



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.tompkinscountyny.gov/hconsortium • consortium@tompkins-co.org

"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

Board of Directors Meeting December 17, 2020 – 6:00 pm – by Zoom (e-mail Consortium@tompkins-co.org for link to join meeting)

1. Call to Order and Recognition of New Members
2. Approval of September 24, 2020 Minutes (**VOTE**) (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05) J. Drake
5. Report from Executive Committee (6:15)
 - a. **RESOLUTION:** Adoption of Executive Committee Bylaws
 - b. **RESOLUTION:** Establishing 2021 Meeting Schedule
 - c. **RESOLUTION:** Approval of Contract for Consulting Services – Donald L. Barber
 - d. **RESOLUTION:** Extension of Contract for Plan Consultant – Locey & Cahill, LLC – January 1, 2021 – December 31, 2021
6. Report from Nominations and Engagement Committee (6:25) E. Fairbrother
 - a. **RESOLUTION:** Election of 2021 Officers
 - b. **RESOLUTION:** Creation of 2021 Committee Structure and Appointment of Members
7. Executive Director's Report (6:30) E. Dowd
 - a. Quarterly Report
 - b. Staffing Update
 - RESOLUTION:** Increase Hours of Position to Full-Time: Clerk of the Board
8. Report from Operations Committee (6:40) L. Holmes
 - a. **RESOLUTION:** Adoption of Premium Payment Policy
 - b. **RESOLUTION:** Authorizing Information Technology Services Agreement with Tompkins County – January 1, 2021 thru December 31, 2021
 - c. **RESOLUTION:** Creation of Positions – Finance Manager and Benefits Specialist
 - d. **RESOLUTION:** Authorizing Signatory on Executive Exchange Commitment to Equity and Anti-Racism
 - e. **RESOLUTION:** Authorizing the Executive Director to Sign on Behalf of the Consortium
9. Financial Report (6:55)
 - a. Financial Report S. Locey
 - b. Treasurers Report R. Snyder
10. Report from Audit and Finance Committee (7:10) M. Cook
 - a. **RESOLUTION:** Authorizing Financial Services Agreement with Tompkins County – January 1, 2021 thru December 31, 2021
 - b. **RESOLUTION:** Authorization for Contract with Insero & Co. for the Provision of Financial Auditing Services – Fiscal Years 2020, 2021, and 2022

- c. **RESOLUTION:** Authorize Purchase of Stop Loss Insurance for 2021 with Excellus BlueCross BlueShield
 - d. **RESOLUTION:** Authorizing Contract for Actuarial Services – Armory Associates – Fiscal Years 2020 and 2021
 - e. **RESOLUTION:** Authorization to Purchase Insurance Policies: Errors and Omissions, Directors and Officers Liability, Employment Protection Coverage, a Fidelity Bond
 - f. **RESOLUTION:** Authorization to Enter into Agreement with Bonadio and Co., LLP – Financial Reporting for 2021-2022
 - g. **RESOLUTION:** Approval of Contract for Investment Management Services – Wilmington Trust – January 1, 2021-December 31, 2021
 - h. **RESOLUTION:** Approval of Wage Increases and Establishing Hiring Rates for Finance Manager and Benefits Specialist Positions
 - i. **RESOLUTION:** Authorizing Healthcare Benefits Renewal with Third Party Medical Claims Administrator – Excellus BlueCross BlueShield
 - j. **RESOLUTION:** Approval of Amended Prescription Benefit Management Contract thru December 31, 2021 – ProAct
11. Report from Joint Committee on Plan Structure and Design (7:20) J. Bower
- a. **RESOLUTION:** Amendment of Metal Level Consortium Plan to Include Pediatric Vision and Hearing Benefits
12. New Business (7:25)
13. Adjournment (7:30)

Next Meeting: August 26, 2021 (tentative)



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Regular Meeting Board of Directors – DRAFT September 24, 2020 – 6:00 p.m. Remote by Zoom

Municipal Representatives: 29

Steve Thayer, City of Ithaca
Mack Cook, City of Cortland
Alex Patterson, Town of Aurelius
Lisa Holmes, Tompkins County
Ed Fairbrother, Town of Big Flats
Kathrin Servoss, Town of Dryden
Chuck Rankin, Town of Groton
Kevin Williams, Town of Homer
Judy Drake, Town of Ithaca
Charmagne Rungay, Town of Lansing
Gary Mutchler, Town of Scipio
Tom Gray, Town of Sennett
Darcy Rigdon, Lansing Community Library
Ed Wagner, Town of Owasco
Terrance Baxter, Town of Moravia

Chris Wagner, Seneca County
Tanya DiGennaro, Village of Homer
Ray Bunce, Town of Spencer (arrived at 6:10 p.m.)
Tom Brown, Town of Truxton
Rich Goldman, Town of Ulysses
Eric Snow, Town of Virgil
Peter Salton, Village of Cayuga Heights
Michael Murphy, Village of Dryden
Nancy Niswender, Village of Groton
Donna Dawson, Village of Horseheads
Rordan Hart, Village of Trumansburg
Bud Shattuck, Village of Union Springs
Christine Laughlin, Town of Newfield
Mark Witmer, Town of Caroline (arrived at 6:10 p.m.)

Labor Representatives: 3

Jim Bower, 2nd Labor Representative and Joint Comm. on Plan Structure & Design Chair
Zack Nelson, 3rd Labor Representative
Tim Farrell, 5th Labor Representative

Excused: 5

Vacancy – 1st Labor Representative
Lonnie Childs, Village of Watkins Glen
Ronny Hardaway, Village of Lansing

Joan Jayne, Town of Niles
David Schenck, Town of Springport

Absent: 12

Luann King, Town of Cincinnatus
Ellen Woods, Town of Enfield
Richard Neilens, Town of Mentz
Tom Adams, Town of Marathon
Alvin Doty, Town of Willet
John Malenick, Town of Montezuma

Donald Fischer, Town of Horseheads
Laura Shawley, Town of Danby
Jim Doring, Town of Preble
Doug Perine, 4th Labor Representative
Miles McCarty/Nathan Nagel, Village of Freeville
Carol Sosnowski 6th Labor Representative

Others in attendance:

Elin Dowd, Executive Director
Rick Snyder, Tompkins County Finance
Steve Locey, Robert Spenard, Locey & Cahill
Debra Meeker, Admin./Computer Assistant
Alvin White, Town of Hector

Don Barber, Consultant
Michelle Cocco, Clerk of the Board
Sunday Earle, TC3
Beth Miller, Excellus

Call to Order

Ms. Drake, Chair, called the Annual Meeting to order at 6:04 p.m.

Approval of Minutes – August 27, 2020

It was MOVED by Mr. Baxter, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present by video or teleconference, to approve the minutes of August 27, 2020 as corrected. MINUTES APPROVED.

Changes to the Agenda

With no objection by members present, Ms. Drake added to the agenda a motion to approve the 2021 Municipal Cooperative Agreement following action to accept new Participants and a discussion and motion regarding an extension of benefits with Excellus. The agenda was also reordered to address the 2020 premium holiday prior to adoption of the 2021 budget.

Mr. Bunce arrived at this time.

Chair's Report

MOTION NO. 006-2020 – APPOINTMENT TO THE AUDIT AND FINANCE COMMITTEE

It was MOVED by Mr. Salton, seconded by Ms. Holmes, and unanimously adopted by voice vote by member present by video or teleconference, to appoint Jason Molino to the Audit and Finance Committee for a term expiring December 31, 2021. MOTION CARRIED.

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**RESOLUTION NO. 020-2020 – CREATION OF NOMINATING COMMITTEE – 2021
CONSORTIUM LEADERSHIP**

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

WHEREAS, the Consortium Board of Directors annually establishes a Nominating Committee for the purpose of identifying and recommending a slate of officers to fill Consortium leadership roles: Chair, Vice Chair, Secretary, and Chief Fiscal Officer, and

WHEREAS, the Board of Directors is required to annually appoint a treasurer (the "Treasurer") who may or may not be a Director and who shall be the treasurer, or equivalent financial officer, for one of the Participants, and

WHEREAS, the 2020 Municipal Cooperative Agreement authorizes the creation of an Executive Committee to be appointed annually by the Board of Directors who will oversee operations and develop recommendations for Board actions, and

WHEREAS, the newly-formed Executive Committee will consist of at least eleven (11) and no greater than fifteen (15) Directors and shall always include the elected Chairperson, Vice-Chairperson, and the Secretary of the Consortium, as well as the designated Chief Fiscal Officer and Chairperson of the Joint Committee on Plan Structure and Design, now therefore be it

RESOLVED, That the Board of Directors establishes a Nominating Committee comprised of Ed Fairbrother, Terence Baxter, Laura Shawley, Gary Mutchler, and Kevin Williams

(tentative), that is charged with recommending a Treasurer and a slate of Directors to fill leadership roles of Chair, Vice Chair, Secretary, and Chief Fiscal Officer, for 2021,

RESOLVED, further, That the Nominating Committee is also charged with recommending a slate of membership from Consortium Directors to the 2021 Executive Committee as outlined in the Executive Committee Bylaws as follows:

- Board of Directors Chairperson to serve as Chair
- Board of Directors Vice Chairperson
- Secretary
- Chief Fiscal Officer
- Joint Committee on Plan Structure and Design Chair
- Standing Committee Chairs:
- Audit and Finance Committee
- Operations Committee
- Nominations and Engagement Committee
- Claims and Appeals Committee
- At-large
- At-large

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Executive Committee Report

Ms. Drake said now that the 2020 MCA has been approved the Bylaws for the Executive Committee will be presented to the Board for approval at the December meeting. Mr. Salton encouraged Directors to review the Bylaws as they set forth the way the Consortium will operate going forward.

In response to a question by Mr. Snow as to why the Owning Your Own Health Committee continues to be referenced in the Bylaws, Ms. Drake said the Owning Your Own Health Committee has been placed on hold; however, the option remains to bring that Committee back at some point in the future. The position of Chair of that Committee has not been included at this time in the proposed Executive Committee structure.

Ms. Dowd reported items the Executive Committee will be discussing at its upcoming meeting includes the Prescription Benefit Management contract, staffing needs, Executive Committee Bylaws, and the Consortium's Certificate of Authority request to the Department of Financial Services.

Executive Director Report

Ms. Dowd provided a written report in advance of the meeting and encouraged Directors to contact her with any questions. She reviewed highlights from that report and questions that have arisen related to the proposed 2021 Budget. She stated if the premium holiday is approved, information will be sent to municipalities to explain details and logistics surrounding invoicing. Premium rates continue to be worked on to ensure they are accurate; as soon as changes are complete they will be provided to Participants and posted on the website.

Ms. Dowd reported three Benefit Clerk webinars will be held in October. Benefits Clerks are strongly encouraged to attend one of the sessions as there will be an overview provided on plan changes, government updates, changes in ProAct and Excellus administration, and discussion of other common issues that have arisen over the last year. Ms. Dowd said two copies of the MCA along with a cover letter outlining the actions Participants need to take.

Ms. Dowd expressed appreciation to Don Barber for his work in bringing eight new Participants through the process of membership in the Consortium. Mr. Barber also continues to work on the Consortium's Newsletter. Ms. Dowd reported on the flu clinics and said there has been incredible participation.

Ms. Dowd said at the June meeting the Board approved coverage for copays and coinsurance for Covid-19 testing. Excellus has asked the Consortium to join them again to provide access to coverage with no barriers for those who have been diagnosed with Covid-19 because at this time there are no State mandates to cover treatment, only testing and diagnosis. Excellus has asked the Consortium to join in extending the coverage that would have ended on September 7th through the State of Emergency. She has spoken to Mr. Locey about the risk the Consortium might face as a result of this; at this time that risk has been determined to be minimal as what is being added would be the employee's copay or coinsurance.

MOTION NO. 007-2020 – EXTENSION OF EXPANDED COVERAGE OF PAID-IN-FULL BENEFITS FOR COVID-RELATED TREATMENT

It was MOVED by Ms. Drake, seconded by Mr. Witmer. Ms. Earle asked if a test is not medically necessary or medically driven but is a requirement, does insurance cover the cost of that test. Ms. Miller said a test is not covered unless an individual is showing signs or symptoms or is not requested by a physician.

Mr. Salton said he feels that in order to control the pandemic, organizations, including insurance companies, need to find a way to have all tests covered. In response to a question as to whether high deductible plans would be covered under this action, Mr. Locey said with the high deductible plans the initial testing and treatment copays and deductibles are waived. In terms of treatment beyond that he will have to look at IRS rules and what the impact would be on the use of a Health Savings Account to pay for that. He said it does not present much of a risk or liability from a plan standpoint as there are very few individuals in a high deductible health plan. If it was determined that it is now allowed because of IRS rules this benefit would not be applied to the Gold, Silver, or Bronze Metal Level Plans.

The motion was unanimously adopted by voice vote by members present by video or teleconference, to approve and extension of expanded coverage to allow paid-in-full benefits for any Covid-related treatment through the New York State of Emergency. MOTION CARRIED.

* * * * *

Report from the Operations Committee

Ms. Holmes reported the Committee has not met since the last Board meeting; the next meeting will be October 28th.

Financial Report

Mr. Locey reviewed a financial update through August 31, 2020. Premium income is on budget; interest income continues to be down as a result of the pandemic, prescription drug rebates were \$380,000 over budget. Medical claims are approximately 16.2% (\$4.15 million) below budget and prescription drug expenses were 2.7%; total expenses were \$4.6 million below budget year-to-date. The Consortium continues to pay \$.94 of each \$1 to go towards the cost of claims, leaving only \$.06 going towards administration of the program.

Treasurer's Report

Mr. Snyder said he has worked with Mr. Locey and Ms. Dowd on planning for the premium holiday, helping with budget figures, and doing work on investments. Interest rates are currently near zero; last year they were around 1% to 1.5%.

Mr. Snyder spoke of the upcoming year and said he is willing and able to serve as Treasurer for 2021. Through the County's budget process there was some discussion of whether Finance staff would continue doing the Consortium's books next year. He stated they are willing and able to serve the Consortium for another year; however, if positions are created through the Consortium they will be glad accommodate that and relinquish control of any tasks the Consortium wishes to assume. He noted this could take a period of time and is willing to work with the Consortium to do this. They are committed to going forward to 2021 and if they can start delegating duties out they are willing to train and work with the Consortium through the year.

Mr. Salton thanked Mr. Snyder and his Department for all of the work they have been doing on behalf of the Consortium and said he appreciates the work that is going into conversations to address the Consortium's staffing needs. In response to Mr. Goldman, Mr. Snyder said the Finance Department bills the Consortium for staff time spent on Consortium work in the range of \$65,000 (70% of an Account Clerk position and 10% of the Deputy Finance Director position). Mr. Goldman asked why there would be a change in this arrangement.

Ms. Dowd said the Operations Committee will be discussing this. Up to this point the Consortium has been outsourcing all services and is growing at a level where it can be better served by bringing those services in-house rather than by contracting a percentage of an employee's time. The Consortium would continue to use the expertise of the County in consulting and coaching of those positions. Mr. Snyder commented that the Consortium has never been billed for the Director of Finance's time; the question of whether and how fast the Operations Committee considers adding staff is completely up to the Consortium.

Mr. Goldman said it may be financially beneficial to leave things the way it is. Ms. Drake said the Executive Committee will be talking about a full staffing plan for next year and years to come at its next meeting. She also expressed appreciation to Mr. Snyder and his staff and to the County as a whole for its support of the Consortium.

2021 Budget

Ms. Dowd said as Mr. Locey went through the 2020 results the total claims expense continue to be 11 percent below plan. As Mr. Locey noted, Excellus is a much larger organization than the Consortium and has seen claims trend more towards a normal level but that has not been the case for the Consortium. At this time Mr. Locey walked the Board through the prepared presentation and reviewed factors that contributed to the makeup of the 2021 Budget and assumptions going forward in future budgets. He spoke of the proposed premium holiday which amounts to \$4.4 million and said it was factored into the budget recommendation. He said next year it is expected that the Consortium will end the year with approximately \$57.3 million in revenue with a 5% premium rate increase. He spoke of the lower than expected claims cost and the intent was to use those funds to provide some immediate relief to members while also keeping a modest rate increase for next year.

Ms. Drake said the Audit and Finance Committee had a lot of discussion about lowering the percentage rate increase but making sure that trend is covered is the most important aspect. The 5% rate increase is still not where the cost trend is and why fund balance is expected to be used in the next year.

Report and Presentation of Resolutions from the Audit and Finance Committee

**RESOLUTION NO. 021-2020 – ADOPTION OF PREMIUM HOLIDAY FOR MEMBERS–
DECEMBER 2020**

MOVED by Mr. Baxter, seconded by Mr. Witmer. Mr. Cook said the Committee spent a significant amount of time discussing this; he noted this holiday extends to employers, employees, and retirees.

Mr. Williams said at the last meeting he had expressed concern about short-term premium relief and would prefer an action that would look more towards the long-term health of the Consortium. He said most municipalities have already been budgeting for this and expect to pay these premiums. Mr. Cook spoke of discussions held by the Audit and Finance Committee and said it was felt that if premium was reduced instead of having a premium holiday it would be very difficult for the Consortium to maintain one of its primary overarching goals, rate stability. He said the Committee discussed and gave great consideration to Mr. William's suggestion but reached a consensus to recommend a premium holiday.

A voice vote resulted as follows: - Ayes – 30, Noes – 2 (Tom Brown and Kevin Williams); Not Present – 17. RESOLUTION ADOPTED.

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the Policy provides that the Board of Directors may annually consider a premium reduction for subsequent year(s) to refund excess amounts of reserves and fund balance over budget targets through a premium reduction mechanism that may be in full monthly increments or partial monthly increments or other mechanisms, but not a reduction in premium increase that is significantly below the claims trend assumption, and

WHEREAS, the 2020 Budget is expected to have an excess net income in an amount that in accordance with the Budget Guidelines Policy would allow for a premium holiday to be granted to members in December 2020, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby approves a premium holiday for members for coverage for the month of December 2020,

RESOLVED, further, That the Executive Director is directed to work with the Consortium Treasurer to implement the premium holiday for members that will include the expectation that each municipality will include a mechanism to extend the holiday to employees and retirees who are enrolled and contribute to a Consortium benefit plan.

**RESOLUTION NO. 022- 2020 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE
AMOUNTS FOR 2021**

MOVED by Mr. Williams, seconded by Mr. Rankin. Mr. Cook noted the premium rate increases for each of the plans will be as follows: Platinum Plan – 5.0%; Gold Plan – 3.82%, Silver – 4.06%, and the Bronze Plan – 3.96%; all other plans will increase by 5.0%. The resolution was unanimously adopted by voice vote by members present.

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and has given great consideration to the Consortium's 2021 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the 2021 budget reflects the proposed guidelines and provides for a premium holiday to members for coverage in the month of December 2020 to reduce the current fund balance, and

WHEREAS, notable items included in the proposed budget are the following:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000; and
- Premium Revenue Increased by 5.0% in 2021

now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium's 2021 budget as attached, including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

RESOLUTION NO. 023- 2020 - ACCEPTANCE OF APPLICATIONS BY THE VILLAGE OF OWEGO, TOWNS OF BARTON, CATHARINE, CUYLER, DIX, HECTOR, AND TIOGA TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Mutchler, seconded by Mr. Snow, and unanimously adopted by voice vote by members present.

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga, have submitted an official resolution authorizing the Village of Owego to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, on recommendation of the Audit and Finance, That the Board of Directors hereby accepts and welcomes the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga and the Village of Owego as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2021.

RESOLUTION NO. 024- 2020 - ACCEPTANCE, PENDING APPROVAL BY APPROVAL OF THE DEPARTMENT OF FINANCIAL SERVICES, OF APPLICATION BY THE ITHACA DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, INC. TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Brown, seconded by Mr. Witmer. Mr. Cook said they are a qualified entity under Article 47 because the District does have taxing authority; however, their tax or any increase in tax falls under the City of Ithaca Tax Cap. Ms. Dowd said this is being presented in a separate resolution because the Department of Financial Services has been asked to review this unique organization due to how they are governed; DFS has asked for additional information and will make the final determination. (The application was later terminated due a ruling by the Department of Financial Services that the District was not eligible as a qualified municipal corporation).

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

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Ithaca Business Improvement District, Inc. has submitted an official resolution authorizing the Ithaca Business Improvement District, Inc. to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, this applicant has complied with the membership process and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, recommendation of the Audit and Finance Committee, *pending approval by the Department Financial Services that it is a qualified municipal corporation*, That the Board of Directors hereby accepts and welcomes the Ithaca Business Improvement District, Inc. as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2021.

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RESOLUTION NO. 025-2020 – AMENDMENT TO RESOLUTION NO. 016-2020 - APPROVAL OF AMENDED INVESTMENT MANAGEMENT SERVICES CONTRACT – WILMINGTON TRUST INVESTMENT ADVISORS, INC.

MOVED by Mr. Baxter, seconded by Mr. Thayer. Ms. Dowd explained the resolution adopted at a previous meeting stated there would be no changes in fee and no changes to staff that was supporting the Consortium. Since that time she was notified by Wilmington Trust and was told that because of the interest climate and the Consortium's low returns they didn't feel they could keep their fees at the same level and are now being cut in half.

Mr. Goldman said .10 is a rate that can be gotten at any bank and questioned what value Wilmington Trust is now providing. Mr. Cook said Mr. Goldman's comment is understandable; however, he spoke to the process that was undertaken to retain an Investment Manager and said it took over a year to put into place. He said the reduction period may resume after the pandemic and going through that process again may not be in the Consortium's best interest. Mr. Goldman said he feels Wilmington Trust has done a great job but the Feds are on record as stating they are keeping

the rates at zero for three years and questions whether it is worthwhile to give up half of the return of five basis points to get five basis points in return.

Mr. Salton suggested this be looked at carefully next year. Mr. Hart said if the Consortium were with the Trust Company which it was previously using it would not be earning five basis points today; therefore, the Consortium is doing better than it would if it did away with that relationship. The reason to stay with them is that last year the best the Trust Company could offer was one percent and Wilmington Trust offered two percent.

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

WHEREAS, Resolution No. 016-2020 authorized the Consortium to enter into a new investment advisory agreement with Wilmington Trust Investment Advisors, Inc., with no change in the total fees, and

WHEREAS, the Consortium has been advised by Wilmington Trust that due to the impact on the financial markets as a result of Covid-19, Wilmington Trust will be reducing the rate of fees charged to the Consortium for the term of this contract, now therefore be it

RESOLVED, That the Consortium hereby amends its contract with Wilmington Trust Investment Advisors, Inc. (WTIA), and authorizes the Chair of the Board to execute a contract on behalf of the Consortium.

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Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported the Committee met earlier in the month and selected Nancy Webster from Tompkins County's Blue Collar Unit to fill the vacant labor seat on the Board of Directors. Mr. Bower said flu clinics are scheduled and encouraged everyone to visit the Consortium website to schedule a vaccination. The Committee discussed the Maintain Don't Gain Challenge which will promote nutrition and exercise during the holiday season; more discussion will take place at the November meeting as the October meeting has been canceled.

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New Business

MOTION NO. 008-2020 – APPROVAL OF 2021 MUNICIPAL COOPERATIVE AGREEMENT

It was MOVED by Ms. Drake, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present by video or teleconference, to approve the 2021 Municipal Cooperative Agreement and to circulate to all Participants for review and approval. MOTION CARRIED.

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Adjournment

The meeting adjourned at 7:58 p.m.



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RESOLUTION NO. - 2020 – ADOPTION OF EXECUTIVE COMMITTEE BYLAWS

WHEREAS, upon recommendation of the Consortium’s Governance Structure/MCA Review Committee, the Board of Directors approved an amended Municipal Cooperative Agreement that outlines a new governance structure model to become effective January 1, 2021, and

WHEREAS, the amended MCA creates an Executive Committee to oversee operations and develop recommendations for Board actions, and

WHEREAS, the Governance Structure/MCA Review Committee developed Bylaws for the Executive Committee that have been reviewed by the Consortium’s Legal Counsel and the full Board of Directors, now therefore be it

RESOLVED, on recommendation of the Governance Structure/MCA Review and Executive Committee, That the Board of Directors hereby adopts the Executive Committee Bylaws effective January 1, 2021.

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BYLAWS OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EXECUTIVE COMMITTEE

ARTICLE I PURPOSE

The Municipal Cooperative Agreement of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) provides for the creation of an Executive Committee with powers and duties to conduct certain business operations on behalf of the Consortium, as delegated from time-to-time, by the Board of Directors. These Bylaws shall govern the operations of the Executive Committee in carrying out this grant.

ARTICLE II MEMBERS, QUALIFICATIONS, TERMS OF OFFICE

Section 1. The Executive Committee of GTCMHIC shall consist of at least eleven (11) but no greater than fifteen (15) members (“Members”). The size of the Executive Committee may be increased or decreased by the Board of Directors (the “Board”), in its discretion, within these limits, without need to amend these Bylaws.

Section 2. A full slate of Executive Committee Members shall be elected from its Directors at each Annual Meeting. However, the Board Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary shall be automatically designated as Members of the Executive Committee. In addition, the Chairperson of the Joint Committee on Plan Structure and Design (“Joint Committee”), shall also be automatically designated as a Member.

At the Annual Meeting, the Board shall also nominate the Chairs of each of the Standing Committees. Each such Chair shall also automatically be designated a Member of the Executive Committee.

Any vacant undesignated seat may be filled by an At-large member of the Board of Directors.

Section 3. The Nominations and Engagement Committee shall have the responsibility for nominating the full slate of Member candidates, which shall include all automatically-designated and at-large seats. The slate shall then be presented to the Board for approval.

Section 4. In the event that a vacancy occurs on the Executive Committee more than 45 days prior to any Annual Meeting of the Board, the Executive Committee may appoint a successor Member who shall serve until the next Annual Meeting.

Section 5. A Quorum of the Executive Committee shall consist of a simple majority of the fully-constituted Committee (e.g. an 11 Member committee would require a quorum of six (6); a 15 Member committee would require a quorum of eight (8)).

**ARTICLE III
COMMITTEE LEADERSHIP**

Section 1. The Chair of the Board shall serve as the Chair of the Executive Committee. The Vice Chair of the Board shall serve as the Vice Chair of the Executive Committee.

Section 2. At the Annual Meeting, the Board Nomination and Engagement Committee shall, based on collaboration, outreach, and input from Directors, nominate a Chair for each of the Executive Committee Standing Committees which shall include: (i) Audit and Finance, (ii) Operations, (iii) Owning Your Own Health, (iv) Nominations and Engagement, (v) Claims and Appeals, and (vi) such additional committees as the Executive Committee may, from time to time, create through amendment to these Bylaws. The Standing Committee Chairs shall be nominated as part of the full slate of candidates for the Executive Committee, and, once elected, shall automatically be designated members of the Executive Committee. The Executive Committee has the authority to create temporary, ad-hoc committees as may be needed; but Chairs of these committees shall not be Members of the Executive Committee.

Section 3. Unless appointed as a voting member, the Chair of the Executive Committee shall serve as a non-voting ex-officio member of each Standing Committee.

**ARTICLE IV
RESIGNATION, VACANCY**

Section 1. Any Member may resign from the Executive Committee at any time by delivering a resignation in writing to the Chair. Such resignation will be effective upon delivery without regard to its acceptance.

Section 2. Should any Member cease to be a Director of the Consortium Board or otherwise cease to be qualified to serve in that capacity, he/she shall automatically cease to be a Member of the Executive Committee and the resulting vacancy shall be filled as provided in Article II, Section 4.

**ARTICLE V
RULES OF PROCEDURE**

Section 1. The Chairperson shall preside at all meetings and, in his or her absence, the Vice-Chair shall preside.

Section 2. Provided a quorum is present, the Executive Committee shall act by an affirmative vote of a majority of the fully-constituted Executive Committee. Physical presence or videoconferencing participation is required to satisfy the quorum threshold.

Section 3. The Executive Committee shall have at least four (4) quarterly meetings each year.

Section 4. Special meetings may be called by the Chair or by any two Committee members.

Section 5. Dates for the Executive Committee meetings will be established during the Annual Meeting. Meeting dates of the Executive Committee meetings will be published on the GTCMHIC website.

Section 6. Notice of special meetings may be delivered to each Member of the Executive Committee or given orally, in person or by telephone or email, one (1) day prior to the date of such special meeting or may be mailed to the business or home address of each member of the Executive Committee at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed prior to, at or subsequent to any such meeting, by any Member failing to receive a proper notice. At such a special meeting no business shall be considered other than that expressly designated in the

notice, but if all the Members of the Executive Committee are present at the special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

Section 7. The basic rules of Parliamentary Procedure shall be followed for meetings of the Executive Committee.

ARTICLE VI COMMITTEES

Section 1. The Executive Committee shall operate with standing committees as defined and described below. Standing committee members shall be appointed by the Board for specified terms. Standing committee membership will include Directors and may include other persons, as deemed as necessary. The structure and membership of standing committees shall be established by Resolution of the Board. Standing committees will work in collaboration with the Executive Director to develop and recommend policies which shall be submitted to the Executive Committee

Section 2. Audit and Finance Committee: Responsible to assist the Executive Committee and Board in its oversight of: the integrity of the Consortium's financial statements, compliance with legal and regulatory requirements, its selection and oversight of its independent auditors (Auditors). The Audit and Finance Committee shall also be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization's business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

Section 3. Operations Committee: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

Section 4. Joint Committee on Plan Structure and Design: The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Plan(s), and shall develop findings and recommendations with respect to such matters.

Section 5. Owing Your Own Health Committee: The Owing Your Own Health Committee shall: identify and recommend processes to promote a culture of preventative health care, support benefit clerks in that outreach to member employees and retirees, and coordinate wellness activities with the Consortium's claim administrators and community associates.

Section 6. Nominations and Engagement Committee: The Nominations and Engagement Committee shall be responsible for presenting a slate of recommended Officers and Executive Committee members at the annual Board of Directors meeting for approval. The Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning.

Section 7. Claims and Appeals Committee: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Section 8. Ad-Hoc Committees: The Executive Committee has the authority to create temporary, ad-hoc committees as may be needed, with specific duties and terms. The Chair of any ad-hoc committee shall not be a member of the Executive Committee, unless they are otherwise an at-large member of the Executive Committee.

ARTICLE VII OPERATING BUDGET

Section 1. The objective of the GTCMHIC operation budgeting process is to provide for the insurance needs of its Participant enrollees and financial security to cover its liabilities. Each annual budget shall be carefully created to account and provide for: (i) projected claims, fees and taxes, (ii) funding of services provided by contractors and third-party administrators, (iii) maintenance of all reserves, including those required by statute, (iv) purchase and maintenance of stop-loss insurance, and (v) a proper account of all major sources of revenue. The budget shall be created in a form and a time sufficient to provide all parties with the necessary information for more effective planning and decision making.

Section 2. The following shall apply to the budget development process:

- (a) The Executive Director shall have the overall responsibility for overseeing the preparation of a recommended preliminary annual budget, in collaboration with Consortium consultants, the Audit and Finance Committee, and the Treasurer.
- (b) The Audit and Finance Committee shall be responsible for the development of a preliminary annual budget and 5-year pro-forma analysis to be presented to the Executive Committee.
- (c) The preliminary budget shall be designed to reflect the Executive Committee's policies and objectives. And it shall be approved by the Executive Committee for dissemination to the Board of Directors.
- (d) The Preliminary Budget shall be disseminated to the Board of Directors four (4) weeks in advance of the Board of Directors Annual meeting along with a detailed narrative of the essential elements of the budget and 5-year pro-forma analysis.

Section 3. Approval of Budget and Premium Equivalent Rates: The budget and premium equivalent rates for the ensuing fiscal year shall be thoroughly reviewed by the Board before its final adoption. The budget shall be adopted by majority vote of the Board of Directors at the Annual meeting.

Section 4. Budget Implementation: The administration of the annual budget shall be the responsibility of the Executive Director in consultation with Audit and Finance Committee, Chief Financial Officer, and Treasurer. Under the direction and control of the Executive Director, and in consultation with the Treasurer, as needed, funds may be expended within budgetary appropriations without prior approval of the Executive Committee. Extra budgetary expenditures for discretionary expenses or unexpected expenses not accounted for in the budget, greater than a 10% change for any line item, shall require the approval of the Executive Committee, after review and recommendation of the Audit and Finance Committee.

ARTICLE VIII INDEMNIFICATION

The GTCMHIC shall defend and indemnify any committee member who is subject to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative relating to, or arising out of, his/her responsibilities relative to his/her position or activities on behalf of the Consortium. The provision of such defense and indemnity is contingent upon the provision of prompt notice to the Board of the threatened, pending or completed action, suit or

proceeding. The Board, in its discretion, can refuse to provide such defense and indemnity if it determines that the claims against the individual have been initiated as a result of his/her bad faith, self-dealing, willful misconduct, or recklessness.

ARTICLE IX CONDUCT AND CONFLICT OF INTEREST POLICY

All committee members are bound by their membership to follow GTCMHIC Code of Conduct and Conflict of Interest Policy while performing their duties and the Consortium expects all committee members to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their responsibilities.

ARTICLE X AMENDMENTS

These Bylaws may be amended or repealed only at a meeting of the Board for which at least ten (10) days written notice has been previously given to all of the members, and such notice expressly states that the meeting is called to consider certain amendments to the Bylaws of the Executive Committee in addition to such other regular business as may come before the Executive Committee.



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.healthconsortium.net • consortium@tompkins-co.org

“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”

RESOLUTION NO. - 2020 – ESTABLISH BOARD OF DIRECTORS MEETING SCHEDULE – 2021

RESOLVED, on recommendation of the Executive Committee, That the Board of Directors hereby adopts the following meeting schedule:

BOARD OF DIRECTORS 2021 Meeting Schedule

August 26 – Presentation of Proposed 2022 Budget

September 24 – Annual Meeting (Adopt Budget, Set Premium Rates, Accept New Participants)

Meeting time: 5:00 p.m.

Location:

Zoom/TC3 FORUM

170 North Street

Dryden, New York 13053



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RESOLUTION NO. – 2020 – APPROVAL OF CONTRACT FOR CONSULTING SERVICES – DONALD L. BARBER – JANUARY 1, 2021 – DECEMBER 31, 2021

WHEREAS, by Resolution No. 010 of 2019 the Consortium entered into a contractual arrangement with Donald L. Barber, former Executive Director of the Consortium, to perform consulting services, and

WHEREAS, the Executive Committee believes Mr. Barber can continue to provide valuable and important services to the Consortium and wishes to continue to retain Mr. Barber as a Consultant, providing the services under his contract and any others as the Executive Director may, from time-to-time, deem necessary, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That a contract for Consulting Services with Donald L. Barber be approved for the period January 1, 2021 thru December 31, 2021 under the terms and conditions in the recommended contract.

RESOLVED, further, That the Board of Directors hereby authorizes the Chair of the Board sign a contract with Donald Barber for Consulting Services.

* * * * *



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RESOLUTION NO. - 2020 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – JANUARY 1, 2020 – DECEMBER 31, 2021

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

WHEREAS, the Plan consulting services needed include: strategic planning, financial analysis, recommending a budget, producing and filing benefit plan documents, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, attending Board and Committee meetings, claims trends and large loss analysis, assisting municipal partner with benefit and premium questions, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium issued a Request for Proposals and by Resolution adopted on October 28, 2010, selected Locey & Cahill, LLC of Syracuse to provide consulting services for the Consortium, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium continue to retain Locey and Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium's contract with Locey and Cahill, and

WHEREAS, Locey and Cahill presented a three-year proposal with terms commencing 2019 through 2021, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby extends its contract with Locey & Cahill, LLC for the third year of the current agreement for the period January 1, 2021 through December 31, 2021.

* * * * *



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RESOLUTION NO.

- 2020 – ELECTION OF 2020 CONSORTIUM OFFICERS

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Board of Directors elects the following individuals to serve from January 1, 2021 through December 31, 2021 in the roles as follows:

Chairperson - Judith Drake
Vice Chairperson – Rordan Hart
Secretary – Peter Salton

RESOLVED, further, That the Consortium hereby appoints Richard Snyder as Consortium Treasurer and designates Steve Thayer as the Consortium’s Chief Fiscal Officer for 2021.



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RESOLUTION NO. - 2020 – CREATION OF 2021 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

MOVED by Ms. Drake, seconded by Mr. Salton, and unanimously recommended by voice vote by the Executive Committee.

WHEREAS, upon recommendation of the Consortium’s Nominations and Engagement and Executive Committees, That the Board of Directors hereby adopts the following committee structure and membership effective January 1, 2021:

Executive Committee (effective January 1, 2021)

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS: Bimonthly beginning in January on 2nd Wednesday

- | | |
|--|---|
| 1. Board Chair, Chair (Drake) | 7. Operations Chair (Holmes) |
| 2. Board Vice Chair, Vice Chair (Hart) | 8. Nominations and Engagement Chair (Fairbrother) |
| 3. Chief Fiscal Officer (Thayer) | 9. Claims and Appeals Chair (Shattuck) |
| 4. Secretary (Salton) | 10. At-large (Wagner) |
| 5. JCPSD Chair (Bower) | 11. At-large (Mutchler) |
| 6. AFC Chair (Cook) | |

STANDING COMMITTEES:

Audit and Finance Committee

CHARGE: The Audit and Finance Committee shall be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization’s business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members ; two-year staggered terms

MEETINGS: Monthly; 4th Tuesday; Except September – 3rd Monday

Terms expire 12/31/21

1. Eric Snow
2. Jon Munson, Labor
3. Rordan Hart
4. Jason Molino

Terms expire 12/31/22

5. Laura Shawley
6. Mack Cook
7. Bud Shattuck
8. Peter Salton
9. Steve Thayer, Chief Fiscal Officer (No set term)

RESOLUTION NO. - 2020 – CREATION OF 2021 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

Operations Committee

CHARGE: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization’s practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

MEMBERSHIP: Seats may be filled by non-Directors; 7 members with two-year staggered terms

MEETINGS: Bi-monthly beginning in January; 4th Monday

Terms Expiring 12/31/21

Ed Fairbrother
Doug Perrine, Labor
Sunday Earle

Terms Expiring 12/31/22

Chris Wagner
Lisa Holmes
Schelley Michell-Nunn

Terms Expiring 12/31/23

LuAnn King
Mark Emerson

Nominations and Engagement Committee

CHARGE: The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At-Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
 - a. the work of committees;
 - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
 - c. long-term leadership succession planning.

Membership: Seats may be filled by non-Directors; 5 Members with two-year staggered terms

MEETINGS: 4x/year beginning in February (then May, August, and November);

Terms expire 12/31/21

1. Ed Fairbrother
2. Laura Shawley
3. Nancy Webster, Labor

Terms expire 12/31/2022

4. Gary Mutchler
5. Terrence Baxter

Claims and Appeals Committee

CHARGE: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms

MEETINGS: As needed (2-4x/year)

1. Bud Shattuck
2. Donna Dawson
3. Tom Brown
4. Don Fischer
5. Tanya Digennaro

RESOLUTION NO. - 2020 – CREATION OF 2021 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

Joint Committee on Plan Structure and Design

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives.

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS: Bi-monthly (beginning in February)

Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee's Bylaws.

* * * * *



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Executive Director Report Fourth Quarter - December 2020

Executive Committee

As we wrap up 2020 (sigh of relief) we look forward to implementing the many significant changes this organization will tackle due to the hard work of the **Governance Structure Committee** to amend our current MCA (Municipal Cooperative Agreement) and usher it through the approval process. The newly approved MCA puts an organizational structure in place to help the Consortium move swiftly and efficiently in the coming years. The new Bylaws allowing an expanded Executive Committee to meet on a more regular basis and advance the mission of the organization is poised for action in 2021 due to the effective work of our **Nominations and Engagement Committee**. In addition to the new Bylaws, a slate of Officers and Executive Committee Members will be put to vote at the December Board meeting. The slate includes a good mix of representatives from municipalities in the counties we serve. The important work will continue to be done at the committee level and I'm excited that both management and labor representatives have volunteered to work on the objectives that will come before us in 2021 and the following years.

If you have not sent the resolution from your municipality to approve the 2020 and 2021 MCA to our Office with the appropriate signature pages, please do so immediately. We are required to send a copy to the Department of Financial Services of all such documents as evidence of our executed Amendment.

Premium Equivalent Rates and Premium Holiday

As you know, thanks to the hard work of the **Audit and Finance Committee**, the Board approved waiving all premium costs for municipalities during the month of December. We hope you and your employees enjoyed this year-end budget saving benefit. Thanks to the Finance Team for making the necessary system changes to get the \$0 invoices to you appropriately.

We have made changes to the Consortium website to pull out the new premium equivalent rates in their own drop-down menu to help you find the new rates for 2021 more easily. <http://healthconsortium.net/governance/financials/2021rates> By now you should have received your invoice for January with the new 2021 premium equivalent rates.

New Members

We are currently working with our partners to ensure a smooth transition for six new members. Please note that although we approved the Town of Barton's application at the September Board meeting, due to ongoing labor negotiations, they were unable to join the Consortium. All other newcomers and those of you in new roles for the Consortium are invited to a new member orientation on December 17th at 4:30 p.m.

COVID 19

We continue to honor our commitment to cover testing and diagnosis for all subscribers with COVID-19 related symptoms. I have received several questions regarding testing for asymptomatic reasons and that is not a benefit under our current plan structure. Many municipalities wishing to test essential workers have been working closely with their local healthcare providers and securing government funding to find practical and cost-effective ways to cover this work-related testing protocol.

As the numbers of COVID-19 cases in our area continue to rise, we have seen our expenses related to COVID-19 testing grow. Our total plan cost for diagnostic tests, confirmed diagnosis, suspected diagnosis, and antibody tests is now just about \$1 million. However, our total claims cost continues to be much lower than budget due to many elective surgeries being postponed.

We are waiting for additional information on the cost of vaccinations to the Consortium. We anticipate the cost of the vaccine will be covered by the federal government and the cost to us will be for the administration of the vaccination. It's too early to tell if plan changes are needed and the financial impact, if any, a new vaccination will have on our budget.

Accumulator Resolution and Remediation

By now, those municipalities with employees affected by the Excellus/ProAct accumulator error have been notified. The problem started when deductibles and out-of-pocket maximum accumulators did not stop once subscribers met their plan limits. Although some individuals were caught immediately, and the problem resolved, the systemic cause was not identified until mid-year and a resolution and calculations for remediation was not resolved until the fourth quarter. This time-consuming project was fixed with a project team from Excellus, ProAct and the Consortium that helped unravel the related costs and cut checks for those needing reimbursement. Most municipalities on Metal Level Plans were affected by this problem and those with employees receiving reimbursement have now been contacted.

If you have any related questions regarding this issue, please contact me immediately.

Staffing

You have probably learned that Debra Meeker is no longer with the Consortium. We are fortunate that Michelle Cocco has been able to fill in and assist with advancing administrative responsibilities for our organization.

The **Operations Committee** has been working on a new staffing plan for 2021. We have created two new positions for a Finance Manager and a Benefit Specialist. We are also thrilled that Michelle Cocco will commence working full-time for the Consortium in 2021. Therefore, we will not fill the Administrative Computer Assistant position vacated by Debra Meeker.

Reconfiguring the staff will have minimal effect on the 2021 budget. Advancing approval and filling these newly-created positions helps build an in-house team to support our mission and work collaboratively to deliver affordable health care to your employees. Once the Finance Manager position is approved and filled, we will start transitioning responsibilities away from Tompkins County to the Consortium. I am not sure when we will start recruiting for the part-time Benefit Specialist, but I am anxious to get that person on board to assist you with customer service needs and manage a robust wellness program.

Investment Strategy

At the last Board meeting the question was raised as to why we should continue to use an investment advisory service if we were receiving such small returns on our current investments. Towards that end I have been meeting with our advisors to make sure we were garnering the results we need from such a relationship.

We have been working with Wilmington Trust only since the beginning of 2019. Wilmington Trust continues to deliver against the objectives established for our portfolios in this order of importance – to continue to conform to the regulatory constraints available to us, safeguard our principal, provide required liquidity and maximize return on investments.

Investment management should be viewed as a long-term strategy rather than a point-in-time interest rate discussion. Wilmington Trust's consistent approach to building a laddered Treasury Portfolio benefited the Consortium as interest rates were declining. In the current environment with historically low short-term Treasury yields, reinvestments have been at lower levels. As a result of the low interest rate environment and Wilmington Trust's belief in the value of a tailored investment strategy, they reduced our fee to 5 bps (basis points). This fee includes investment management and custody services as well as the quarterly specialized reporting. Continuing the strategy of a laddered Treasury portfolio will allow us to take advantage of market opportunities swiftly as rates increase in contrast to money markets and cash deposit rates that typically lag the market rate movements.

Wellness

We currently have a voluntary Maintain Don't Gain Holiday Challenge going on. The program provides participants information each week on helpful hints to remain healthy during the holiday season. Prizes will be provided as incentives to get municipalities and employees to participate. Please contact my Office if you need additional information regarding this program and how you can participate.

New Benefits

Thanks to the **Joint Committee on Plan Structure and Design**, beginning January 1, 2021, the Consortium added vision (eyewear) and hearing (hearing-aid) benefits to our Metal and Medicare Supplement Plans.

Also, the structure of out-of-network deductibles and out-of-pocket maximums for these plans changed from 200% to 150% of in-network rates. This reduction in Out-of-Network subscriber cost share both recognizes the savings to the Consortium and our subscribers of using In-network providers while reducing the cost impact when out-of-network providers are needed.

I am working with Excellus to make sure all our plan summaries are updated and posted accordingly on our website at healthconsortium.net

Happy New Year!

As the year ends and we eagerly look forward to 2021 I want to thank you for your confidence in the Consortium and your patience as we worked through a year of unanticipated challenges. My best wishes to you and your municipality for a fantastic, safe holiday season and a very healthy and happy new year!!!

Respectfully submitted by Elin R. Dowd, Executive Director, December 9, 2020.

Greater Tompkins County Municipal Health Insurance Consortium

2020 - 2025 Fiscal Year Budget Projections (cash basis)

5.00%	5.00%
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as of 08/31/2020

as of 12/08/2020

	Actual Results 2019 Fiscal Year	Projected Budget 2020 Fiscal Year	Updated Budget 2020 Fiscal Year	Projected Budget 2021 Fiscal Year	Updated Budget 2021 Fiscal Year
Average Covered Lives	6,199	6,295	6,318	6,318	6,318
Beginning Balance	\$26,575,630.00	\$30,971,196.85	\$30,971,196.85	\$30,356,295.09	\$30,356,295.09

Income						
	Medical and Rx Plan Premiums	\$50,296,735.62	\$52,745,788.78	\$48,480,920.99	\$55,875,290.81	\$55,875,290.81
9000	Ancillary Benefit Plan Premiums	\$150,527.92				\$0.00
9020	Interest	\$465,101.14	\$446,554.34	\$370,946.00	\$45,534.44	\$45,534.44
9010	Rx Rebates	\$1,597,414.28	\$1,400,000.00	\$1,400,000.00	\$1,400,000.00	\$1,700,000.00
9040	Stop-Loss Claim Reimbursements	\$3,451.40	\$0.00	\$0.00	\$0.00	\$0.00
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$5,463.46
9030	Other	\$10,640.45	\$5,304.50	\$5,304.50	\$5,463.64	\$0.00
Total Income		\$52,523,870.81	\$54,597,647.62	\$50,257,171.49	\$57,326,288.89	\$57,626,288.72

Expenses							
1	8090	Medical Paid Claims	\$31,928,669.77	\$37,198,413.76	\$33,382,497.66	\$39,058,334.44	\$39,058,334.44
		Advance Deposit / Pre-Paid Claims	\$0.00	\$113,700.00	\$113,700.00	\$109,150.71	\$109,150.71
	8120	Rx Paid Claims - ProAct	\$12,835,335.59	\$14,009,165.32	\$14,283,842.79	\$15,355,131.00	\$15,355,131.00
	8121	Rx Paid Claims - CanaRx	\$173,707.00	\$179,959.49	\$139,635.77	\$150,108.45	\$150,108.45
2	8084	Flu Clinic Fees	\$13,270.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
	8050	Medical Admin Fees	\$1,278,736.13	\$1,326,646.30	\$1,398,578.06	\$1,440,535.40	\$1,440,535.40
	8093	Excellus ITS Fees	\$2,949.84	\$2,956.67	\$0.00	\$0.00	\$0.00
3		Rx Admin Fees	\$173,652.11	\$164,664.95	\$195,078.00	\$200,930.34	\$200,930.34
	8091	NYS Covered Lives Assessment	\$330,434.00	\$348,095.65	\$355,540.01	\$373,317.01	\$373,317.01
	9060	ACA PCORI Fee	\$12,742.45	\$17,130.53	\$15,681.96	\$17,987.06	\$17,987.06
4	8115	ACA Transitional Reins. Program Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Specific Stop-Loss Insurance (Budget)	\$639,190.30	\$762,505.96	\$762,505.96	\$876,881.85	\$876,881.85
5		Specific Stop-Loss Insurance (Actual)		\$258,603.00	\$263,000.00	\$302,450.00	\$302,450.00
		Aggregate Stop-Loss Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Accounting Fees	\$20,275.00	\$30,800.00	\$25,000.00	\$25,750.00	\$25,750.00
		Actuarial Fees	\$46,950.00	\$51,500.00	\$51,500.00	\$53,045.00	\$53,045.00
		Audit Fees (Financial)	\$10,800.00	\$12,000.00	\$13,000.00	\$13,390.00	\$13,390.00
		Audit Fees (Claims)	\$25,500.00	\$40,000.00	\$40,000.00	\$41,200.00	\$41,200.00
		Consultant Fees (Barber)	\$33,659.06	\$56,135.00	\$25,000.00	\$25,000.00	\$25,000.00
		Consultant Fees (L&C)	\$84,000.00	\$87,550.00	\$87,550.00	\$90,176.50	\$90,176.50
		Consultant Fees (Segal)	\$39,891.25	\$50,000.00	\$0.00	\$0.00	\$0.00
		Legal Fees	\$9,885.67	\$12,000.00	\$12,000.00	\$12,360.00	\$12,360.00
6		Wellness Program Costs	\$23,701.25	\$24,000.00	\$24,000.00	\$25,000.00	\$25,000.00
	66001	Executive Director (Salary & Fringe)	\$64,038.49	\$92,000.00	\$92,000.00	\$94,760.00	\$126,123.23
	66002	Finance Officer (Salary & Fringe)	\$24,265.83	\$66,000.00	\$66,000.00	\$67,980.00	\$102,206.10
	66003	Clerk of the Board (Salary & Fringe)	\$15,444.50	\$36,000.00	\$36,000.00	\$37,080.00	\$95,368.12
	66004	Admin/Comp Asst (Salary & Fringe)	\$17,732.20	\$51,000.00	\$51,000.00	\$52,530.00	\$0.00
	66005	Benefits Specialist (Salary & Fringe)				\$41,250.00	\$69,097.82
	8060	Insurances (D&O / Prof. Liability)	\$40,113.62	\$41,317.03	\$43,700.00	\$48,070.00	\$48,070.00
	8041	Internal Coordination (Finance)	\$63,497.96	\$68,660.00	\$68,660.00	\$80,000.00	\$68,660.00
	8042	Internal Coordination (Support)	\$14,859.40	\$16,000.00	\$0.00	\$0.00	\$0.00
	8040	Internal Coordination Fees (Other)	\$1,500.00	\$2,000.00	\$0.00	\$0.00	\$0.00
	8045	Internal Coordination (Town of Ithaca)	\$3,000.00	\$6,000.00	\$7,000.00	\$7,210.00	\$7,210.00
	8044	Internal Coordination (IT Support)	\$8,174.66	\$9,000.00	\$11,500.00	\$11,845.00	\$11,845.00
	9065	Marketing Expenses	\$3,952.56	\$5,000.00	\$5,000.00	\$2,500.00	\$2,500.00
7	9055	Investment Management Services	\$13,874.23	\$18,540.00	\$26,000.00	\$26,780.00	\$14,000.00
	9050	Ancillary Benefit Premiums	\$152,108.73				\$0.00
8	8150	Supplies Expense	\$649.66	\$1,500.00	\$1,500.00	\$2,500.00	\$2,500.00
	8151	Computer Equipment	\$9,065.51	\$5,000.00	\$5,000.00	\$5,150.00	\$5,150.00
	8152	Lease Expense / Parking Fees	\$5,976.00	\$6,500.00	\$6,500.00	\$9,500.00	\$9,500.00
	8153	Mileage- Travel Expenses	\$621.18	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
	9060	Other Expenses / Supplies	\$6,080.01	\$10,609.00	\$10,609.00	\$10,927.27	\$10,927.27
9		Payment Refund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Capitalization Repayment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$48,128,303.96	\$54,434,446.70	\$50,872,073.25	\$57,807,948.19	\$57,883,023.46	

Net Income	\$4,395,566.85	\$163,200.92	(\$614,901.76)	(\$481,659.30)	(\$256,734.74)
Ending Balance	\$30,971,196.85	\$31,134,397.77	\$30,356,295.09	\$29,874,635.80	\$30,099,560.35

Liabilities and Reserves						
Statutory Reserves	IBNR Reserve	\$5,371,680.64	\$6,144,909.49	\$5,719,960.85	\$6,529,615.85	\$6,529,615.85
	Surplus Account	\$2,514,836.78	\$2,637,289.44	\$2,424,046.05	\$2,793,764.54	\$2,793,764.54
Discretionary Reserves	Claims / Rate Stabilization Reserve	\$2,238,200.27	\$3,840,568.43	\$3,840,568.43	\$4,081,009.91	\$4,081,009.91
	Catastrophic Claims Reserve	\$2,800,000.00	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00
Total Liabilities and Reserves		\$12,924,717.69	\$17,122,767.36	\$16,484,575.33	\$17,904,390.30	\$17,904,390.30

Unencumbered Fund Balance	\$18,046,479.16	\$14,011,630.41	\$13,871,719.76	\$11,970,245.49	\$12,195,170.05
	35.88%	26.56%	28.61%	21.42%	21.83%



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.healthconsortium.net • consortium@tompkins-co.org

"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

RESOLUTION NO. - 2020 – INCREASE POSITION FROM PART-TIME TO FULL-TIME - CLERK OF THE BOARD

WHEREAS, the Executive Committee has discussed the current and future staffing needs of the Consortium and recommends increasing the position of Clerk of the Board from a part-time position to a full-time position, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Board of Directors of GTCMHIC hereby increases the Clerk of the Board position to full-time with benefits offered to all Consortium employees effective January 3, 2021.

* * * * *



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RESOLUTION NO. - 2020 – ADOPTION OF PREMIUM PAYMENT POLICY

WHEREAS, Section J.2 (Premium Calculations/Payment) of the Municipal Cooperative Agreement states “Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day of each calendar month during the Plan Year. A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month, or the next business day when the first falls on a Saturday, Sunday, legal holiday, or day observed as a legal holiday by the Participants.”, and

WHEREAS, the MCA also states “The Consortium may waive the first penalty once per Plan Year for each Participant, but will strictly enforce the penalty thereafter. A repeated failure to make timely payments, including any applicable penalties, may be used by the Board as an adequate justification for the expulsion of the Participant from the Consortium.”, and

WHEREAS, although it has been a practice of the Consortium to enforce a late payment penalty upon a Participant that has repeatedly been late in submitting its premium payment, the Consortium has not established a formal policy relating imposing fees for to the collection of late premium payments, and

WHEREAS, due to the increasing growth of the Consortium and in the interest of fairness and equity, it is an appropriate time to adopt a late payment fee policy that can be administered to all Participants in circumstances where premium payments are not received in a timely manner, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Board of Directors hereby adopts the Consortium’s Premium Payment Policy effective January 1, 2021.

* * * * *



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Premium Payment Policy

Premium fees will be established each year by the Board of Directors and approved at the Annual Meeting.

Premiums are expected to be paid as billed each month. No changes to the invoice amount are allowed. Any adjustments should be noted and sent to the Principal Accountant and those adjustments will be made on future invoices. Any checks received for an amount other than the invoiced amount will be sent back to the municipality. Invoices must be paid in the order they are received.

Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day of each calendar month during the Plan Year, if mailing payments, please allow time for the payment to be received by the first.

A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month, or the next business day when the first falls on a Saturday, Sunday, legal holiday, or day observed as a legal holiday by the Participants

The Executive Director on behalf of the Consortium may waive the first penalty once per Plan Year for each Participant but will strictly enforce the penalty thereafter.

If an invoice has not been paid by 60 days a letter will be sent to the Participant letting them know their payment is late and the applicable late fee will be charged. All payments received after the 1st of the month will be reported at the Audit and Finance Committee meeting. If a payment has not been made by 90 days, the Executive Director will be notified, and the late payment will be discussed as an agenda item at the next Audit and Finance Committee Meeting. Follow up correspondence after 90 days will be made by the Executive Director until the Participant becomes current.

A repeated failure to make timely payments, including any applicable penalties, may be used by the Board as an adequate justification for the expulsion of the Participant from the Consortium.

Recommended by Operations Committee – September 28, 2020



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**RESOLUTION NO. - 2020 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES
AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2021
THRU DECEMBER 31, 2021**

WHEREAS, the Tompkins County Information Technology Services Department (ITS) has provided technical support to the Consortium since it began operations in 2011, and

WHEREAS, technical support has included website hosting and assistance, e-mail account technical support, assistance with the Consortium's compliance with NYCRR 500 Cybersecurity requirements, audio and visual assistance, development of a secure online enrollment program, and general computer support, and

WHEREAS, the Consortium wishes to continue its contract arrangement with the Tompkins County Information Technology Services Department that was formalized in 2020, and

WHEREAS, the Executive Director is proposing no changes to the 2020 Memorandum of Understanding, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2021 based on a rate for an average of seven (7) hours per month at \$60 per hour for ITS support provided to the Consortium from January 1, 2021 thru December 31, 2021 for a total of \$5,040,

RESOLVED, that the amount of \$5,040 will be submitted as a single invoice by ITS in January, 2021, and

RESOLVED, that ITS will invoice annually for the direct cost of the assigned Consortium Microsoft Office 365 licenses as procured under the Tompkins County Microsoft Office 365 tenant, and

RESOLVED, further, That this rate and hours associated with ITS support shall be reviewed annually to ensure that as the Consortium grows that it supports the assistance provided by the Department,

RESOLVED, further, That the Chair of the Board is hereby authorized to execute this contract on behalf of the Consortium,

RESOLVED, further, that the TC Information Technology Services Agreement will be kept on file in the Consortium's records.

* * * * *



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RESOLUTION NO. - 2020 – CREATION OF POSITIONS – FINANCE MANAGER AND BENEFITS SPECIALIST

WHEREAS, the Executive Committee has discussed the current and future staffing needs of the Consortium and supports the need to expand staff to be able to meet the needs of the organization, and

WHEREAS, the Consortium will grow to having 49 Participating members in 2021 from its original 13 when granted its Certificate of Authority in 2010, and

WHEREAS, in conjunction with consultants, Tompkins County has administered the Consortium's financial responsibilities, including accounting, billing, and financial reporting to the Department of Financial Services, since the Consortium began operations, and

WHEREAS, after an evaluation of the present and future needs of the Consortium, it is recommended that the Consortium create a position of Finance Manager and transition responsibilities from Tompkins County Finance to the Consortium, and

WHEREAS, as members are relying on the Consortium to provide more benefit information, plan comparisons, enrollment changes, assistance with claims, participant issues, negotiations material and COBRA information that previously was provided by their insurance agency, it is recommended that the Consortium create a position of Benefits Specialist, now therefore be it

RESOLVED, on recommendation of the Operations and Audit and Finance Committees, That the Board of Directors of GTCMHIC hereby creates the following positions in accordance with the applicable New York State and Tompkins County Civil Service rules:

1. The following position is established and is a position in the competitive class pursuant to Section 44 of the Civil Service Law:

- 1-(One) –Finance Manager
- 1-(One) –Benefits Specialist

RESOLVED, further, That the Board of Directors does hereby approve the job descriptions for the said positions as created and monitored by Tompkins County Civil Service.

* * * * *



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RESOLUTION NO. - 2020 – AUTHORIZING EXECUTIVE DIRECTOR TO SIGN ON BEHALF OF THE CONSORTIUM

WHEREAS, the Chair of the Board has traditionally signed all contracts on behalf of the Consortium, and

WHEREAS, the Consortium has a Procurement Policy in place with a formal review process of recommending all contracts for approval prior to signing, and

WHEREAS, the Consortium has an Executive Director to act on behalf of the Consortium as its Administrator, and in the interests of expediency and efficiency, should also have authority to sign documents on behalf of the Consortium, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Director will be authorized to sign contract renewals excluding contracts related to the Consortium’s Third Party Administrators or initial contracts following an RFP (Request for Proposals) process.



2020 Fiscal Year Budget Performance Report As of October 31, 2020

Locey & Cahill, LLC
250 South Clinton Street, Suite 340
Syracuse, NY 13202
Tel (315) 425-1424
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E-mail: slocey@loceycahill.com



Section 1

2020 Fiscal Year-to-Date Income Budget vs Actual Results

2020 Income Budget vs Actual (10/31/2020)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2020 Budget Performance Analysis

Results as of: 10/31/2020

Includes Income Codes 6000 & 6010

		2020 Adopted Budget	2020 Revised Budget	2020 Year-to-Date	2020 Actual Results	Variance	% Difference
Income							
	Medical and Rx Plan Premiums	\$52,745,788.78	\$52,745,788.78	\$43,954,823.98	\$43,947,216.66	-\$7,607.32	-0.02%
9020	Interest	\$446,554.34	\$446,554.34	\$372,128.62	\$301,660.81	-\$70,467.81	-18.94%
9010	Rx Rebates	\$1,400,000.00	\$1,400,000.00	\$1,050,000.00	\$1,188,523.16	\$138,523.16	13.19%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$29,295.28	\$29,295.28	n/a
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$20,439.95	\$20,439.95	n/a
9030	Other	\$5,304.50	\$5,304.50	\$4,420.42	\$0.00	-\$4,420.42	-100.00%
Total Income		\$54,597,647.62	\$54,597,647.62	\$45,381,373.02	\$45,487,135.86	\$105,762.84	0.23%

Key Facts:

1. Premium Income is 0.02% below budget and based on our preliminary analysis, it appears as though this was caused by two competing variables:
 - a. In the first 10-months of this year, the Consortium's contract count has increased by 2.80% which has resulting in an increase in the covered lives count by 1.96%.
 - b. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan. This movement results in a lower overall premium base, but also lowers claims costs.

2020 Income Budget vs Actual (10/31/2020)

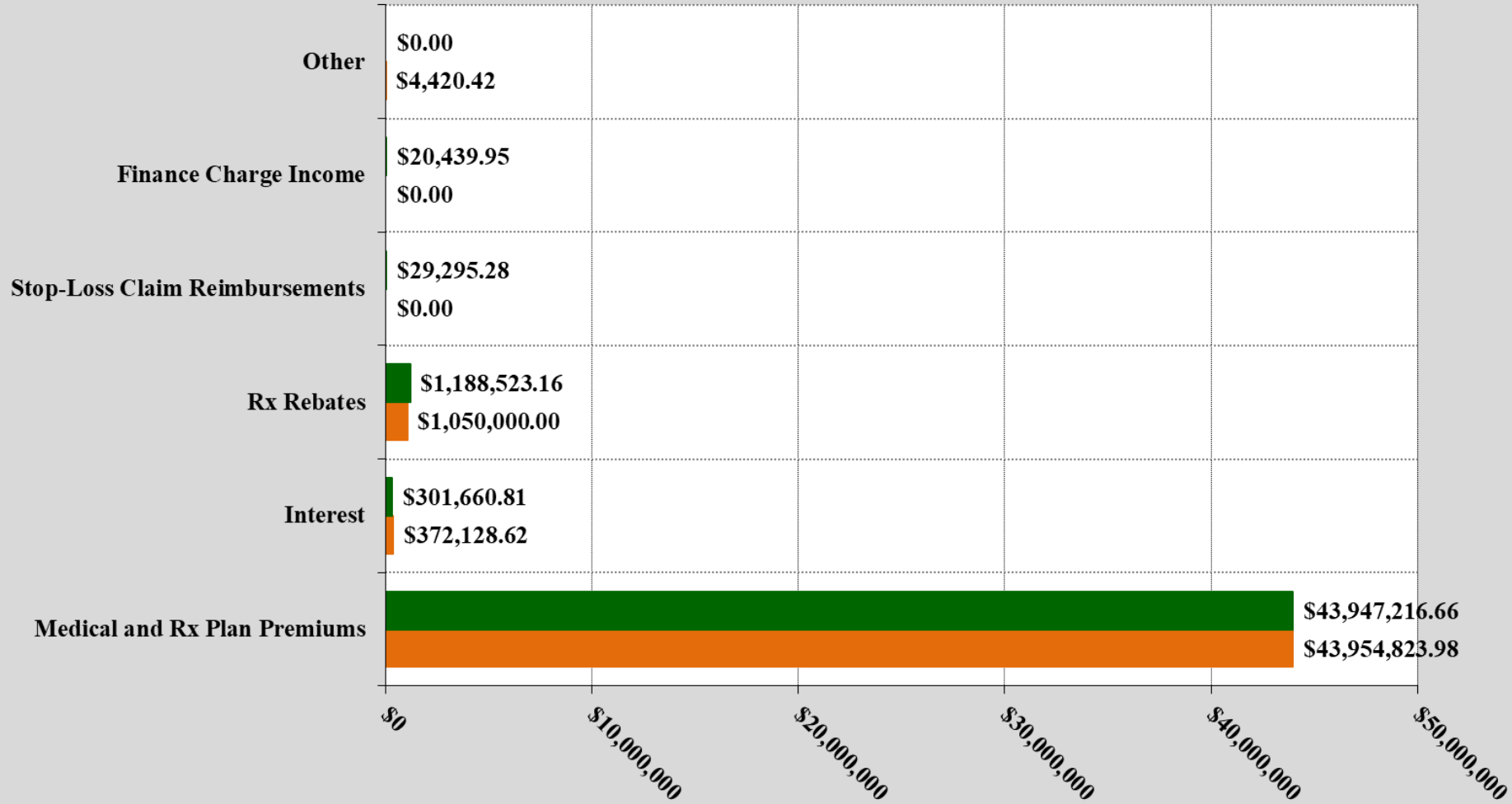
Key Facts (continued):

2. **Interest Income** to date is now **18.94% below budget** as a direct result of interest rates falling dramatically during the COVID-19 pandemic. This result was in spite of the improved investment management strategies initiated by the Consortium's financial management team, and the timing of varying maturity dates on the various Consortium investment accounts. This trend looks like it will continue for the foreseeable future.
3. The pharmaceutical manufacturer rebate payment received from ProAct, Inc. for the 1st three quarters of the 2020 Fiscal Year was above budget the budgeted amount. We anticipate this income level to finish the year a bit above the \$1.4 million budgeted for the year with payments totaling approximately \$1.6 million by year's end.
4. The Consortium received a small payment of \$29,295.28 as reimbursement for a claim which exceeded the Specific Stop-Loss Insurance Deductible of \$600,000 in 2019. To date, there have been no claims in excess of \$1,000,000 this year. As a result, the Consortium has not received any funds from Excellus BCBS related to the 2020 Policy.
5. There is no "Other" income as of October 31, 2020. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.

Greater Tompkins County Municipal Health Ins. Consortium

2020 Income Distribution

January 1, 2020 to October 31, 2020

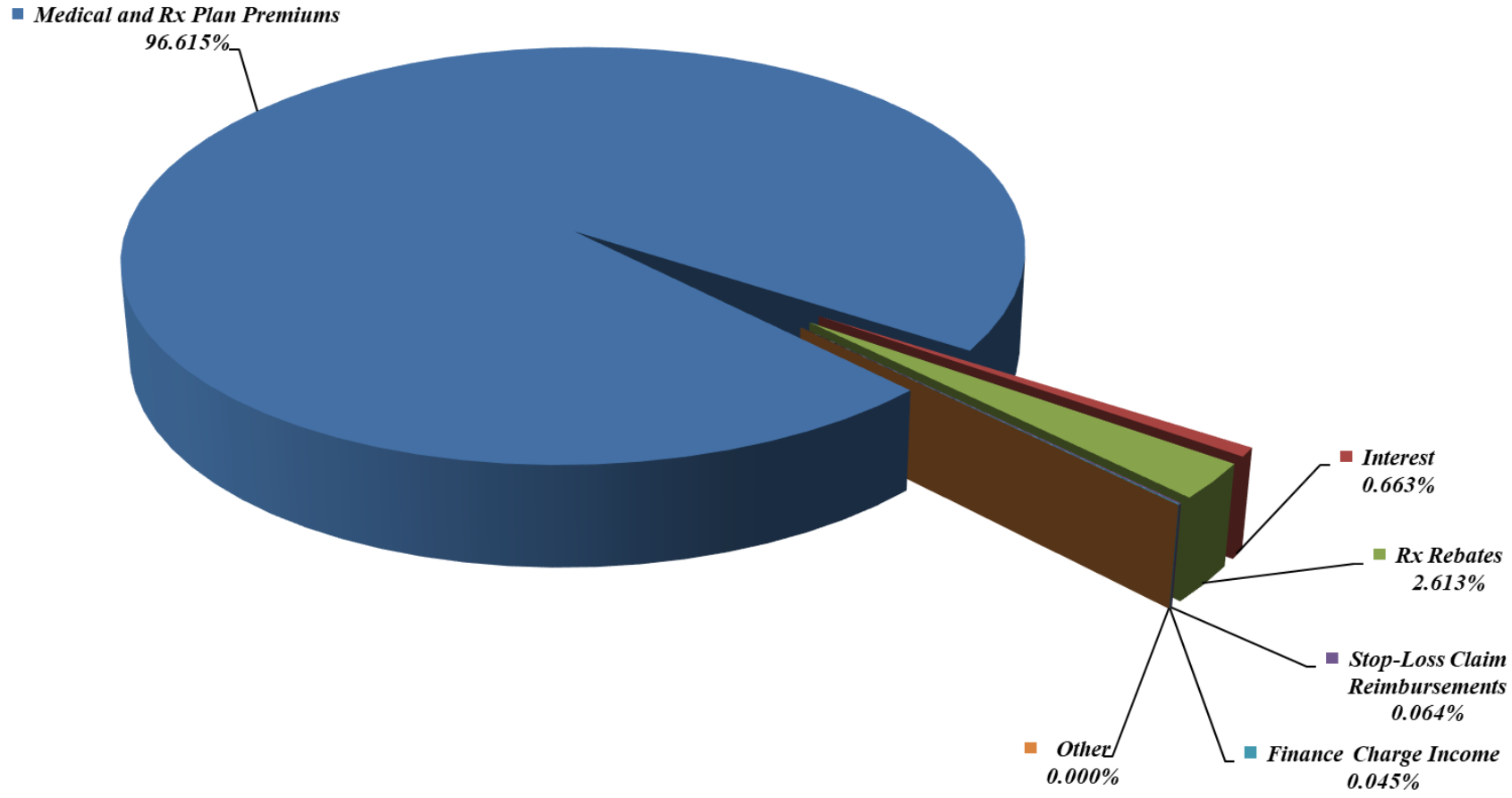


■ 2020 Actual Income
 ■ 2020 Budgeted Amounts

Greater Tompkins County Municipal Health Ins. Consortium

2020 Income Distribution

January 1, 2020 to October 31, 2020



■ Medical and Rx Plan Premiums ■ Interest ■ Rx Rebates ■ Stop-Loss Claim Reimbursements ■ Finance Charge Income ■ Other



Section 2

2020 Fiscal Year-to-Date Expense Budget vs Actual Results

2020 Expense Budget vs Actual Results (10/31/2020)

Includes Expense Codes 8081, 8082, & 8083

Balance Sheet Item 3500

	2020 Adopted Budget	2020 Revised Budget	2020 Year-to-Date	2020 Actual Results	Variance	% Difference
Expenses						
8090 Medical Paid Claims	\$37,198,413.76	\$37,198,413.76	\$30,998,678.13	\$26,933,532.58	-\$4,065,145.55	-13.11%
Advance Deposit / Pre-Paid Claims	\$113,700.00	\$113,700.00	\$0.00	\$0.00	\$0.00	n/a
8120 Rx Paid Claims - ProAct	\$14,009,165.32	\$14,009,165.32	\$11,674,304.43	\$11,980,966.65	\$306,662.22	2.63%
8121 Rx Paid Claims - CanaRx	\$179,959.49	\$179,959.49	\$149,966.24	\$112,674.20	-\$37,292.04	-24.87%
8084 Flu Clinic Fees	\$15,000.00	\$15,000.00	\$12,500.00	\$12,938.96	\$438.96	3.51%
8050 Medical Admin Fees	\$1,326,646.30	\$1,326,646.30	\$1,105,538.58	\$1,161,242.50	\$55,703.92	5.04%
8093 Excellus ITS Fees	\$0.00	\$2,956.67	\$2,463.89	\$0.00	-\$2,463.89	-100.00%
Rx Admin Fees	\$164,664.95	\$164,664.95	\$137,220.79	\$165,047.75	\$27,826.96	20.28%
8091 NYS Graduate Medical Exp.	\$348,095.65	\$348,095.65	\$290,079.71	\$250,229.06	-\$39,850.65	-13.74%
9060 ACA PCORI Fee	\$0.00	\$17,130.53	\$17,130.53	\$15,681.96	-\$1,448.57	-8.46%
8110 Specific Stop-Loss Insurance	\$762,505.96	\$762,505.96	\$635,421.63	\$220,547.28	-\$414,874.35	-65.29%
8000 Accounting Fees	\$30,800.00	\$30,800.00	\$25,666.67	\$14,400.00	-\$11,266.67	-43.90%
8010 Actuarial Fees	\$51,500.00	\$51,500.00	\$42,916.67	\$39,850.00	-\$3,066.67	-7.15%
8020 Audit Fees (Financial)	\$96,222.60	\$12,000.00	\$12,000.00	\$13,000.00	\$1,000.00	8.33%
Audit Fees (Claims)	\$0.00	\$40,000.00	\$33,333.33	\$53,875.00	\$20,541.67	61.63%
8055 Consultant Fees (Barber)	\$56,135.00	\$56,135.00	\$46,779.17	\$12,474.26	-\$34,304.91	-73.33%
8030 Consultant Fees (L&C)	\$87,550.00	\$87,550.00	\$72,958.33	\$72,100.00	-\$858.33	-1.18%
Consultant Fees (Other) - Retirement Plan Review	\$50,000.00	\$50,000.00	\$41,666.67	\$0.00	-\$41,666.67	-100.00%
8070 Legal Fees	\$11,255.09	\$12,000.00	\$10,000.00	\$5,183.75	-\$4,816.25	-48.16%
8043 Wellness Coordinator Fees	\$23,701.25	\$24,000.00	\$20,000.00	\$0.00	-\$20,000.00	-100.00%
66001 Executive Director Salary	\$123,170.18	\$92,000.00	\$76,666.67	\$77,676.94	\$1,010.27	1.32%
66002 Fringe Benefits	\$0.00	\$66,000.00	\$55,000.00	\$35,357.89	-\$19,642.11	-35.71%
66003 Clerk of the Board Salary	\$119,957.56	\$36,000.00	\$30,000.00	\$22,542.00	-\$7,458.00	-24.86%
66004 Admin/Comp Asst. Salary	\$0.00	\$51,000.00	\$42,500.00	\$37,586.00	-\$4,914.00	-11.56%
8060 Insurances (D&O / Prof. Liability)	\$41,317.03	\$41,317.03	\$34,430.86	\$36,343.90	\$1,913.04	5.56%
8041 Internal Coordination (Finance)	\$68,660.00	\$68,660.00	\$57,216.67	\$57,071.38	-\$145.29	-0.25%
8042 Internal Coordination (Support)	\$0.00	\$16,000.00	\$13,333.33	\$0.00	-\$13,333.33	-100.00%
8040 Internal Coordination Fees (Other)	\$0.00	\$2,000.00	\$1,666.67	\$0.00	-\$1,666.67	-100.00%
8045 Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$5,000.00	\$6,000.00	\$1,000.00	20.00%
8044 Internal Coordination (IT Support)	\$3,090.00	\$9,000.00	\$7,500.00	\$6,489.32	-\$1,010.68	-13.48%
9065 Marketing Expenses	\$2,060.00	\$5,000.00	\$4,166.67	\$0.00	-\$4,166.67	-100.00%
9055 Investment Management Services	\$18,540.00	\$18,540.00	\$15,450.00	\$14,973.20	-\$476.80	-3.09%
8150 Supplies Expense	\$1,500.00	\$1,500.00	\$1,250.00	\$0.00	-\$1,250.00	-100.00%
8151 Computer Equipment	\$0.00	\$5,000.00	\$4,166.67	\$0.00	-\$4,166.67	-100.00%
8152 Lease Expense / Parking Fees	\$0.00	\$6,500.00	\$5,416.67	\$5,509.90	\$93.23	1.72%
8153 Mileage- Travel Expenses	\$0.00	\$1,000.00	\$833.33	\$312.23	-\$521.10	-62.53%
9060 Other Expenses / Supplies	\$11,608.99	\$10,609.00	\$8,840.83	\$5,157.49	-\$3,683.34	-41.66%
Total Expenses	\$54,921,219.12	\$54,938,349.65	\$45,692,063.13	\$41,368,764.20	-\$4,323,298.93	-9.46%
Net Income	-\$323,571.50	-\$340,702.03	-\$310,690.11	\$4,118,371.66	\$4,429,061.77	

2020 Expense Budget vs Actual Results (10/31/2020)

		2020 Adopted Budget	2020 Revised Budget	2020 Year-to-Date	2020 Actual Results	Variance	% Difference
Expenses							
	Paid Claims	\$51,516,238.57	\$51,516,238.57	\$42,835,448.81	\$39,040,112.39	-\$3,795,336.42	-8.86%
	Claims Admin. Fees	\$1,491,311.24	\$1,494,267.91	\$1,245,223.26	\$1,326,290.25	\$81,066.99	6.51%
	Stop-Loss	\$762,505.96	\$762,505.96	\$635,421.63	\$220,547.28	-\$414,874.35	-65.29%
	Taxes and Fees	\$348,095.65	\$365,226.18	\$307,210.24	\$265,911.02	-\$41,299.22	-13.44%
	Professional Services	\$425,703.94	\$382,525.00	\$320,770.83	\$225,856.21	-\$94,914.62	-29.59%
	Insurance/Internal Fees	\$377,363.76	\$417,586.03	\$347,988.36	\$290,047.05	-\$57,941.31	-16.65%
Total Expenses		\$54,921,219.12	\$54,938,349.65	\$45,692,063.13	\$41,368,764.20	-\$4,323,298.93	-9.46%

The above provides an “easier to read” summary version of the expense data for the Consortium through October 31, 2020. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 94.37% of the total expenses of the Consortium through the first 10-months of 2020. In addition, the overall paid claims are currently 8.81% below budget for the 2020 Fiscal Year-to-Date. This is the overwhelming reason the Consortium has generated more than \$4.1 million in net income for the year as of October 31, 2020.

2020 Expense Budget vs Actual Results (10/31/2020)

Key Facts:

1. We worked with the Consortium's Executive Director and Financial Team to allocate budgeted funds into their correct expense line-item based on their code. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. Although some of the specific lines were revised, the total expense number remained relatively consistent with the original budgeted amount approved by the Board of Directors.
2. We have eliminated the Ancillary Benefits Premium from the income and expense budgets as these are merely pass-through dollars which do not impact the Consortium's bottom-line.
3. Now that we are 10-months into the fiscal period many of the expense items are still showing below budget. Some items are an annual expense and have not been billed to the Consortium. We do anticipate that several of these items will be more in line with the budget as we head into the end of the fiscal period.
4. Paid claims (benefits) accounted for 94.371% of the total expenses for the GTCMHIC. This means that a modest 5.629% was used to pay all the Consortium's administrative and overhead expenses.

2020 Expense Budget vs Actual Results (10/31/2020)

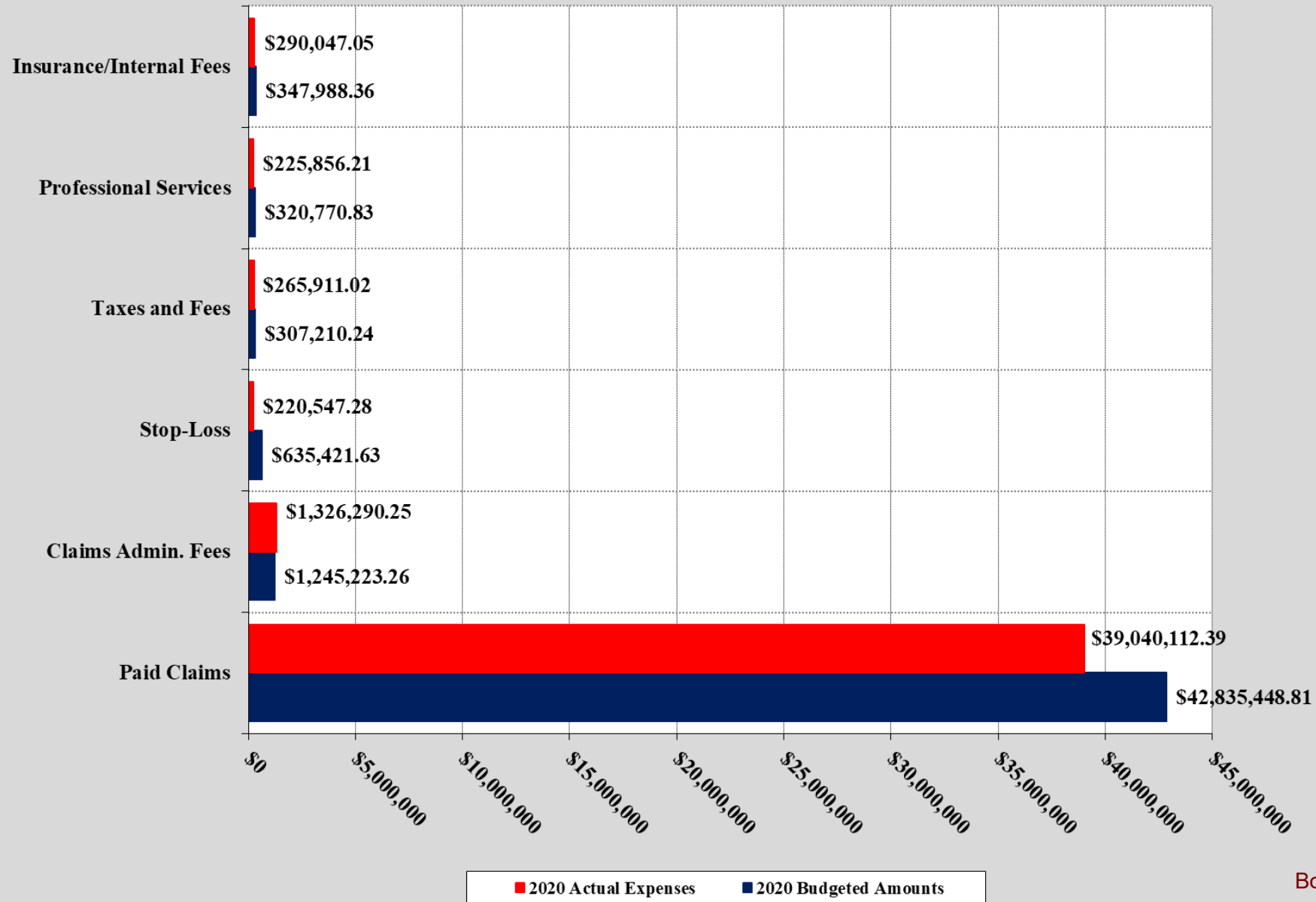
Key Facts:

5. Medical Paid Claims are currently 13.11% below the projected budget for the year and this is the result of:
 - a) An increase in the covered lives ($\uparrow 1.96\%$) and in the number of contracts ($\uparrow 2.80\%$) skews the early 2020 medical paid claims due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan by several employer groups.
 - c) A substantial decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community.
 - d) A decrease in the number of large loss claimants and a decrease in the severity of the cases reported to date.
6. Rx Paid Claims are currently 2.63% above budget with the past two months being a bit higher than projected. This is a trend we are keeping a close eye on as we continue the budget development process for the 2021 Fiscal Year. It should be noted that based on our analysis, the recent pandemic did not substantively change the cost of pharmaceutical claims and therefore we do not believe it is a direct factor in this result.

Greater Tompkins County Municipal Health Ins. Consortium

2020 Expense Distribution

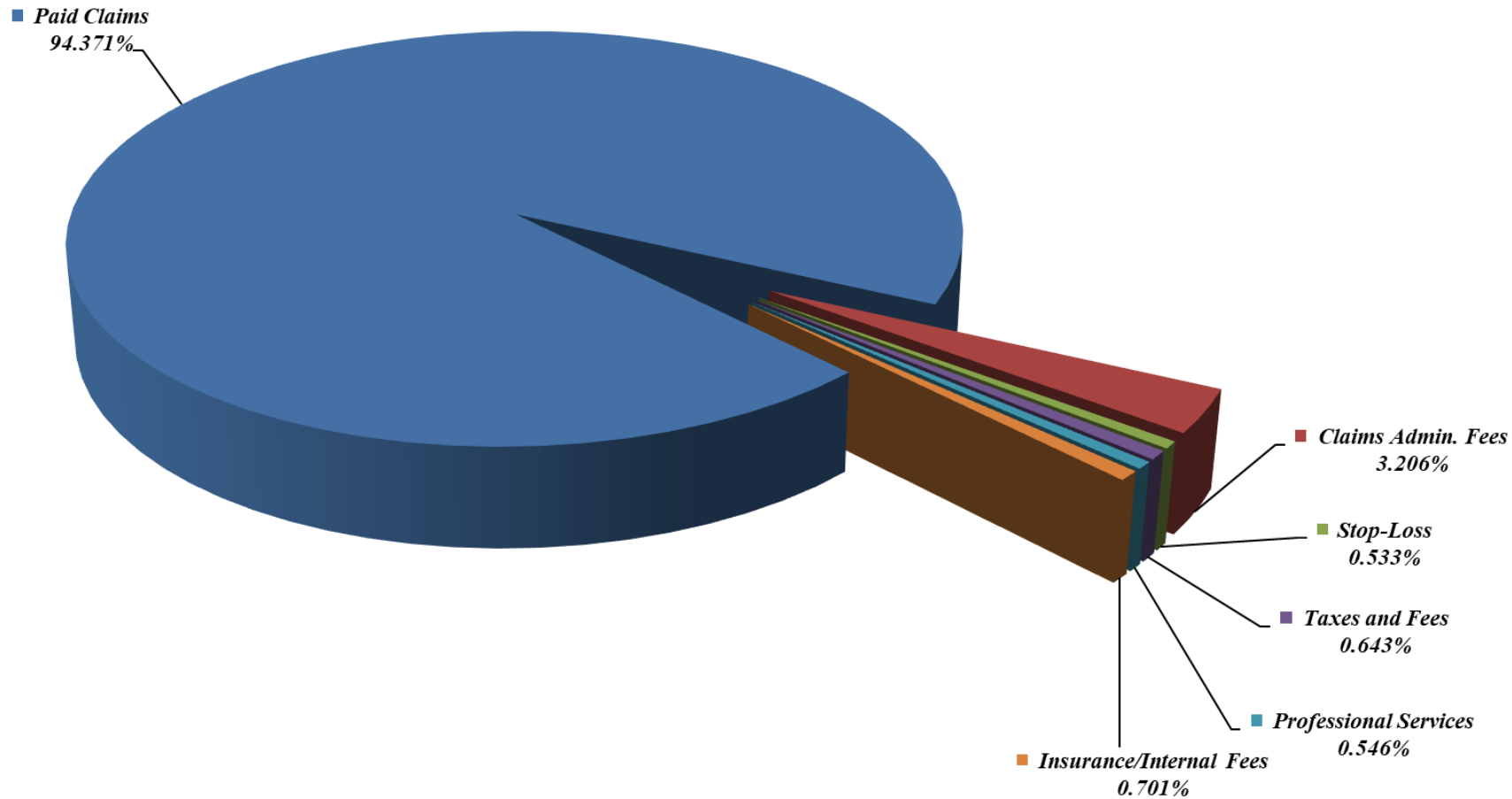
January 1, 2020 to October 31, 2020



Greater Tompkins County Municipal Health Ins. Consortium

2020 Expense Distribution

January 1, 2020 to October 31, 2020



■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees

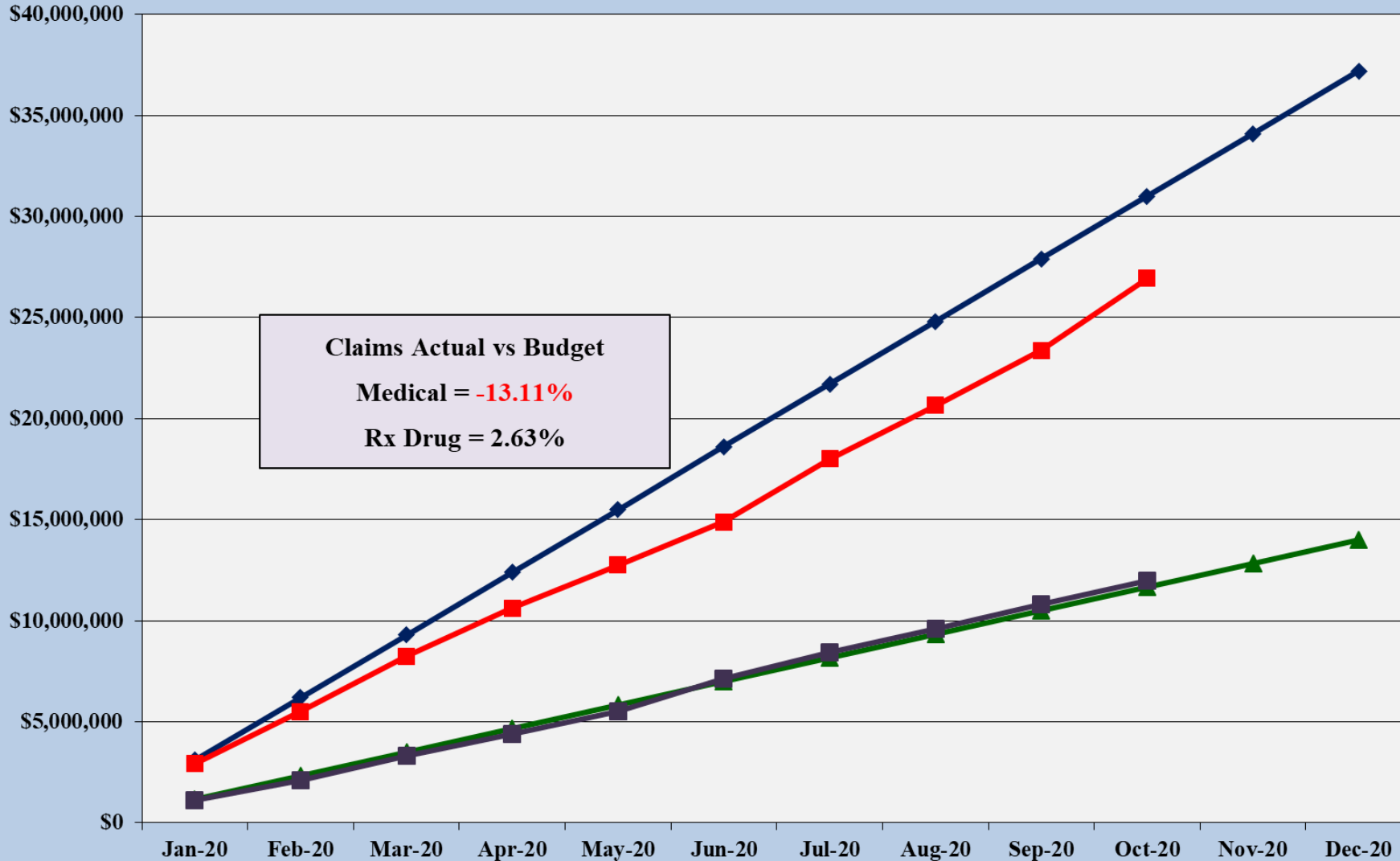


Section 3

2020 Fiscal Year-to-Date Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

2020 Cumulative Paid Claims and Budgeted Claims by Month

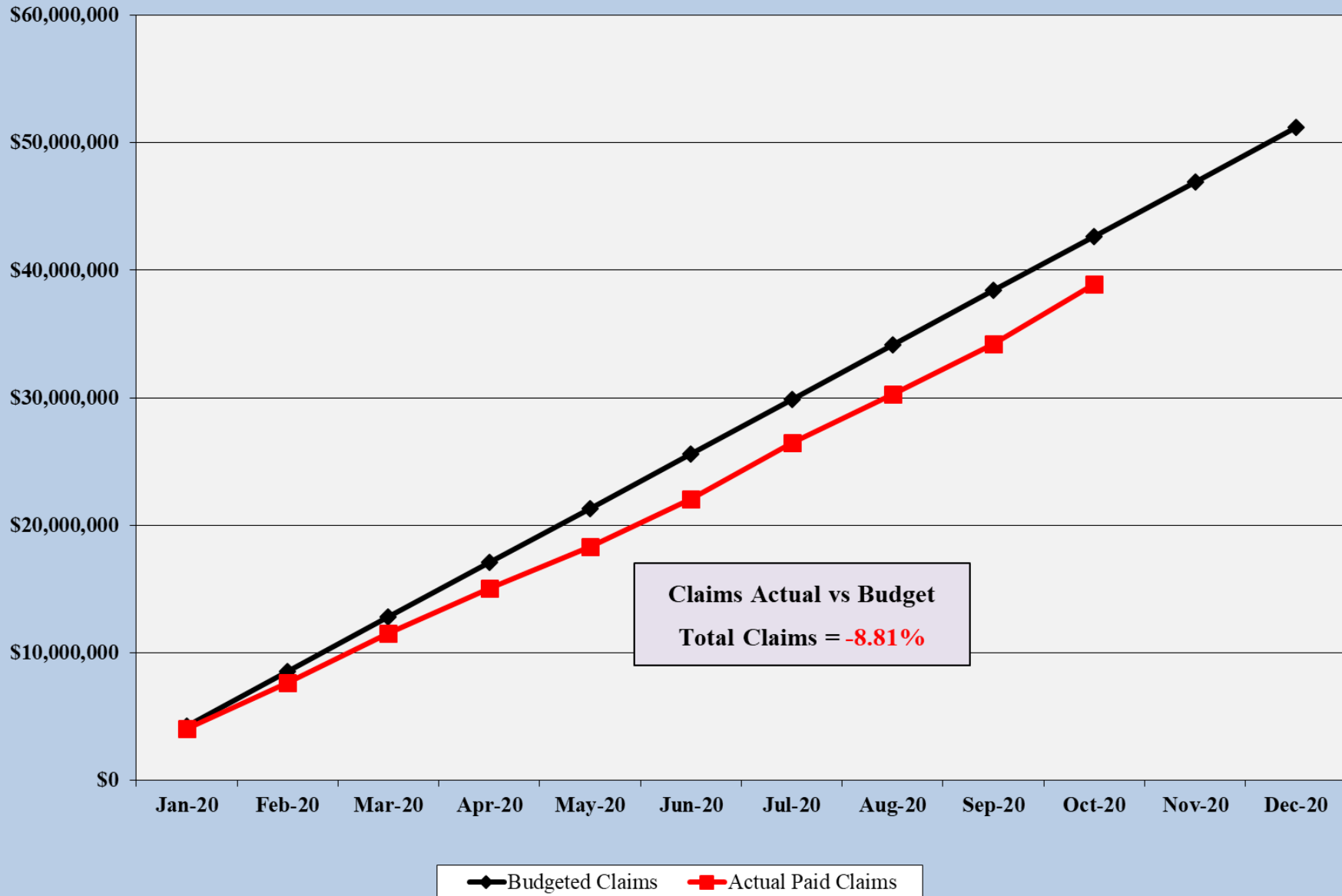


Claims Actual vs Budget
 Medical = **-13.11%**
 Rx Drug = **2.63%**

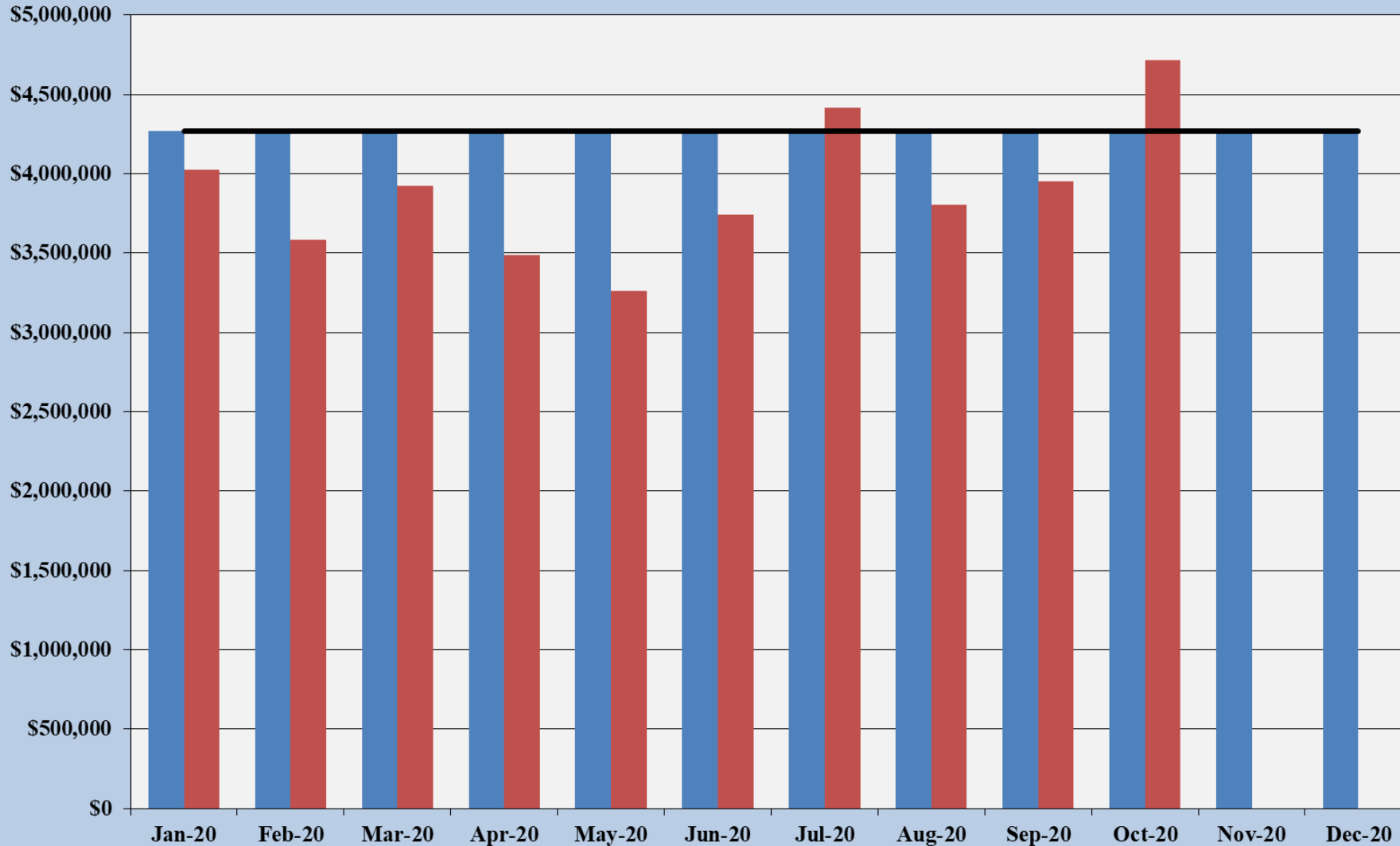
◆ Medical Plan Budgeted Claims
 ■ Medical Plan Actual Paid Claims
 ▲ Rx Plan Budgeted Claims
 ■ Rx Paid Claims

Greater Tompkins County Municipal Health Insurance Consortium

2020 Cumulative Paid Claims and Budgeted Claims by Month



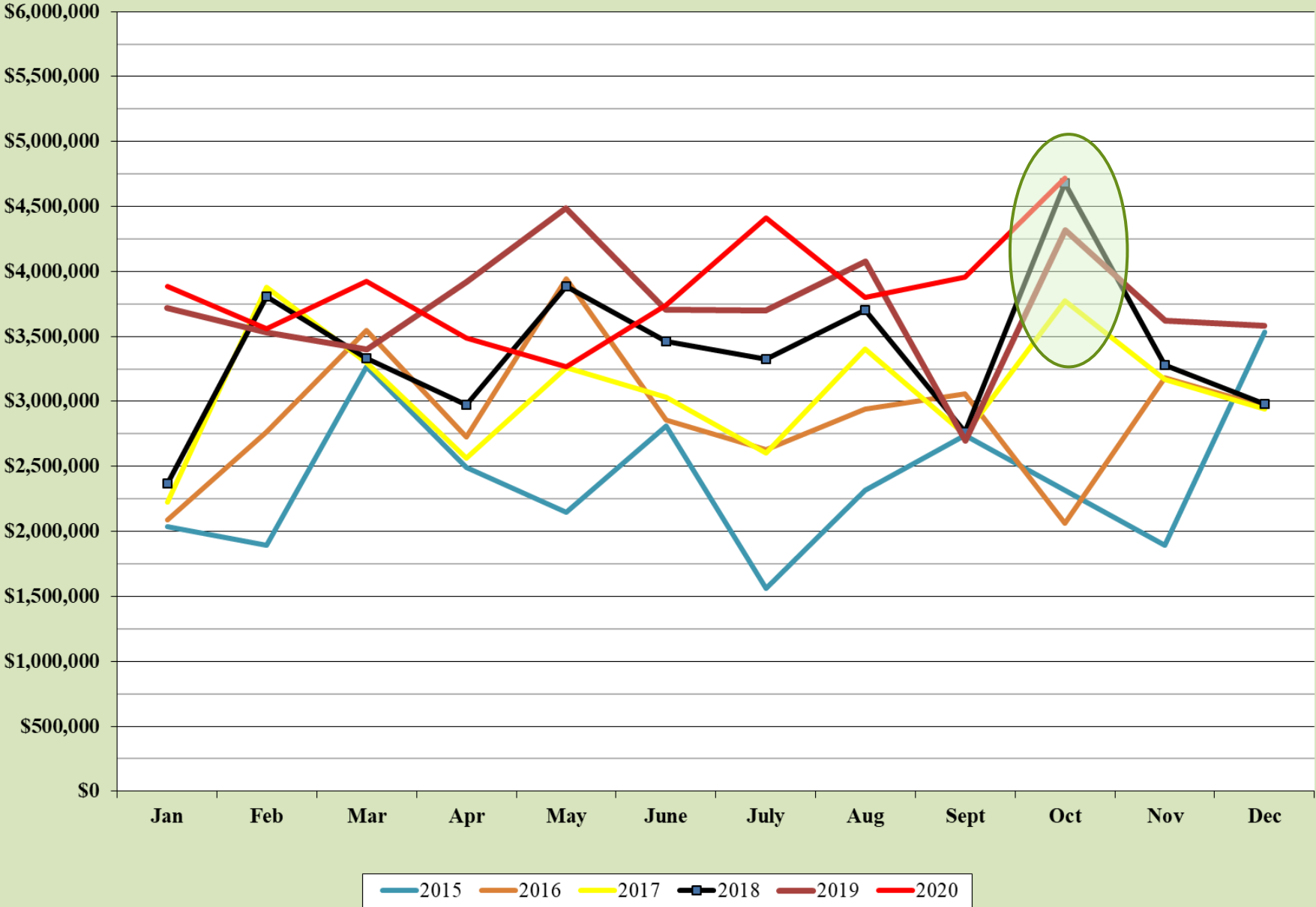
*Greater Tompkins County Municipal
Health Insurance Consortium*
2020 Budgeted vs Actual Paid Claims by Month



■ Budgeted Claims
 ■ Actual Paid Claims
 — Linear (Budgeted Claims)

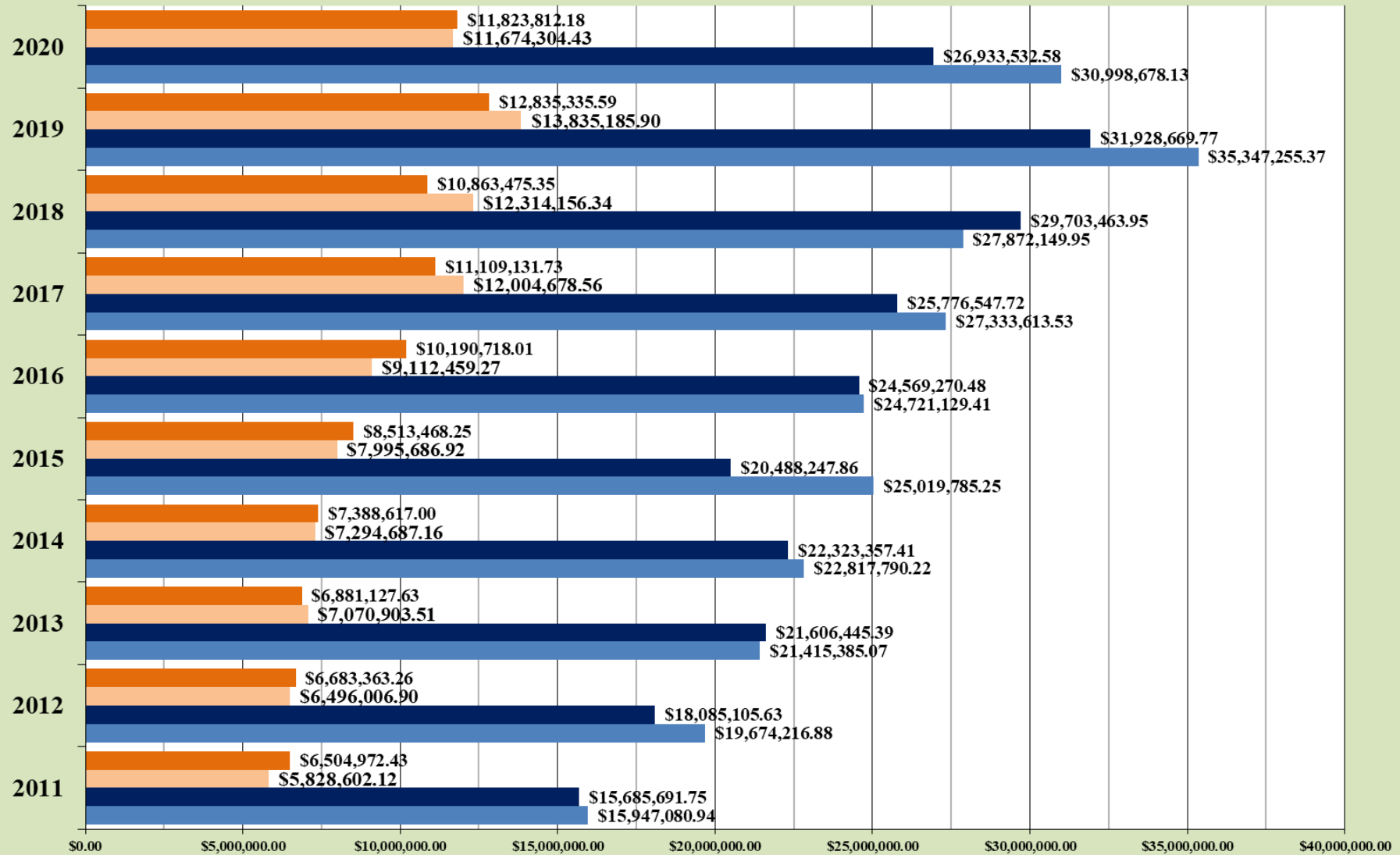
Greater Tompkins County Municipal Health Ins Consortium

2015-2020 Monthly Paid Claims by Fiscal Year



Greater Tompkins County Municipal Health Ins Consortium

2011-2020 (as of 10/31/2020) Annual Paid Claims v Budgeted Claims

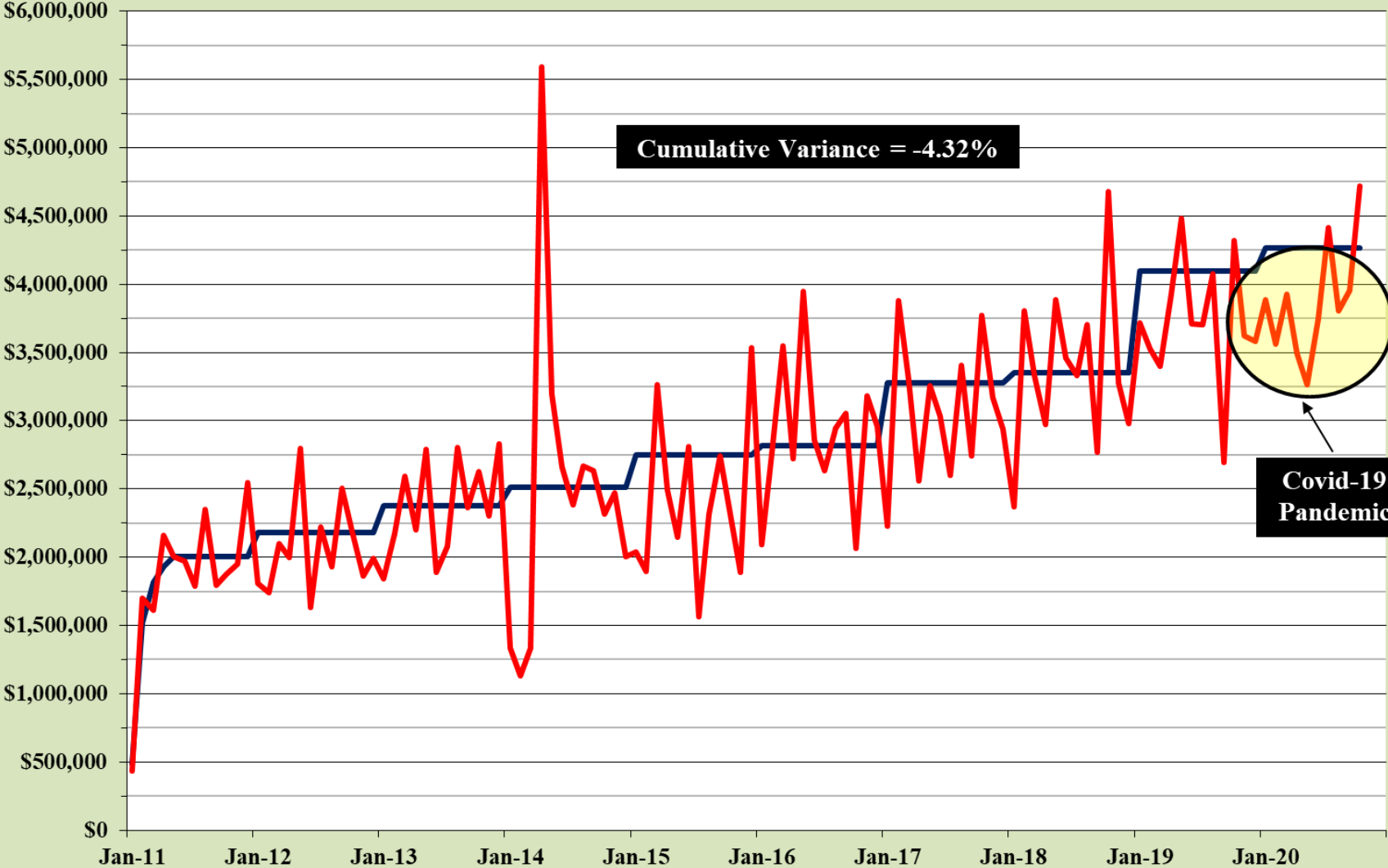


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2020 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to October 31, 2020

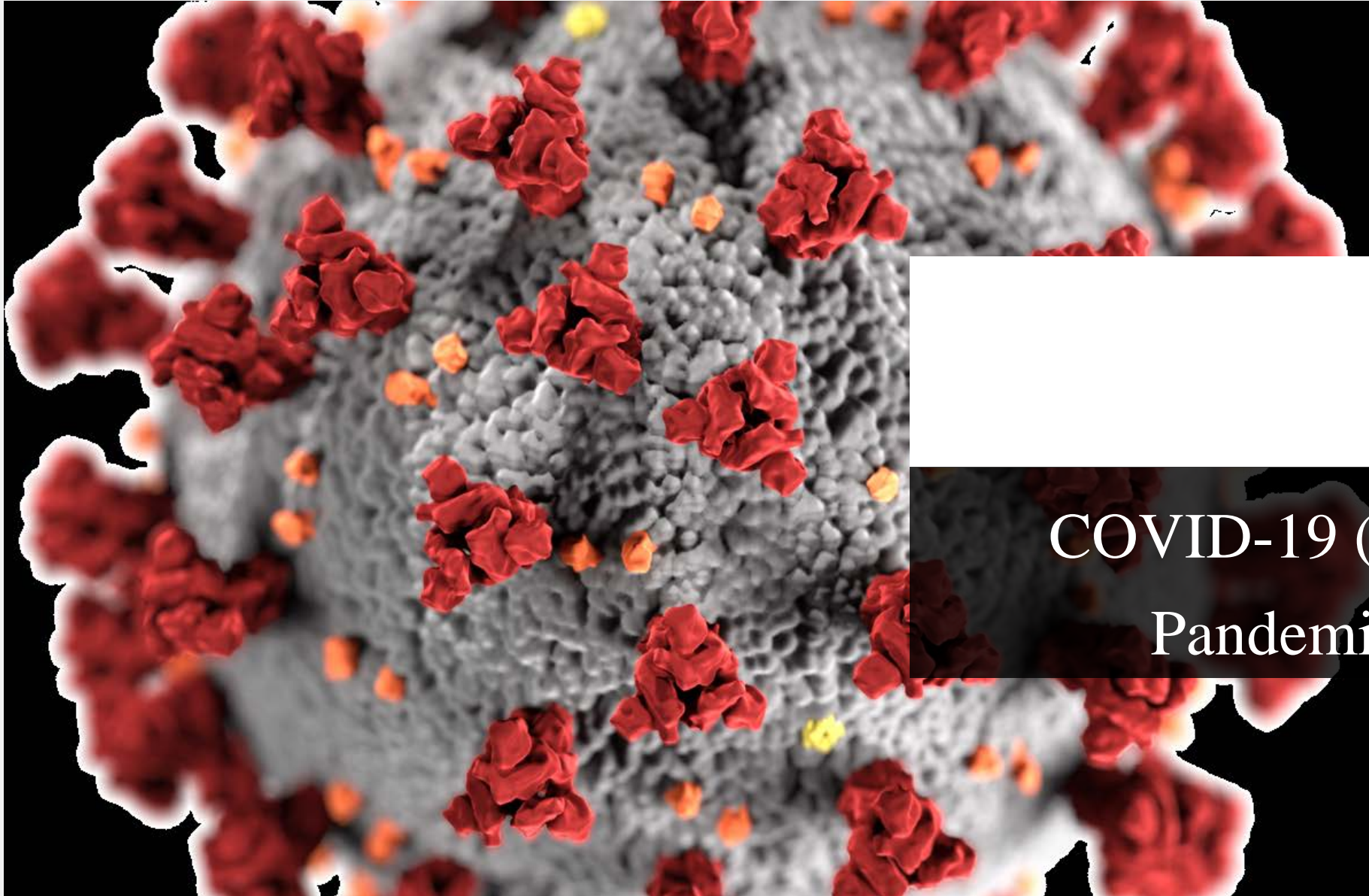


— Budgeted Claims — Actual Paid Claims

Greater Tompkins County Municipal Health Insurance Consortium

Lage Loss and Catastrophic Claims History (as of October 31, 2020)

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Large Loss Claims Paid	Claim Dollars in Excess of Deductible
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21
2018	\$600,000.00	5,201	45	10	4	3	3	\$8,913,105.20	\$453,672.85
2019	\$600,000.00	6,174	46	14	3	2	1	\$8,874,919.83	\$29,295.28
2020	\$1,000,000.00	6,307	39	14	5	2	0	\$7,389,699.32	\$0.00
Totals		51,875	285	78	24	14	7	\$51,863,296.60	\$2,619,537.80
Averages		5,187	28.500	7.800	2.400	1.400	0.700	\$5,186,329.66	\$261,953.78



Section 4

COVID-19 (coronavirus) Pandemic Impact

2020 COVID-19 Pandemic Impact

Tompkins County Key Facts:

1. Tompkins County has approximately 103,000 residents.
2. According to the New York State Department of Health web-site, as of December 3rd
 - a) There have been approximately 721,686 tests conducted of people in Tompkins County for the presence of COVID-19 (coronavirus).
 - b) There have been 1,209 Tompkins County residents who have tested positive for coronavirus which is 0.168% of the tested population and approximately 1.17% of the County's total population with no reported deaths amongst county residents.
3. The other Counties in the Consortium have the following results:

a) Cayuga	71,086 Tests Conducted	983 Positive Results (1.38%)
b) Cortland	61,914 Tests Conducted	1,116 Positive Results (1.80%)
c) Seneca	26,569 Tests Conducted	347 Positive Results (1.31%)
d) Tioga	43,030 Tests Conducted	1,193 Positive Results (2.77%)

2020 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium

1. Paid claims in the short-term have been below budget. If we look at the monthly paid claims for the past two months, we see lower results due primarily to the delay or cancellation of minor and/or elective procedures:

Per Excellus BCBS Reports		Per ProAct, Inc. Reports		Combined Paid Claims	
Medical Claims		Rx Claims			
Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
\$2,656,982.48	\$164,088.31	\$1,117,016.74	\$78,117.34	\$3,773,999.22	\$242,205.65
\$2,091,508.81	\$165,934.99	\$1,004,928.55	\$66,152.12	\$3,096,437.36	\$232,087.11
\$2,484,722.26	\$122,643.82	\$1,183,622.26	\$73,298.86	\$3,668,344.52	\$195,942.68
\$1,566,366.43	\$62,316.83	\$1,101,096.33	\$66,660.46	\$2,667,462.76	\$128,977.29
\$2,211,727.69	\$61,046.12	\$1,107,376.77	\$55,938.18	\$3,319,104.46	\$116,984.30
\$1,852,585.78	\$65,283.97	\$1,111,933.57	\$66,819.98	\$2,964,519.35	\$132,103.95
\$2,385,688.98	\$83,846.93	\$1,305,357.66	\$67,665.11	\$3,691,046.64	\$151,512.04
\$2,193,840.37	\$59,698.92	\$1,145,506.06	\$61,227.91	\$3,339,346.43	\$120,926.83
\$2,111,230.35	\$62,345.71	\$1,235,251.26	\$56,696.14	\$3,346,481.61	\$119,041.85
\$2,862,694.70	\$77,831.64	\$1,153,522.01	\$57,915.13	\$4,016,216.71	\$135,746.77
\$0.00	\$0.00			\$0.00	\$0.00
\$0.00	\$0.00			\$0.00	\$0.00
\$22,417,347.85	\$925,037.24	\$11,465,611.21	\$650,491.23	\$33,882,959.06	\$1,575,528.47
96.04%	3.96%	94.63%	5.37%	95.56%	4.44%

2019 Average Monthly Medical Claims
\$2,373,649.24

2020 First 3-Months Avg. Monthly Medical Claims
\$2,411,071.18

2020 Last 7-Months April to October Medical Claims
\$2,169,162.

2020 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

2. The data on the previous pages shows the paid claims for 2020 were collectively about \$3.8 million below the budgeted amount for the time period.
3. While October was a relatively high claims month, we show for the past 4-years October was above budget each year and this year October was a 5-weekly payment month for medical claims.
4. Looking “down the road” a bit we do not see any major negative impacts to the Consortium from a paid claims perspective as:
 - a) The hospitals and doctors can only perform so many procedures in a day which we believe means that there will not be any major compression when they start performing services on a more regular schedule.
 - b) Most of the severe cases have involved older members who are on Original Medicare Parts A and B which limits the claims exposure to the Consortium to some extent.
 - c) There will likely be some hesitation in patients seeking care due to concerns that they may expose themselves to the coronavirus or other illness.

2020 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

5. The pandemic has “forced” covered members to embrace telehealth and telemedicine approaches to medical care as covered members have not been able to see their primary care physicians for minor or routine services in recent months.
 - a) In the first six (6) months of 2020, the Consortium has paid for 3,094 telehealth visits for 1,816 covered members at a total cost of \$324,873.02.
 - b) To put this in perspective, in 2019 there were a total of 40 telehealth visits associated with Consortium covered members for a total cost of \$996.98 for the entire year.
 - c) According to Excellus’ reports, the Consortium had a total of 90 covered members registered for telemedicine services as of January 2020.
 - d) Per Excellus as of June 2020, the number of covered members registered for the telemedicine program climbed to 148. We anticipate this number will be even higher as the Consortium heads deeper into the 2020 Fiscal Year and members become growingly more comfortable with this type of medical care delivery model.



Section 5

2020 Fiscal Year-to-Date
Net Income, Liabilities, and Reserves

2020 Net Income, Liabilities & Reserves (10/31/2020)

	2020 <i>Adopted Budget</i>	2020 <i>Revised Budget</i>	2020 <i>Year-to-Date</i>	2020 <i>Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Total Income	\$54,597,647.62	\$54,597,647.62	\$45,381,373.02	\$45,487,135.86	\$105,762.84	0.23%
Total Expenses	\$54,921,219.12	\$54,938,349.65	\$45,692,063.13	\$41,368,764.20	-\$4,323,298.93	-9.46%
Net Income	-\$323,571.50	-\$340,702.03	-\$310,690.11	\$4,118,371.66	\$4,429,061.77	

Ending Balance	\$30,647,625.35	\$30,630,494.82	\$30,660,506.74	\$35,089,568.51	\$4,429,061.77	14.45%
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Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	Established by Board Policy
Total Liabilities and Reserves		\$17,122,767.36	\$17,122,767.36	\$17,122,767.36	\$17,122,767.36	

Unencumbered Fund Balance	\$13,524,857.99	\$13,507,727.46	\$13,537,739.38	\$17,966,801.15
----------------------------------	-----------------	-----------------	-----------------	-----------------

The 2020 Fiscal Year Net Income is substantially above the projected budget for the year. This has resulted in the net cash assets (unencumbered fund balance) being above the targeted level as set by the Consortium's Audit & Finance Committee. As of October 31, 2020, the unencumbered fund balance equals 34.09% of the expected premium income for the year. This result was achieved even with the increase in the Rate Stabilization Reserve from 5% of Expected Paid Claims to 7.5% of Expected Paid Claims and with an increase in the Catastrophic Claims Reserve from \$2.8 million to \$4.5 million.

Liabilities and Reserves - Defined

LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2020 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

Liabilities and Reserves - Defined

RESERVES

- The reserves held by the Consortium are the cash assets which have been assigned to cover a direct liability or to assist the Consortium with cash flow and provide protection during times when paid claim projections are exceeded. These cash assets have also been a source of revenue through the interest earned to the Consortium which has allowed the Consortium to hold premium increases down in previous years.
- The Consortium has historically maintained the following reserves:
 - Incurred But Not Report (IBNR) Claims Liability Reserve (statutory reserve)
 - Surplus Account (statutory reserve)
 - Catastrophic Claims Reserve (discretionary reserve)
 - Rate Stabilization Reserve (discretionary reserve)
- Please refer to the following slides for a detailed description of each reserve classification.

Liabilities and Reserves - Defined

INCURRED BUT NOT REPORTED (IBNR) CLAIMS LIABILITY RESERVE

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2020 Fiscal Year budget forecasted this reserve to equal \$6,144,909.49 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2020 Fiscal Year, Excellus' estimate of this liability was \$4,277,400 which is approximately 8% of the expected claims cost for the year.

Liabilities and Reserves - Defined

SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- The 2020 Fiscal Year budget forecasted this reserve to equal \$2,637,289.44 (5.0% of projected premium income of \$52,745,788.78). It should be noted that the Consortium's premium income is slightly above the budgeted amount through the first 9-months of the fiscal period which means this reserve level may be slightly higher at the end of the year than the projected amount.

Liabilities and Reserves - Defined

CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2020 Fiscal Year. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors made the decision to fund this reserve at an amount equal to \$4,500,000 for the 2020 Fiscal Year.

Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a fairly high level, the Board of Directors made the decision to establish the Rate Stabilization Reserve at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.
- It is our goal to work with the Consortium to ensure future fiscal year budgets are developed with this reserve being maintained.
- These funds would be used to “bridge the gap” during an associated hyper-inflationary period relative to paid claims allowing the Board of Directors to establish a multiple year plan to adjust revenue (premiums) and prevent a significant increase in premium rates during a single fiscal period.



Section 5

2020 Fiscal Year-to-Date Summary & Observations

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

2020 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is 0.23% above budget as of October 31, 2020, we believe the revenue projections will remain slightly above the budgeted amount through the end of the fiscal year. This result will be due to the enhanced pharmaceutical manufacturer rebates being received from ProAct, Inc. Unfortunately, even with the increased management of the cash assets by the Consortium's Financial Team which includes assistance from Wilmington Trust, the pandemic will cause the interest income to be well below budget through the end of the year.
2. The combined **Medical and Rx Paid Claims were 8.81% below budget** through the first 10-months of the 2020 Fiscal Year. This result was achieved in large part due to a decrease in minor and/or elective medical procedures due to the recent pandemic. We are keeping a close eye on the paid claims and we are cautiously optimistic that the Consortium will finish the year near or below budget. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met. In addition, we do anticipate some modest compression in medical claims costs as covered members have procedure performed which had been delayed due to the pandemic.

2020 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected through the first 10-months of the 2020 Fiscal Year. It is too early to make any firm projections relative to year-end. However, the financial indicators are pointing toward another positive fiscal year, resulting in a net income which will be used to bolster the Consortium's Reserves and Fund Balance. In the end, we are hopeful that this positive result will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the Participating Municipalities.
4. Lastly, we want to point out that the fiscal results experienced by the Consortium as of October 31, 2020 clearly support the Board of Director's decision to increase premium rates by a modest 5% for the 2020 and 2021 Fiscal Years. Any additional funds set aside from this year will give the Consortium Board of Directors the opportunity to continue to keep premium increases at a very modest level for the next several fiscal periods and possibly allow for some additional premium relief to assist the Participating Municipalities during what will clearly be tough financial picture for the next several years.



Greater Tompkins County Municipal Health Insurance Consortium

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www.healthconsortium.net • consortium@tompkins-co.org

“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”

**RESOLUTION NO. -2020 – AUTHORIZING FINANCIAL SERVICES AGREEMENT WITH
TOMPKINS COUNTY – JANUARY 1, 2021 THRU DECEMBER 31,
2021**

WHEREAS, the Consortium initially formalized a contract with the Office of the Tompkins County Finance Director for the performing of Consortium Treasurer functions on July 27, 2018, and

WHEREAS, the Consortium continues to evaluate an administrative structure for the Consortium whereby some financial services would be brought in-house, and

WHEREAS, as this structure continues to be developed the Consortium wishes to continue having Tompkins County Finance provide financial services to the Consortium, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby authorizes the Chair of the Board to sign the Financial Services Agreement with Tompkins County for a term commencing January 1, 2021 through December 30, 2021 at an annualized cost of \$68,660,

RESOLVED, further, that the Financial Services Agreement will be kept on file in the Consortium's records.

* * * * *



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RESOLUTION NO. – 2020 - AUTHORIZATION FOR CONTRACT WITH INSERO & CO. FOR THE PROVISION OF FINANCIAL AUDITING SERVICES – FISCAL YEARS 2020, 2021, AND 2022

WHEREAS, the Consortium issued a Request for Proposals for financial auditing services in 2017 and upon evaluating responses, by Resolution No. 26 of 2017 contracted with Insero & Co., LLP for auditing of financial records for the years 2017, 2018, and 2019, and

WHEREAS, Resolution No. 26 of 2017 authorized an option to extend this contract for an additional two years, and

WHEREAS, upon recommendation of the Executive Director and Consortium Treasurer, the Consortium wishes to extend its contract with Insero & Co. LLP for three years for the purpose of independent auditing the Consortium’s financial records, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Chair of the Board of Directors is hereby authorized to sign a contract with Insero & Co to perform financial auditing services, which include certification that the officers have implemented Board adopted procedures for the Consortium, for the fiscal years ending December 31, 2020, 2021, and 2022.

* * * * *



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RESOLUTION NO. - 2020 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2021 WITH EXCELLUS BLUECROSS BLUESHIELD AND REAFFIRMS RESERVE LEVELS

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, and

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the purchase of the Stop Loss insurance policy with a deductible of \$1 million for the policy period January 1, 2021 to December 31, 2021 with Excellus BlueCross BlueShield to include claims incurred from January 1, 2021 thru December 31, 2021 and paid during the period of January 1, 2021 thru March 31, 2022,

RESOLVED, further, That the Board of Directors hereby approves the Catastrophic Claims Reserve at \$ 4.5 million (no change over 2020),

RESOLVED, further, That the Board of Directors hereby sets the Rate Stabilization Reserve at 7.5% of expected claims (no change over 2020),

RESOLVED, further, That the Plan Consultant is directed to provide the Executive Director with a copy of said policy.

* * * * *



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RESOLUTION NO. - 2020 – AUTHORIZING CONTRACT FOR ACTUARIAL SERVICES - ARMORY ASSOCIATES – FISCAL YEARS 2020 AND 2021

WHEREAS, the Greater Tompkins County Health Insurance Consortium issued a Request for Proposals for Actuarial Services on January 4, 2016 and awarded a contract to Armory Associates of Syracuse, and

WHEREAS, the Consortium wishes to continue its relationship with Armory Associates under the terms outlined in the proposed revised agreement for actuarial services for fiscal years 2020 and 2021, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Chair of the Board is hereby authorized to sign a contract on behalf of the Consortium with Armory Associates for fiscal year 2020 and fiscal year 2021.



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"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

RESOLUTION NO. – 2020 - AUTHORIZATION TO PURCHASE INSURANCE POLICIES: ERRORS AND OMISSIONS, DIRECTORS AND OFFICERS LIABILITY, EMPLOYMENT PROTECTION COVERAGE, AND A FIDELITY BOND

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, on recommendation of the Audit and Finance Committee, That the Consortium shall purchase coverage for these policies from the following for the period January 1, 2021 thru December 31, 2021:

- Errors and Omissions Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention (placed by insurance agent Haylor, Freyer and Coon);
- Directors and Officers Liability Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000 limit (placed by insurance agent Haylor, Freyer and Coon); and
- A Fidelity Bond

RESOLVED, further, That the Chair of the Board is authorized to execute the renewal documents for the policies listed above.



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.healthconsortium.net • consortium@tompkins-co.org

“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”

RESOLUTION NO. - 2020 – AUTHORIZATION TO ENTER INTO AGREEMENT WITH BONADIO & CO. LLP - FINANCIAL REPORTING FOR 2021-2023

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services during the years 2013-2020, and

WHEREAS, the Consortium wishes to continue the current arrangement for three additional years, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Chair to sign a letter of engagement with Bonadio & Co. LLP for a three-year contract expiring December 31, 2023.

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**RESOLUTION NO. - 2020 – APPROVAL OF CONTRACT FOR INVESTMENT
MANAGEMENT SERVICES – WILMINGTON TRUST
ADVISORS, INC. – JANUARY 1, 2021– DECEMBER 31, 2021**

WHEREAS, Wilmington Trust has satisfactorily honored the terms of its contract including the delivery of reporting as requested, completion of Schedule B of the Consortium’s JURAT financial filings with DFS (Department of Financial Services), and

WHEREAS, the Consortium is pleased with the service provided by Wilmington Trust Advisors, Inc. (WTIA) and wishes to extend its contractual relationship for 2021, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Consortium to enter into a contract extension with Wilmington Trust Advisors, Inc. (WTIA) for investment management services for a one-year term period January 1, 2021 through December 31, 2021,

RESOLVED, further, That the Chair of the Board of Directors is hereby authorized to execute said contract on behalf of the Consortium.



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RESOLUTION NO. - 2020 – APPROVAL OF 2021 CONSORTIUM WAGE INCREASES AND ESTABLISHING HIRING RATES FOR FINANCE MANAGER AND BENEFITS SPECIALIST POSITION

WHEREAS, the Board adopted the 2021 Budget which included estimated wages for staff; and

WHEREAS, the Executive Director and Human Resources Manager have reviewed the staffing plan, budget and current market and recommends a 2.0% cost of living adjustment for all current staff, and

WHEREAS, the Executive Director and Human Resources Manager recommend a hiring range salary of \$70,000-\$75,000 for the Finance Manager position and an hourly hiring range of \$27.00-\$29.00 for the Benefits Specialist position, both to be filled in 2021, and

WHEREAS, hiring ranges reflect comparable positions in other local municipalities and non-profits, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committees, That the Board of Directors of GTCMHIC hereby establishes a cost of living adjustment for current staff wages at 2.0% effective January 1, 2021, and

RESOLVED, further, establishes a hiring range salary of \$70,000-\$75,000 for the Finance Manager position and an hourly hiring range of \$27.00-\$29.00 for the Benefits Specialist position, both to be filled in 2021,

RESOLVED, further, That the Executive Director will make every attempt to secure a qualified applicant in the assigned hiring range but will also have the flexibility to return to the Audit and Finance Committee with a request to expand the hiring range if no candidates have been secured.

* * * * *



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**RESOLUTION NO. - 2020 - AUTHORIZING HEALTHCARE BENEFITS RENEWAL
(ADMINISTRATIVE SERVICES AGREEMENT) WITH THIRD
PARTY ADMINISTRATOR - EXCELLUS BLUECROSS
BLUESHIELD**

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, Section E Paragraph 11 of the current GTCMHIC Municipal Cooperative Agreement defines the actions to be taken by the GTCMHIC Board of Directors to include the approval of contracts with third parties for the furnishing of goods and services, and

WHEREAS, the Audit and Finance Committee has determined that it is in the Consortium's best interest to continue its relationship with Excellus BlueCross BlueShield for the administration of the Consortium's medical claims, and

WHEREAS, Excellus BlueCross BlueShield charges the Consortium an additional integration fee for the carve out pharmacy services which include enrollment file transfer and accumulator integration, and

WHEREAS, beginning January 1, 2020 the contract included a carve out pharmacy integration fee to the Consortium PMPM administration fee with the rate being adjusted each year as not to exceed the contracted total rate,

WHEREAS, Excellus BlueCross BlueShield has agreed to give consideration in future years for Administration Rates to vary based on growth in enrollment numbers and has set discounts at four different contract band levels, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee That the Board of Directors hereby approves the 2021 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2020, 2021, and 2022,

RESOLVED, further, That the Chair of the Board be authorized to execute the 2021 contract on behalf of the Consortium.

* * * * *



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RESOLUTION NO. – 2020 - AUTHORIZE EXTENSION OF CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2021 – PROACT

WHEREAS, the Board of Directors by Resolution No. 029-2018 authorized a two-year extension of the Consortium’s contract with ProAct for Prescription Benefits Manager services, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for an additional year pursuant to the Contract Addendum proposed December 8, 2020, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the contract with ProAct for Prescription Benefits Manager services be extended per the terms outlined in the Addendum for the period January 1, 2021 through December 31, 2021,

RESOLVED, further, That the Chair of the Board of Directors is hereby authorized to execute said contract with ProAct, Inc.

* * * * *



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RESOLUTION NO. - 2020 – AMENDMENT OF ALL METAL LEVEL CONSORTIUM PLANS TO INCLUDE PEDIATRIC VISION AND HEARING BENEFITS

WHEREAS, the Board of Directors approved hearing and vision benefits for all Metal Level Plans and all Medicare Supplement Plans,

WHEREAS, it was the intent when the hearing and vision benefits for adults were approved to also provide these services to pediatric, and

WHEREAS, the Executive Director has secured an underwriting analysis to show there will be no impact of adding these changes to previously established 2021 premium rates,

WHEREAS, Pediatric benefits have specific coverage levels based on government mandated benefits, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design, That the Board of Directors includes pediatric vision and hearing benefits in all Consortium Metal Level Plans:

RESOLVED, further, That Executive Director is directed to finalize pediatric coverage on vision and hearing hardware for the Platinum, Gold, Silver, and Bronze Metal Level plans to mirror the adult provisions within required legal parameters.

Platinum Plan

Pediatric Eye wear – will follow the DME benefit - for In-Network benefits will be 20% coinsurance and Out-of-Network will subject to Deductible and 20% coinsurance (combined In-Network and Out-of-Network limit to one pair per contract year)

Pediatric Hearing Aid- will be covered In-Network and Out-of-Network at 50% - Out-of-Network will apply Deductible (limit is 1 pair every 3 years) (No Dollar limit)

Gold, Silver, and Bronze Plans

Pediatric Eye wear will apply the product specific for In-Network and Out-of-Network subject to deductible and coinsurance (combined In-Network and Out-of-Network limit to one pair per contract year)

Pediatric Hearing Aid – will apply the product specific for In-Network and Out-of-Network deductible and apply 50% coinsurance. (limit is 1 pair every 3 years) (No Dollar limit)

Executive Exchange Commitment to Equity and Anti-Racism

*“I am no longer accepting the things I cannot change. I
am changing the things I cannot accept.”*

– Angela Y. Davis

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**This document follows the [AP Style](#) for handling use and capitalization of Black, Indigenous, and white, which was updated during the drafting of the document (June 19, 2020). While the capitalization of Brown is not addressed by AP, the editor has elected to capitalize Brown in this document, recognizing this will likely be a point of ongoing discussion and evolution.*

Introduction

“My humanity is bound up in yours, for we can only be human together.”

– Desmond Tutu

The Executive Exchange (EXEX), a consortium of undersigned executive directors representing more than 100 Tompkins County-based nonprofit agencies, puts forth the following statement in shared purpose and commitment.

Together, we:

Support the George Floyd Resolution as passed by the Tompkins County Legislature on 2 June 2020:

<http://tompkinscountyny.iqm2.com/Citizens/FileOpen.aspx?Type=1&ID=3361&Inline=True> .

Acknowledge that systemic racism and white supremacy is real, pervasive, and antithetical to our national ideals of freedom and justice for all, and oppositional to our local work to create a better world for all.

Acknowledge that every single Tompkins County nonprofit is impacted by white supremacy and systemic racism in some way - even those whose mission does not focus on race, justice, or civil rights. We are thus all responsible for its dismantling.

Acknowledge that addressing systemic racism is difficult, uncomfortable, even painful, and can bring lifelong identities and worldviews under scrutiny. We commit to do it anyway.

Recognize that the recent killings of George Floyd, Breona Taylor, Ahmaud Arbery, and many thousands of other Black and Brown individuals, as well as countless demonstrations of overt and covert racism, including those akin to the unprovoked assault of (Black) birder Christian Cooper by (White) Amy Cooper (no relation) in Central Park, are but a micro sample of the countless atrocities that are carried out daily. They happen nationwide, including Tompkins County, and have occurred for over 400 years. We attest that evidence of systemic racism is prolific, readily available, abundantly documented, and unequivocally unacceptable.

Understand that many groups are marginalized: Native Americans--the original inhabitants of North America-- women, children, people living with disabilities and mental health conditions, LGBTQ + communities, the rural poor, and many many more. We recognize our ardent support of Black lives does not minimize or undermine our commitment to work for equity and justice for all. Yet we must acknowledge anti-Black racism rooted in slavery as the great contradiction of a nation that professed the equality of all human beings at its origins. Slavery, in the words of John J. Chapman, was the “sleeping serpent” coiled under the table at the Constitutional Convention in 1787.

In 2020 it has risen from its slumber, as it has numerous times in the past, to call the nation to accountability. Anti-Black racism continues to perpetuate systematic devaluation, trivialization and death by policies, police and practices promulgated by attitudes and behaviors. The dismantlement of systemic racism warrants our collective advocacy, attention, and action.

Commit to continuous lifelong education on racial justice, White supremacy, White privilege, historic oppression and our intentional or unintentional role--personally, professionally, organizationally-- in perpetuating injustice in the nonprofit sector.

Commit to educate our communities in every sphere of our influence, including but not limited to friends, family, young people, employees, boards of directors, volunteers and committee members, constituents, collaborators, clients, funders, and colleagues.

Commit to seeking out and listening to Black voices, lifting up Black-led agencies, and supporting BIPOC in our community and beyond, including BIPOC voices in our respective fields that have been historically underrepresented.

Commit to collaborate in leveraging our respective agency resources to combat and dismantle white supremacy and systemic racism.

Commit to hold ourselves - and each other - accountable, acknowledging that a statement is just the beginning and the real work is what happens next.

Specific Actions EXEX commits to take as a start:

- 1. Share and discuss this statement with our spheres of influence*
- 2. Devote our 2020-2021 EXEX programming to educating ourselves and our communities about systemic racism*
- 3. Join or maintain membership in the Diversity Consortium of Tompkins County.*
- 4. Monthly check-ins at our EXEX meetings, to hold one another accountable to our actions*

To the People We Serve

To our clients, visitors, children, youth and young adults, guests, and patrons...

*When I dare to be powerful, to use my strength in the service of my vision,
then it becomes less and less important whether I am afraid.*
– Audre Lord

If the COVID pandemic wasn't enough to challenge our hearts and souls, the actions of the police in Minnesota and the brutal reaction to protesters all around the country seem overwhelming. Yet there are moments in history that are catalysts for personal and global change. We believe we may be living in such a moment. Why? Because each of our organizations is centered around the people and the communities we serve and we aspire to anchor our work in the values of equity, justice, inclusion and respect.

On paper these values look good. In the services provided and organizations we run these lived values look even better. Hopefully, we live up to these values every day. But if these values are not manifest in outcomes for the broad communities we serve; reflected in the creation of diverse and inclusive environments in the places we work; or honored and respected in our community or country we must engage in institutional self-inventory so that our practices, policies and procedures more accurately correspond with our values. We need to explore how the implementation of our values can be a stronger countervailing force to the prevailing forces that militate against them. In so doing we seek to be, as Dr. King once said, thermostats that set the temperature of our communities and not mere thermometers that only register the temperature. We will be better equipped to serve you as our community partners.

We are grateful to you with whom we work because to this work you bring your hearts, hopes and humanity. We are cognizant in the current moment of racial reckoning of the extent to which systemic societal failures represent the complete opposite of what you bring to our collective work. This failure is especially evident in its negative impact on African Americans, not to speak of other underrepresented communities. When people of color remain targets of violence by law enforcement; when they can't go bird watching or jogging without fear of being shot or arrested; when they are disproportionately affected by the COVID-19 pandemic because of co-morbidities reflective of a longstanding health care crisis in their communities; we know there is more work to do. Nonetheless we are confident that with you as partners, informing and influencing our collective work, we can face the challenges of our times and struggle together to create a more equitable and just community, one guided by the basic principles of human rights. Hope is found in struggle. We welcome your feedback in this struggle as our co-partners.

Specific Actions we invite our clients to take:

- 1. Ask your community organizations what we are doing to dismantle the current status quo. Ask us how we will be a catalyst for change, so we know you will keep us accountable.*
- 2. Tell us what you need, so we may recognize what's difficult to see depending upon our perspective.*
- 3. Join our boards, give input on decisions*

To our Boards, Committees, and Volunteers

To bless means to help. HELPED are those who are enemies of their own racism: they shall live in harmony with the citizens of this world, and not with those of the world of their ancestors, which has passed away, and which they shall never see again.

- Alice Walker, *The Gospel According to Shug*, *We Are The Ones We Have Been Waiting For*

To our Boards: We are deeply grateful for your willingness to serve our organizations – without you we would not exist as a legal entity. As you commit to our organizations, please scrutinize your Duties of Care, Loyalty and Obedience through a lens of Social Justice.

As Executive Directors, our responsibility and commitment to our Boards of Directors is to serve as a reminder of the demands of the Duty of Care. We will support and encourage you, so that you complete your activities with the same diligence and care that any “ordinary prudent individual would use under similar circumstances”, as is described in your Duty of Care. We will impress upon our Boards how important it is to embody this sentiment, and push beyond it!

We will work within our organizations to scrutinize our own perceptions of the “ordinary individual”. We will ask and answer important questions, such as “Do we need an alignment or a re-alignment?” “What will we do to be deliberate in adopting and rewriting policies for ALL populations?” “How will we ensure that our Care is applied equitably, with special attention given to Black and Brown members of the community?”

Our Duty of Loyalty mandates our allegiance to our institution, requiring us to act in good faith with the best interest of our organization in mind. Does the “best interest” consider the needs and interests of vulnerable populations? Have we sufficiently engaged and included vulnerable populations in our conversations? Have these voices been heard and their suggestions or demands acted upon? Have BIPOC community members been invited to the table to serve as Trustees?

As Trustees, you are responsible for furthering the institution’s goals and not your own personal or business interests. Racially unjust actions violate our Duty of Loyalty. Acts of self-dealing constitute a breach of fiduciary responsibility that could result in personal liability and removal from our boards. Increased awareness reveals that self-dealing includes acts informed by white privilege, reinforcing and furthering the interests of the empowered.

Our Duty of Obedience requires us to ensure that our institution's resources are dedicated to the fulfillment of our missions. As your Executive Directors, we will continue to ask if our institutions' missions & visions clearly articulate and reflect actionable possibilities for a more socially just community.

Each Trustee has a duty to ensure that our institution complies with all applicable laws and does not engage in any unauthorized activities. We will encourage and facilitate conversations that examine the laws by which we are abiding. Many laws are a product of centuries of systemic and intentional oppression and could, potentially, be unjust. These laws need similar scrutiny for elements of privilege and perpetuation of a system which continues to dominate underrepresented voices. To combat racism we will ask our Boards how the presiding systems disproportionately discriminate against BIPOC members of our community.

To our Committees: Your focused work wields incredible power for change. THANK YOU! Please ensure that your mandates include accountability and bridge building to Black & Brown populations within our organization and within the wider community. Is there a specific commitment to anti-racist work, language and actions within your mandates? Who is present at your table? How are you ensuring that a wider range of participants feel welcome? What steps are you taking to create a climate for retention and addition of members from underrepresented groups?

You have the specialized task of tending to a particular facet of the organization's growth. Please ensure that your work holds social justice at its core, without the scope of your mandate creeping into a wider sphere. Simultaneously, ensure that the organization's greater commitment to social justice is maintained and upheld. Systemic Racism is in fact the death of a thousand cuts. In a similar way, for organizations like ours to be antiracist we must ensure that each committee is upholding the mission of the whole.

To our Volunteers: Your tireless, selfless commitment to furthering the success of our organization cannot be sufficiently acknowledged. You are the heart and soul of our community; we are grateful for your work. Concurrently, we will hold you to the same expectations of our anti-racist commitment. Your donation of time reflects your passion for the organization. Please ensure it also makes space for those who may have less time to donate, but feel no less passionate about the healthy, just and respectful growth of the organization. As you volunteer are you able to make space for others not previously represented? Consider the events you coordinate and the tasks you complete: ensure you've created space for all voices! Through your volunteerism you accumulate social capital within the organization. With that capital comes responsibility to uphold these principles of equitability as well as to lead by example what antiracism in the volunteer-space looks like.

Specific Actions we ask our boards, committees, and volunteers to take:

- 1. Commit to increasing the diversity of the Board of Directors, in all areas, including Black and Brown people and other People of Color. Set objectives for achieving this goal and devise the strategy and tactics to implement it. Discuss with experts who have successfully overseen such efforts. This would also include inviting participants of our programs/past participants on to the BOD.*
- 2. Require at least one Diversity, Equity and Inclusion professional development opportunity (of the board member's choice) per year. Board members can self-select the program to accommodate the continuum of where people may exist related to this work.*
- 3. Hold conversation with BOD and staff jointly regarding systemic racism within the agency. Engage a trained facilitator to guide pre-work and the group conversation.*
- 4. Develop strategies to identify what practices/programs/policies will be put in place to identify inequity and institutional racism within our organization and programs? (include time period / examples of specific actions)*
- 5. Simultaneously pursue diversity and inclusion. Strive for both representation and retention. Diversity without inclusion and inclusion without diversity can amount to mere tokenism.*

To our Employees

*“In recognizing the humanity of our fellow beings,
we pay ourselves the highest tribute.”*
–Thurgood Marshall

Our missions, individually and collectively, commit us to working toward a better world for all of us. Our workplaces must be safe spaces for all workers as well as for the people we serve. Together, we must take a hard look at how we contribute to systems that have, historically and contemporarily, been systemically oppressive to people of color. Housing, employment, law enforcement, healthcare and incarceration are systems where there are clear inequities for people of color.

While we may serve many oppressed groups and identities, we must understand specifically how the treatment of a person, simply because of the color of their skin, has been such a destructive, oppressive, dangerous, and too often deadly force as in the cases of George Floyd, Breonna Taylor, Trayvon Martin and countless others. We must be sensitized to the testimony of Black and Brown people about the reality and risk they undertake every day they leave their homes. We need to be aware of the calculations they must make about the simplest decisions, things which their White counterparts will never need to consider, which are part of the “Black” or “Brown” Tax exacted from them on a daily basis.

We commit, as executive directors of our respective organizations, to lead processes where we can listen to the voices and stories of Black, Indigenous, and people of color and actively learn, to amplify the lessons from history, to build on the foundational work for justice by brave people and pioneers like Dorothy Cotton, Ida B. Wells, Dr. Martin Luther King, Jr., Maya Angelou, Muhammad Ali, Marsha P. Johnson, Wangari Maathai, Rosa Parks, Arthur Ashe, Ella Baker (whose decentralized approach to social justice organizing inspired the Student Nonviolent Coordinating Committee--SNCC--of the 1960s and today’s Black Lives Matter movement) and so many others who dedicated their lives to peaceful pathways for positive change. We commit to learn and share their stories, elevate and amplify their contributions, and work actively against racism in our organizations.

Now is the time to envision, implement and commit to real and lasting changes in our systems. This imperative will require all of us to participate. There will be difficult or uncomfortable conversations as we listen to the stories of Black people and begin to comprehend the pervasiveness and subtleties of racism in our communities, systems and institutions. As we begin to work together to dismantle racism we must first learn how to discern it, then how to constructively respond to it. We must be willing not to settle for first steps or symbolic gestures--however important symbols can be--but to take second and third steps and make substantive change that produces equitable outcomes.

As executive directors, we pledge to work to contribute to meaningful lasting change, working to eradicate racism, leading by example and continuing to educate ourselves and each other on how we can help lead the way to a world of equality and justice for all.

Specific Actions we ask our employees to take:

1. *Commit to increasing the diversity of the staff, in all areas, including Black and Brown people and other People of Color.*
2. *Include conversations around white supremacy/anti-racism as a part of ongoing professional development with staff. White supremacy/racism accentuates hostile work environments. It is important to engage in open and honest conversations about this reality to create/sustain safe spaces for our staff. Include increased education regarding systemic racism.*
3. *Commit to increasing the diversity of staff in all areas from underrepresented communities.*
4. *Add to staff performance dialogues --the requirement of at least one antiracist and equity professional development opportunity (of the staff person's choice) per year. Staff can self-select the program to accommodate the continuum of where people may exist related to this work and it should be approved by their supervisor as meeting the criteria of being an antiracist/equity professional development opportunity.*
5. *Build conversations about antiracism and equity into sessions with youth participants; address racism and allow youth to engage and talk-- allowing youth to gather in a safe place for conversations. Ask mentoring relationships to also include these kinds of conversations re: impact of these systems in the particular field of interest being examined/explored.*
6. *When recruiting mentors, prioritize antiracism/equity and develop written educational resources that support mentor education around systemic racism, and antiracism/equity.*
7. *Continue to develop partnerships with other agencies like GIAC, Southside, Human Rights Commission.*
8. *Provide and encourage opportunities and experiences that support professional development, leadership development and promotional opportunities within organizations to people of color.*
9. *Acknowledge that the learning is an ongoing process and commit to evaluating processes that are implemented.*

To Black, Indigenous, and People of Color (BIPOC), Brown and Asian/Asian American Communities

“I know we’ve come a long way baby, but it seems like we’ve hardly moved.”

– Audrey Peterman

As leaders of organizations that serve our community, we are committed to seeking out and listening to Black and Brown employees and clients. We acknowledge your voices and leadership in our organizations and will work with you to create and maintain space to increase your visibility. We are committed to taking a hard look at how structural racism impacts the ways that we, our organizations, and our wider community make decisions that impact Black and Brown people. We commit to addressing White fragility where it exists within individuals and our organizations so that we can do the necessary work to dismantle structures and assumptions that drive the allocation of resources and development of culture. We commit to challenging cultural dynamics that make our organizations uncomfortable spaces.

We also commit to ensuring that underrepresented individuals and institutions are part of our community of accountability. Such accountability at times will necessitate sitting, so to speak, with uncomfortable realities for which there are not immediate or easy remedies. But the refusal to avoid the uncomfortable can eventually yield deeper understanding or create a capacity to live with the yet unanswerable.

Previously we highlighted the need to address America’s original sin of anti-Black racism in light of this current moment of racial reckoning. In our contemporary context we are also fully aware of the racist scapegoating, harassment and physical violence targeting members of our Asian/Asian American communities in the context of the Coronavirus pandemic, even in our own County. We know these acts of bigotry against Asian-descended people are part of a history extending back to the 19th Century Chinese Exclusion Act. We denounce any and all forms of bigotry directed against any underrepresented community. We are willing to work with you to address these issues and to adhere to the wisdom and leadership of those at the vanguard of their respective communities working for transformative social change.

Specific Actions we ask BIPOC communities to take:

Hold organizations and leaders accountable to agendas, action plans, commitments to center racial and other forms of equity in the work of our nonprofit agencies.

To the Skeptics

"I refuse to accept the view that mankind is so tragically bound to the starless midnight of racism and war that the bright daybreak of peace and brotherhood can never become a reality.... I believe that unarmed truth and unconditional love will have the final word."

– Martin Luther King, Jr.

To those still skeptical about the need for a group like this to take a stand like this --

As leaders of organizations in our community's non-profit sector, we are united in our shared charge of serving the common good. But when we don't think well about Black people, Indigenous people and other people of color then we are not serving the full common good --only a part of it. We can't fully do our jobs, and can't fully work to create the healthy, vibrant and safe community we all want to live in. This must change.

We who are White didn't create racism and White privilege but those of us who are White benefit from it, and we need to take responsibility for fixing it. We who are White are committed to learning about White privilege and systemic racism. We are all on the learning curve and invite you to join us, starting wherever you are. Check out this [Scaffolded List of Anti-Racism Resources](#) to get started.

If you have questions or would like to explore these issues with one of us, please reach out.

Specific actions we ask skeptics to take:

- 1. Take a risk and educate yourself about the advantages you as a white person enjoy due to your skin color. Be able to describe the advantages that you have.*
- 2. Read from resources above [White Privilege: Unpacking the invisible knapsack by Peggy McIntosh](#).*
- 3. Acknowledge that this work is hard and uncomfortable and a process.*
- 4. Emphasize that practicing as an organization with explicit anti-racist strategies, programming and policies creates workplace conditions that foster productivity, collaboration and embracing difference.*
- 5. Emphasize that practice as an organization with explicit anti-racist agendas is critically important to carrying out the organization's mission and the individuals that the organization serves. Inequity and racism directly contribute to barriers in programming and negative outcomes.*
- 6. Reach out to the EXEX group and join one of us for coffee or a phone call to talk more about our commitments and your skepticism.*

To our Funders

“Without courage we cannot practice any other virtue with consistency. We can’t be kind, true, merciful, generous, or honest.”
– Maya Angelou

Too often, nonprofit organizations must abandon a potentially transformative idea because it may not attract the necessary funding. This can mean someone goes hungry, doesn’t get the shelter they need or is unable to access mental health services at a critical juncture. In spite of being creative problem solvers, nonprofit directors and boards can fall into a trap of thinking in grant cycles and focusing our efforts where we know the money is, thus compromising the difference we could make for the community.

Together, recognize these ways of thinking are at best inadequate and at worst exclusionary to the communities that are already the most oppressed through hundreds of years of structural racism. Our thinking must extend beyond a grant cycle. Our actions must be bold.

To our essential donors and funders, we will actively encourage everyone affiliated with our organization to revisit the causes each supports and invests in with a lens of Social Justice.

We will undertake a process of exploring grant opportunities with a lens of Social Justice ourselves by asking our funders to give serious consideration to the following:

- How is the grant process (or your decision to give to a particular organization) developed?
- Is having Black voices at the table during grant development for your grant (or gift) a priority?
- How does your process inherently favor those with the most resources already - to solicit, execute, measure, and report on grants or gifts?
- How are you judging applicants and awarding funds?
- Are awards going to primarily white-led organizations because they’re familiar and they’ve been awarded before?
- Are your beneficiaries serving mostly white audiences?
- Are these recipients making real effort to serve and co-create WITH or BY Black and Brown agencies?
- Are funds being awarded to the agency because you have a personal relationship with someone who looks like you, talks like you, thinks like you?
- How does your funding strategy impact where the money goes and whose work moves forward?
- What languishes?

- What is ignored entirely?

As individuals who play an integral role in finding and applying for funding opportunities that serve our communities, it is important to us that, starting now, grantors assess their granting system and giving priorities. We believe it a priority to increase grant support for projects that engage the entire community in dismantling systemic racism. Through these commitments, we believe you can increase your funding of innovative, cross-sector strategies that may be complex, messy, and hard to measure, but very valuable in our mission to improve outcomes among disenfranchised populations.

As grantees, we're also committed to showing how our work is dismantling racism, and ask that our funders provide additional financial support so this may be accomplished in a meaningful way. Recognize that agencies led by BIPOC are working upstream in a tide that favors foundations, funders, and well established institutions. Recognize that much of the wealth you manage was built on the backs of Black and Brown people. You may not morally support racism, but your unexamined actions may be perpetuating it.

We collectively see a need for funders to release more wealth to make systemic change possible. To support not just scholarships –but to also support work that gets to the root causes that make scholarships necessary. Together, we can recognize that if families lack transportation, a camp scholarship will be meaningless to the children who need it most. Underwriting not only programs that deliver direct services, but programs that empower, and uplift voices that have been silenced for far too long provides great value and lasting change.

We acknowledge and are deeply grateful for the critical role that funders - government, foundations, families, and individuals - play in our work. Yet none of us can meet our mission when an entire group of people carries the weight of our many systems of injustice. As Executive Directors, we recognize that if we are not actively dismantling systems of injustice, we are contributing to them. We wish to partner with you, our funders, in our commitment to dismantling these systems. We need you. Will you join us?

Specific Actions we ask our funders to take:

- 1. Continue to support/consider supporting agencies who serve to raise up/address the issues of youth of color and promote their success in this community/world.*
- 2. Commit to increasing the diversity of your Boards, staff, and community allocations committees in all areas, including Black, Brown and other People of Color.*

In Shared Commitment

"It always seems impossible until it's done."

– Nelson Mandela

The entire Executive Exchange membership, a consortium of undersigned executive directors representing 117 Tompkins County-based nonprofit agencies, pledges to put these commitments into action. We know that this statement is only the beginning and that the real work will follow. As such we commit ourselves to the following actions beginning immediately:

Specific Actions EXEX commits to:

1. *Share and discuss this statement with our spheres of influence.*
2. *Devote our 2020-2021 EXEX programming to educating ourselves and our communities about systemic racism.*
3. *Join or maintain membership in the Diversity Consortium of Tompkins County.*
4. *Monthly check-ins at our EXEX meetings, to hold one another accountable to our actions.*

On behalf of the Executive Exchange of Tompkins County:

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Ithaca Children's Garden
Opportunity

Emily Butler
EXEX Vice President
Ithaca Waldorf School

Kate Shanks-Booth
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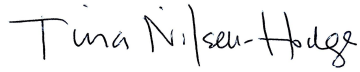
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Sue Dale-Hall
Child Development Council



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Friends of Stewart Park



Suzanne Smith Jablonski
Tompkins County Public
Library Foundation

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