loss over \$1 million. There were a couple of individuals who went over the \$300,000 deductible by an excess of \$1 million and the Consortium recouped that through Stop Loss. This year the Consortium paid out \$600,000 and received \$1 million. From Highmark's perspective they lost a significant amount of money on the Consortium. They have identified one individual who will continue on as a very high cost

case and provided the Consortium with two options: to have a higher deductible on the individual or to have the same deductible and pay \$750,000 more in premium.

The Finance Committee felt the better risk was to keep the \$300,000 deductible for everyone except the one individual and take that up to \$1 million. The Consortium built \$600,000 into the Catastrophic Claims Reserve for next year and can use that if needed to cover that exposure.

A voice vote resulted as follows: Ayes – 14, Noes – 0, Absent – 3. RESOLUTION ADOPTED.

Whereas, the Consortium must select stop loss insurance, as required by Article 47 of New York State Insurance Law, and

Whereas, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

Resolved, That upon recommendation of the Plan Consultant, Locey & Cahill, LLC and the Tompkins County Risk Manager, the Consortium shall purchase coverage for these insurance policies from the following for the period January 1, 2014 thru December 31, 2014:

- Stop-Loss Insurance for Medical and Prescription Drug Benefits that includes Aggregate Stop-Loss Insurance with an Aggregate Corridor of 125% with a specific stop loss deductible of \$300,000 with a Laser on one individual who will have a deductible of \$1 million (Highmark Insurance Company);
- Errors and Omissions Insurance (placed by insurance agent Haylor, Freyer and Coon);
- Directors and Officers Liability Insurance (placed by insurance agent Haylor, Freyer and Coon)

Resolved, further, That the Plan Consultant is directed to provide the Administrative Clerk of the Consortium with a copy of each policy.

Meeting Schedule

It was MOVED by Mr. Barber, seconded by Ms. Tyler, and unanimously adopted by voice vote by members present, to approve the following meeting schedule for 2014:

February 27
April 24
June 26
August 28
September 25 (set rates)
December 18 (3rd Thursday)

Report from Owning Your Own Health Committee

Mr. Barber reported in November the Committee heard from Interactive Health Solutions which is contracted by Excellus for the Blue4U program. The program involves a risk assessment that employees participate in. If they are a high risk individual they are coached and educated on things that they can do to take steps to live a longer and healthier life. He said experience has shown that when this program has been introduced to a group that 35% of the

population voluntarily joins without being offered any type of incentive. After two years that 35% has decreased claims by 7.7%. Word of mouth and other incentivizing strategies has also shown to increase participation. The cost is \$150 per enrollee per year with a savings of over \$2 million in 2½ years.

The Committee was very excited about this and wanted to share the following with the Board as areas they would like to pursue:

- Flu shot program run through the Consortium;
- Have each municipality develop a health policy with template samples provided by the Committee;
- Collaborate and support each other with wellness programs; and
- Investigate the Blue4U program and other similar programs

Mr. Locey spoke of the budget as it relates to wellness and said the biggest thing that needs to be done is that the results are quantified to show real savings from the investment. He would like to have whatever company is engaged have “steak in the game” so it would be more likely to have expectations met. He said these efforts might dovetail with work the Joint Committee on Plan Structure and Design is working on in terms of new plan designs. The Affordable Care Act now allows for premium incentives to be built in and this could be used as a way to entice people more into the wellness realm.

Report from the Joint Committee on Plan Structure and Design

Ms. Shawley, Vice Chair, reported the Committee took action to change quorum requirements and hopes that is now at a more reasonable level. The Committee has also continued its discussion on a Medicare Supplement. The Committee has also been working on developing requests for proposals for Flex Spending Accounts and an Employee Assistance Programs.

RESOLUTION NO. 012-2013 - APPROVAL OF CONTRACT TEMPLATE FOR EMPLOYEE ASSISTANCE PROGRAM SERVICES - FAMILY AND CHILDREN'S SERVICE

MOVED by Ms. Shawley, seconded by Ms. Miller.

Mr. Locey said after analyzing this issue it became clear that these services could not be arranged through the Consortium for all municipalities at once. Instead, they are asking for authorization to reach out to organizations that are predominantly being used today and to use the weight of the Consortium to get the best possible rate for all of the employers in the Consortium. Once contracts are negotiated Locey and Cahill will provide municipalities with information on a process for signing a contract.

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, throughout the last two years the Joint Committee on Plan Structure and Design has considered various options by which the Consortium could offer an Employee Assistance Program that would meet the needs of all member municipalities and maintain the current levels of services being offered by members, and

WHEREAS, during a review of programs being currently offered by members within the Consortium it was found there are components within each program that greatly vary, and

WHEREAS, it was noted that an Employee Assistance Program is a service that is not currently offered by all members of the Consortium, and

WHEREAS, it was determined that it would be very difficult to facilitate a Consortium-wide program given the differences in current levels of services being offered by members, and

WHEREAS the Consultant has recommended that the Consortium seek the best pricing option and that an optional contract for Employee Assistance Program Services be made available to members, and

WHEREAS, the Consultant has received a commitment from Family and Children's Service to hold to pricing previously quoted during a Request for Proposals process undertaken in 2012, now therefore be it

RESOVED, on recommendation of the Joint Committee on Plan Structure and Design, That the Board of Directors approves a template agreement that can be utilized by member municipalities for Employee Assistance Program services.

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RESOLUTION NO. 013-2013 - APPROVAL OF TEMPLATE AGREEMENT FOR FLEX SPENDING ACCOUNT SERVICES - EBS RMSCO AND SIEBA

MOVED by Ms. Shawley, seconded by Mr. Salton, and unanimously adopted by voice vote by members present.

WHEREAS, throughout the last two years the Joint Committee on Plan Structure and Design has considered various options by which the Consortium could offer a Flex Spending Account Program that would meet the needs of all member municipalities and maintain the current levels of services being offered by members, and

WHEREAS, during a review of programs being currently offered by members within the Consortium it was found there are components within each program that greatly vary, and

WHEREAS, it was noted that a Flex Spending Account program is a service that is not currently offered by all members of the Consortium, and

WHEREAS, it was determined that it would be very difficult to facilitate a Consortium-wide program given the differences in current levels of services being offered by members, and

WHEREAS the Consultant has recommended that the Consortium seek the best pricing option and that an optional contract for Flex Spending Account Services be made available to members, and

WHEREAS, the Consultant has received a commitment from EBS RMSCO and Sieba to hold to pricing previously quoted during a Request for Proposals process undertaken in 2012, now therefore be it

RESOVED, on recommendation of the Joint Committee on Plan Structure and Design, That the Board of Directors approves a template agreement that can be utilized by member municipalities for Flex Spending Account Program services.

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Ms. Sumner was excused at this time.

At this time the members took a break to stretch before continuing the meeting.

Mr. Locey commented that the Joint Committee is talking about a strategy to offer a Medicare supplement plans, one with and one without drug coverage and offering benefit plans that are structured more in tune with what the market place looks like now with the Affordable Care Act. Right now most of the Consortium's plans are at the Platinum level with very little difference benefit or premium. Once developed these packages would then be available for groups to use in negotiations.

Report from the Audit Committee

Motion No. 014-2013 - Authorization for Locey & Cahill to issue Request for Proposal for Medical and Prescription Drug Claims auditing services.

MOVED by Mr. Thayer, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present.

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**RESOLUTION NO. 014-2013 - APPROVAL OF GREATER TOMPKINS COUNTY
MUNICIPAL HEALTH INSURANCE CONSORTIUM
PRIVACY POLICY**

MOVED by Mr. Thayer, seconded by Ms. Drake, and unanimously adopted by voice vote by members present. Mr. Thayer noted the having this policy was a recommendation of the State Audit.

WHEREAS, the New York State Department of Financial Services Audit determined that the Greater Tompkins County Municipal Health Insurance Consortium needed to develop and implement a Privacy Policy, and

WHEREAS, the purpose of a Privacy Policy is to inform members how medical information may be used and disclosed and how they can get access to information, and

WHEREAS, the Audit Committee has discussed, developed and recommended a draft Privacy Policy for consideration by the Board of Directors, now therefore be it

RESOLVED, That the Board of Directors hereby adopts the attached Privacy Policy,

RESOLVED, further, That the Policy will be made available on the Consortium website.

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Notice of Privacy Practices

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.

PLEASE REVIEW CAREFULLY.

We understand that personal and health information about you is personal. We are committed to safeguarding your personal and protected health information (PHI.) PHI is any information that can identify you as an individual and your past, present or future physical or mental health condition.

This policy supports your health plans need to collect information and the right of the individual to privacy. It ensures that the health plan can collect personal and health information necessary for its functions, while recognizing the right of the individuals to have their information handled in ways that they would reasonably expect and in ways that protect the privacy of their personal and health information. We are required by law to maintain the privacy of your protected health information and to provide you with this notice of privacy practices. We also are required to abide by the privacy policies and practices that are outlined in this notice.

Use and Disclosures- Personal and health information is collected and used for the following purposes:
We will not disclose PHI to an unauthorized person not involved in your care or treatment, unless we are required or permitted to do so by law.

Treatment: Your health information may be used by Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) or disclosed to other organizations for the purpose of evaluating your health, diagnosing medical conditions, and providing treatment. For example, results of laboratory tests and procedures will be available in your medical record to all organizations who may provide treatment or who may be consulted by GTCMHIC representatives.

Payment: Your health information may be used to seek payment from your health plan, from other sources of coverage such as an automobile insurer, or from credit card companies that you may use to pay for services. For example, your health plan may request and receive information on dates of service, the services provided, and the medical condition being treated.

Health care operations: Your health information may be used as necessary to support the day-to-day activities and management of GTCMHIC. For example, information on the services you received may be used to support budgeting and financial reporting, and activities to evaluate and promote quality.

Business Associates: Your personal and health information may be disclosed to business associates independent of our business with which we contract. However, we will only make such disclosures if we have received satisfactory assurances that the business associate will properly safeguard your privacy and the confidentiality of your PHI. For example, we may contract with a company to consult to us regarding the health plan.

Law enforcement: Your health information may be disclosed to law enforcement agencies, without your permission, to support government audits and inspections, to facilitate law-enforcement investigations, and to comply with government mandated reporting.

Public health reporting: Your health information may be disclosed to public health agencies as required by law. For example, we are required to report certain communicable diseases to the state's public health department.

Other uses and disclosures require your authorization: Disclosure of your health information or its use for any purpose other than those listed above requires your specific written authorization. If you change your mind after authorizing a use or disclosure of your information you may submit a written revocation of the authorization. However, your decision to revoke the authorization will not affect or undo any use or disclosure of information that occurred before you notified us of your decision.

Information about treatments: Your health information may be used to send you information on the treatment and management of your medical condition that you may find to be of interest. We may also send you information describing other health-related goods and service that we believe may interest you.

Individual Rights

You have certain rights under the federal privacy standards. These include:

- The right to request restrictions on the use and disclosure of your protected health information.
- The right to receive confidential communication's concerning your medical condition and treatment.
- The right to inspect and copy your protected health information.
- The right to amend or submit corrections to your protected health information.
- The right to receive an accounting of how and to whom your protected health information has been disclosed.
- The right to receive a printed copy of this notice.

GTCMHIC: We are required by law to maintain the privacy of your protected health information and to provide you with this notice of privacy practices. We also are required to abide by the privacy policies and practices that are outlined in this notice.

Right to Revise Privacy Practices: As permitted by law, we reserve the right to amend or modify our privacy policies and practices. These changes in our policies and practices may be required by changes in federal and state laws and regulations. Whatever the reason for these revisions, we will provide you with a revised notice. The revised policies and practices will be applied to all protected health information that we maintain.

Requests to Inspect Protected Health Information: As permitted by federal regulation, we require that requests to inspect or copy protected health information be submitted in writing. You may obtain a form to request access to your records by contacting the **Privacy Official**.

Complaints: If you would like to submit a comment or complaint about our privacy practices, you can do so by sending a letter outlining your concerns to the **Privacy Official**. If you believe that your privacy rights have been violated, you should call the matter to our attention by sending a letter describing the cause of your concern to the same address. **You will not be penalized or otherwise retaliated against for filing a complaint.**

Contact Person: You can receive further information concerning our privacy practices by contacting:

Privacy Official
e-mail: consortiumprivacy@tompkins-co.org
GTCMHIC
125 East Court Street
Ithaca, NY 14850
607-274-5590
607-274-5558 (fax)

This Notice is effective on or after January 1, 2014.

Appointments

It was **MOVED** by Mr. Barber, seconded by Ms. Miller, and unanimously adopted by voice vote by members present, to approve the following appointments to the Audit Committee:

Chuck Rankin – term expires December 31, 2015
Scott Weatherby – term expires December 31, 2015

Report from the Finance Committee

Copies of the latest invoices that have been approved by the Finance Committee from the Bonadio Group were circulated to members for information only.

RESOLUTION NO. 015-2013 – AUTHORIZATION TO ENTER INTO AGREEMENT WITH BONADIO & CO. LLP - FINANCIAL REPORTING FOR 2014

MOVED by Mr. Barber, seconded by Ms. Drake, and unanimously adopted by voice vote by members present. Mr. Barber said the original contract with the Bonadio Group included them being able to put the Consortium's financial work on Quickbooks and this has been put into place. There have been discussions with the Bonadio Group about doing the Consortium's 2013 annual report and will work with Mr. Snyder on preparing the first and second quarter reports with the intention of Mr. Snyder being able to prepare the third quarter report with only a review of the work by the Bonadio Group. They would work together on the 2014 annual report and it is expected the services of the Bonadio Group will not be needed beyond that time. Mr. Snyder noted he may need assistance with preparation of the 2014 annual statement.

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services in 2013, and

WHEREAS, the Consortium wishes to continue the current arrangement for an additional year, now therefore be it

RESOLVED, That the Board of Directors authorizes the Chair to sign a letter of engagement with Bonadio & Co. LLP for a one-year contract expiring December 31, 2014.

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**RESOLUTION NO. 016-2013 – AUTHORIZING CONSORTIUM TREASURER TO
ISSUE PAYMENTS TO PARTICIPATING
MUNICIPALITIES TO REFUND INITIAL
ASSESSMENTS WITH INTEREST
(CAPITALIZATION RESERVE)**

MOVED by Mr. Barber, seconded by Ms. Tyler. Mr. Locey said when the five-year financial plan for the Consortium was first developed that was submitted to the State along with the application the anticipation was that in the fifth year of operation this money would be paid back with interest. The Consortium is now at a point where the funds are being paid back along with interest after the third year of operation. The plan also included a 9.5% premium increase in each of those years; however, in the third year a premium rate increase of 8% was approved and the Consortium is in a comfortable financial position. Mr. Snyder said the checks have been written and will be distributed prior to the end of the year. Mr. Locey reported the New York State Department of Financial Services was informed of this and requested a change in how this was reported on the annual statement and this has been done. Mr. Barber thanked Mr. Locey for his guidance in getting the Consortium to this point.

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, initial assessments were required by the New York State Department of Financial Services to fully fund the surplus account (Capitalization Reserve) prior to the Department's issuance of the Consortium's Certificate of Authority, and

WHEREAS, it has always been the intent of the Consortium Board of Directors to refund each participating municipality the exact dollar amount of its initial assessment along with an interest payment equal to 3% per annum, and

WHEREAS, after careful evaluation of the Consortium's fiscal condition a plan has been developed to refund this capital with interest in one installment prior to the close of the 2013 fiscal year, and

WHEREAS, the repayment of this initial assessment will conclude a financial inconsistency and result in an equitable and consistent sharing of all assets and liabilities on a prorated premium basis, and

WHEREAS, the New York State Department of Financial Services was notified on November 12, 2013 of the Consortium's plan to refund the participating municipalities their share of the initial assessments paid to the Consortium, now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Board of Directors extends its gratitude to participating municipalities for their contribution of the initial assessments and directs the Consortium Treasurer to issue payments to participating municipalities to refund initial assessments along with interest prior to December 31, 2013.

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Finance Committee Appointments

It was MOVED by Mr. Barber, seconded by Ms. Miller, and unanimously adopted by voice vote by members present, to appoint Peter Salton to the Finance Committee for a term expiring December 31, 2014.

Report from the Appeals Committee

Ms. Fitzpatrick, Chair, reported the Appeals Committee has not met since the last Board meeting. All of the information concerning the appeals process has been posted on the Consortium's website. Mr. Locey is working on finalizing a Memorandum of Understanding with ProAct and Excellus on external appeals that will ensure that when they are aware of any appeals filed with their organization that they alert the Consortium that the appeal has started, when it concludes, and what the final outcome was.

Executive Session

It was MOVED BY Mr. Barber, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present, to enter into executive session at 6:58 p.m. to discuss personnel matters and contract negotiations. The meeting returned to open session at 7:35 p.m.

RESOLUTION NO. 017-2013 - AWARD OF CONTRACT - CONSULTING SERVICES FOR CONSORTIUM

MOVED by Mr. Barber, seconded by Mr. Hart, and unanimously adopted by voice vote by members present.

WHEREAS, the Consortium requires ongoing consulting services to continue operations, and

WHEREAS, the Consultant shall provide services such as establishing a budget, filing periodic reports, calculating premium equivalents, and preparing a variety of internal reports, and

WHEREAS, the Consortium issued a Request for Proposals for consulting services on October 1, 2013, and five proposals were received and reviewed by the Review Committee, now therefore be it

Board of Directors
December 19, 2013

RESOLVED, that the Consortium selects the consulting firm of Locey & Cahill LLC to provide consulting services for the period of January 1, 2014 through December 31, 2015, with the option to renew for three additional one year terms.

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Adjournment

On motion the meeting adjourned at 7:35 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk