

draft

MINUTES

Board of Directors Meeting
October 22, 2009 – 5:30 pm Town of Ithaca Board Room

PRESENT: Carolyn Peterson-City, Anita Fitzpatrick-County, Mary Ann Sumner-T Dryden, Herb Masser-T Enfield, Judy Drake-T Ithaca, Dick Coogan- T Ulysses, Charlie Becker- V Dryden, Betty Conger- V Groton, Rordan Hart- V Trumansburg, Chantalise DeMarco – County CSEA White

EXCUSED: Don Barber- T Caroline

GUESTS: Dave Sanders- Locey & Cahill, Jackie Kippola- County Administration, David Squires- Treasurer, Sharon Dovi- TC3, Margaret Lloyd- CSEA

1. Vice Chair, Mr. Becker, called the meeting to order at 5:33 pm.

2. October 9, 2009 Minutes

There was an error in printing whereas only one page of the minutes was included with the agenda packet. The complete minutes will be redistributed and voted on at the next meeting.

3. CFO resolution

Earlier to this meeting, consultant Mr. (Steve) Locey distributed proposed language to be added to the inter-municipal cooperative agreement. The new language is as follows:

The current language is found on Page 7, Section G of the May 14, 2009 Draft of the Agreement as follows:

- 1. At the Annual Meeting, the Board shall elect from its Directors a Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary, who shall serve for a term of one (1) year or until their Successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.**

The revised version is below as it will appear in the Agreement:

- 1. At the Annual Meeting, the Board shall elect Officers from its Directors to include a Chairperson, Vice Chairperson, and Secretary. The Board must also elect a Chief Fiscal Officer who must be the Chief Financial Officer of one of the Participating Municipalities. The Chief Fiscal Officer will also be considered an Officer, but will only have voting rights if they are the voting Director of a Participant as defined in Section C of this Agreement. All Officers shall serve for a term of one (1) year or until their Successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.**

The only edit from the Board is as follows: The Chief Fiscal Officer will also be considered an Officer, but will only have voting rights if ~~they are~~ he or she is the voting Director

There was little other discussion regarding the proposed language since it permits appointing the CFO with municipal fiscal expertise while establishing voting procedures for the individual appointed to the position.

Ms. Drake motioned to accept the amended proposed language, and Mr. Coogan seconded the motion. The motion passed unanimously.

4. Prescription Drug TPA ranking and decision

The Health Benefits Steering Committee analyzed nine proposals for the provision of pharmacy benefits manager for the Greater Tompkins County Municipal Health Insurance Consortium, and the committee weighed the following considerations:

- Transparent Based Prescription Drug Pricing;
- Rebate Arrangements;
- Administrative Fees;
- Contract Terms and Conditions;
- Pharmacy Network Size and Location (Local and National);
- Customer Service Capabilities;
- References;
- Administrative Support/Reporting; and
- Compliance with State and Federal Laws and Regulations; and

The committee carefully weighed the proposals, and deemed Medco to be in the best interest of the Consortium with the best prescription drug pricing and compliance with the above-mentioned criteria.

Ms. Peterson motioned to accept the recommendation of the Steering Committee, while Ms. Sumner seconded the motion. The motion carried unanimously in favor.

5. Proposal for Ancillary benefits

On behalf of Mr. Locey, Mr. Sanders explained that a few months ago, Mr. Locey met with the Teamsters' official that indicated the desire to permit the Consortium to cover its Teamster employees with health insurance and prescription drugs. Under this scenario, the ancillary benefits such as dental, vision, life insurance, etc. would still be provided by the Teamsters union.

However, last week, Mr. Locey received the message that this proposal is now unacceptable.

Mr. Locey has also contacted a local insurance representative to obtain a quote for those ancillary benefits, and should have that cost within a couple weeks. This is considered a short-term solution, and then at some point in 2010, a request for proposals will be sent out to obtain a competitive quote to offer to the Consortium.

It was pointed out that the Town of Dryden joined the Consortium with the understanding that the ancillary benefits would be offered by the Consortium.

6. Benefit plan – authorization by Board

Prior to the meeting, Mr. Locey circulated the copy of the Comprehensive & High Deductible Plan. Currently, the County is the only municipality offering this option. There was a question about what are the pros and cons of this plan.

The pros depend upon one's perspective: employee or employer

Advantages: offers lower costs to employer through fewer paid claims; offers \$0 health insurance/prescription premium to employee plus a \$250 (single) \$500 (family) health savings account that can be rolled forward for up to 8 years.

Disadvantages: offers high deductible – can be high risk for the employee that incurs high volume of medical expenses; the employer forgoes the revenue of premiums and cost of health savings accounts.

Ms. Sumner motioned to accept the plan as presented, while Ms. Conger seconded the motion. The motion carried unanimously.

7. Time line for RFP's for Stop Loss and Surety insurance

On Mr. Locey's behalf, Ms. Kippola explained that Mr. Locey would be sending out the RFP for stop loss insurance shortly- expected within a week or so. The stop loss is not only a safety net for the Consortium, but is mandated by Article 47 of NYS Insurance Law.

She also mentioned discussions about Surety insurance, also known as Employee Dishonesty Bond. Such insurance vehicles provide coverage for embezzlement/misuse of funds. Currently the Consortium's treasurer is covered for his acts as treasurer, but the County is the only beneficiary since coverage is part of a bigger insurance County plan.

Ms. Kippola noted that while the likelihood of a claim is remote, the rest of the Consortium is exposed with no coverage for such acts. She suggested that the Board consider requesting a quote for the cost of the coverage for the entire consortium.

8. Other

- One member suggested that the Steering Committee look at an employee assistance program. Ms. Kippola assured the board that, among several other options, will be considered by the committee when reviewing wellness programs.
 - It was noted that during the "enrollment" period, employees/retirees would not have to sign anything or complete any application, unless there is a change. Excellus Blue Cross/Blue Shield can electronically move them from their current plan to the new plan.

- There will still be presentations offered to municipalities for employees/retirees with questions. Those have not been scheduled at this time.
- There was a question about how does a union representative serve on the Health Benefits Steering Committee. Ms. Kippola was unsure and stated she will check and give the answer to the Board by its next meeting. However, anyone may attend the meetings.

The meeting adjourned at 6:35 pm.