



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."

Audit and Finance Committee Revised Agenda - June 25, 2019 – 3:30 p.m. Legislature Chambers

1. Call to Order (3:30) M. Cook
2. Changes to Agenda (3:30)
3. Approve Minutes of May 28, 2019 (3:32)
4. Discussion: Inero & Co. Proposals (3:35) E. Dowd
 - a. **Resolution:** Approval of Adjustment of Fee for Auditing Consortium's 2019 Financial Statements
5. Executive Director's Report (3:45) E. Dowd
 - a. DFS Communications
 - b. Reports from Other Committees
 - c. Consortium Staffing Update E. Dowd/J. Drake
 - a. **Resolution:** Creation of Positions: Administrative/Computer Assistant and Clerk of the GTCMHIC Board
 - b. **Resolution:** Appointment of Clerk of the GTCMHIC Board
 - d. Medicare Advantage RFP
 - e. Wellness Consultant Contract Update
 - f. Invoices: May 2019 – Consultant (Barber); Wellness Consultant; Armory Associates, Bonadio, TC3 Catering, Newsletter software, Wilmington Trust, Hancock Estabrook (All are info. only)
6. Financial Update (4:10) S. Locey
 - a. Fiscal Year Results to Date
 - b. Report on Large Loss Claim Activities
 - c. Plan Underwriting Review Update
 - d. Account Receivables R. Snyder
7. Update on BMI Medical Claims Audit Findings (4:20) E. Dowd
8. **Resolution:** Approval of Board Policy Regarding Compliance with Section A.3. of MCA (4:30) D. Barber
9. **Resolution:** Amendment to Resolution Nos. 2 of 2015 and 7 of 2018 – Application Materials Municipalities Must Present for Application to Join the Consortium and Recommended Municipal Resolution Language (4:40)
10. **Resolution:** Adoption of Rounding Method for Standard Deviation of Actuarial Values (4:45) E. Dowd
11. **Resolution:** Approval of Contract for Consulting Services – Donald L. Barber (4:50) E. Dowd
12. Discussion: Internal Captive (4:55) R. Hart
13. Discussion: Policy to Determine Departing Municipality's Pro Rata Share of Assets (5:15) D. Barber
14. Next meeting Agenda Topics (5:25)
15. Adjourn (5:30)

Next Meeting: July 24, 2019



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**RESOLUTION NO. - 2019 – APPROVAL OF ADJUSTMENT OF FEE FOR AUDITING
CONSORTIUM'S 2019 FINANCIAL STATEMENTS – INSERO & CO.
LLP**

WHEREAS, the Board of Directors by Resolution No. 026 of 2017 approved a contract with Insero & Co. LLP for auditing of the Consortium's financial records for fiscal years 2017, 2018, and 2019, and

WHEREAS, due to the increased number of municipal participants that have entered the Consortium since 2017 and the resulting significant plan growth, Insero & Co. LLP has presented the Consortium with a proposal to amend the 2019 approved fee for audit services in the amount of \$11,500 to \$13,000, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends That the Board of Directors approve an adjustment to the fee for auditing the 2019 Consortium's financial statements as presented by Insero & Co. LLP in the amount of \$13,000,

RESOLVED, further, That the Chair of the Board is hereby authorized to sign the 2019 Audit Engagement Letter with Insero & Co. LLP.

* * * * *

Audit and Finance Committee
Minutes – Draft
March 26, 2019
Old Jail Conference Room

Present: Mack Cook, Rordan Hart (excused at 5:15 p.m.), Bud Shattuck, Steve Thayer, Laura Shawley
Excused: Chuck Rankin, Ann Rider, Olivia Hersey
Guests: Rick Snyder, Treasurer, Tompkins County Deputy Finance Director; Don Barber, Consultant; Elin Dowd, Executive Director

Call to Order

Mr. Cook, Chair, called the meeting to order at 3:30 p.m.

Changes to the Agenda

A resolution entitled Authorizing contract for Prescription Drug Claims Audit – 2018 and 2018 Claims was added to the agenda.

Approval of Minutes of April 23, 2019

It was MOVED by Mr. Thayer, seconded by Mr. Shattuck, unanimously adopted by voice vote by members present, to approve the minutes of April 23, 2019 as presented. MINUTES APPROVED.

Executive Director's Report

Ms. Dowd provided an update on communications with the Department of Financial Services and said responses were provided to two inquiries.

Reports from other Committees

Ms. Dowd reported one area of focus for the Committee is the renewal of the Wellness Consultant contract and said they are looking at establishing goals and objectives specific for the Consultant that will have some expected outcomes. The Governance Structure Committee has been looking at draft bylaws and received good input from John Powers, the Consortiums Attorney, that have been incorporated. The Board will be receiving an update at its next meeting. The Joint Committee on Plan Structure and Design was presented with the Excellus Utilization Report for 2018 and will receive the ProAct Utilization Report at its next meeting. She reminded members the Annual Educational Retreat will be held on May 30th and will focus on controlling health care costs and what the Consortium's partners are doing to help with this.

**RESOLUTION NO. - AUTHORIZING CONTRACT FOR PRESCRIPTION DRUG CLAIMS
AUDIT – 2017 and 2018 CLAIMS**

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

WHEREAS, the Consortium has determined there is value in conducting periodic medical and prescription drug claims audits, and

WHEREAS, the Consortium's has developed a pattern of conducting these claims audits on alternate years for medical one year and then pharmaceutical claims the next and

WHEREAS, the Consortium is now prepared to undertake a prescription drug claims audit as part of its fiduciary responsibility to ensure claims paid by ProAct are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices for the years 2017 and 2018, and

WHEREAS, in anticipation of initiating a prescription drug claims audit the Audit and Finance Committee has negotiated a contract proposal with BMI Audit Services, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends That the Board of Directors authorize the Consortium to engage the firm of BMI to perform an audit of the Consortium's prescription drug claims for an amount not to exceed \$35,000.

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Staffing and Consultant Contract Update

Ms. Dowd said a look at the Consortium's staffing needs going forward includes the hiring of an administrative position which will not only alleviate some of the work Ms. Cocco's work load but will be able to assist her and take on administrative tasks associated with the Wellness Consultant that will allow Ms. Berry to focus on more strategic work. Details as to the position's grade level and advertising are still being worked out in conjunction with the County's Human Resources Department. In response to questions from Mr. Shattuck relating to Ms. Cocco's position with the Consortium, Ms. Dowd and Ms. Drake reassured him that in conjunction with creating a full-time administrative position they are also making efforts to move her position from Locey and Cahill to the Consortium.

Ms. Dowd said work is being done to go to market for a Medicare Advantage Plan. An RFP (Request for Proposals) is currently being developed and should be released soon. Mr. Barber reviewed the RFP and said the intent is to develop a Medicare Advantage Plan that closely mimics the Consortium's other plans that can be made available to retirees that are in the Consortium and covered under a third party Medicare Advantage Plan. At the next meeting the Committee will need to appoint a subcommittee to work with Locey and Cahill to review responses and make a recommendation for the August Board meeting.

Mr. Salton asked if it would be styled as an ancillary benefit and if it would help the Consortium for administrative clarity to have a different nomenclature for this since it's a pass-through. Mr. Barber said this is a good suggestion that can be considered.

Mr. Barber commented that most of the Consortium's current members are not married to what they have now and thinks this is a real opportunity for them as well as new members coming into the Consortium.

Invoices

The following invoices were presented for information only:

- Wellness Consultant – April 2019
- Insero Co. – April 2019
- Hancock Estabrook – May 2019

It was MOVED by Mr. Shattuck, seconded by Mr. Salton, and unanimously adopted by voice vote by members present to approve the final invoice from Segal Consulting dated April 25, 2019 for the Operations Audit.

A question was raised as to whether the Audit has been distributed to the Board and it had not. There was consensus that the report should be included in the Board of Directors agenda

packet; Ms. Dowd will review the report to confirm it does not contain confidential information prior to distribution.

Financial Update

Mr. Spenard distributed and reviewed an updated financial report through April 30th. With regard to income, Mr. Snyder noted interest in the amount of \$8,000 from Tompkins Trust was not received in time to be included on the report. This brings April interest to approximately \$44,000 which is similar to the March amount. He said premium income was slightly below budget; this could be due to members changing plans and the additional municipalities that came into the Consortium in 2019; prescription rebates were slightly above budget. Mr. Spenard noted the large increase in interest income and said net income for the month was \$20,500. On the expense side, both medical claims and prescription drug claims were below budget. He said the Consortium was in good shape at the end of the month; total net income as of April 30th was \$1.7 million with 93% of the budget being used to pay claims.

Mr. Cook said the Consortium is receiving premium income but has not yet seen the full impact of the new participants as all claims have not matured. Mr. Barber commented first quarter results should always be good for that reason but also because subscribers are paying deductibles at this time.

Mr. Barber commented that he doesn't believe the medical plan premium percentage figure on the Income Distribution graph on page 4 of the packet is correct and requested Mr. Spenard to look into this.

Mr. Snyder said going forward he will be reporting the current year's reserves on the JURAT filings with the Department of Financial Services instead of waiting until the end of the year to show the reserve balance. This will result in that filing and the financial report prepared by Locey and Cahill to show the same information. Mr. Snyder also commented that if the Consortium hadn't moved forward with investing funds it would have experienced a net loss in income this year.

High Cost Claims

Mr. Spenard reported as of March 1st there was one claim that exceeded \$100,000.

Mr. Cook said Tompkins Cortland Community College is a large receivable for the Consortium and asked if there is has been any improvement in the timeliness of payments being made. Mr. Snyder responded that there has been no change; however, there is restructuring taking place at the College and both sponsoring counties are aware of the College's financial situation and have been asked for an increase in its sponsor share.

Plan Underwriting Review Update

This item was deferred to the next agenda. Mr. Barber said the Consortium will begin looking at its 2020 budget in the next couple of months and asked that the underwriting of plans be done as soon as possible as the information is going to be needed to inform that process.

BMI Medical Claims Audit Findings

Ms. Dowd reported since the last meeting of this Committee Locey and Cahill have consolidated and analyzed information from the medical claims audit and identified which claims need to go back to Excellus in which there is disagreement over their analysis. Mr. Spenard said Mr. Locey is working on this. Ms. Dowd explained that BMI provides a 90-day period to work with them on outstanding issues and she would like to make sure this opportunity is taken advantage

of to resolve as many of those issues as possible. Mr. Barber said at the present time there are several areas that need clarification from Excellus but there will likely be a few items that will require action by the Board of Directors. Those items will be brought back to the next agenda.

Discussion of Insero & Co. Proposals

This item was deferred to the next agenda.

RESOLUTION NO. - RESOLUTION OF THE BOARD OF DIRECTORS OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM TO CONSIDER MEMBER-SHIP BY THE CHEMUNG COUNTY SOIL AND WATER CONSERVATION DISTRICT

Mr. Barber called attention to the items contained in the Resolved, noting this requests more information than what is asked of taxing authorities. This is the first time that a non-taxing entity will be entering the Consortium. He said they have approximately eight employees and if approved they will be saving a significant amount of money.

Mr. Cook expressed concern that the workload would fall on Mr. Thayer and Mr. Snyder and asked if they had comments. Mr. Snyder said this would be a lot of work and suggested dividing the work by having a group look at it. He also suggested creating an online application in which applicants have to submit information and said by doing this all of the information would be in one place and viewable by anyone who has access to it. There was consensus that it would be good for the Consortium to have a standard electronic process for this. Mr. Hart suggested there also be an application fee.

Following discussion it was MOVED by Mr. Shattuck, seconded by Mr. Salton, and unanimously adopted by voice vote by members present, to approve the resolution. MOTION CARRIED.

WHEREAS, the *Chemung County Soil and Water Conservation District* (the "Chemung County SWCD") has expressed interest in joining the *Greater Tompkins County Municipal Health Insurance Consortium* (the "Consortium") as a new participating municipality, and

WHEREAS, the Chemung County SWCD is eligible under § 4702(f) of the New York Insurance Law to apply for membership as a participant in the Consortium subject to the Board's unlimited discretion; and

WHEREAS, the Chemung County SWCD satisfies the geographic membership requirements set forth in Section A.2 of the currently-operative Municipal Cooperative Agreement ("MCA"); and

WHEREAS, the MCA requires that any new applicant to provide "satisfactory proof of its financial responsibility" to ensure that its added membership will not negatively impact or threaten the fiscal integrity of the Consortium; and

WHEREAS, the Board wishes to fully and diligently consider the financial health, security, and responsibility of the Chemung County SWCD prior to voting on its candidacy, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends that the Board direct the Audit and Finance Committee to:

1. Be responsible for fully investigating and providing the Board with an evaluation and recommendation of the financial health, security, and responsibility of the Chemung County SWCD.
2. Request such information from the Chemung County SWCD as is necessary to fully investigate and evaluate this issue, including but not limited to:
 - a. SWCD internal governance documents and/or rules such as by-laws;
 - b. at least five years of annual financial statements;
 - c. confirmation of funding sources, funding mechanisms, account balances, assets, and investments;
 - d. the existence of all other contractual obligations;
 - e. the existence of any debts, contingent liabilities, or lawsuits;
 - f. the number of eligible employees, family members, and retirees; and
 - g. The County resolution creating the SWCD.
3. Make a written recommendation to the Board and Executive Committee within 60 days as to whether the Chemung County SWCD possesses sufficient indicia of financial responsibility to become a participating member of the Consortium without unduly or unnecessarily threatening its fiscal integrity. The recommendation *may* also include recommendations regarding the provision of additional security by the applicant, if that is deemed to be necessary and advisable.

* * * * *

**RESOLUTION NO. – BOARD POLICY REGARDING COMPLIANCE WITH SECTION A.3
OF MCA**

MOVED by Mr. Shattuck, seconded by Mrs. Shawley.

Mr. Barber said this resolution requires all groups to adopt a resolution stating that within three years they will bring all of their municipal employees in or will cease being a member. This policy would apply to everyone and not only new partners and effects one municipality, the Village of Cayuga Heights.

Ms. Drake spoke of contract periods and suggested the date be based on the calendar year. In response to Mr. Hart, Mr. Barber said the Village of Cayuga Heights had a contract with the Teamsters when they joined the Consortium and have since renegotiated the contract.

Mr. Hart said when the original MCA was ratified by all of the municipalities and questioned if that constituted approval of that one municipality not having all of its actives in. He then spoke of the loyalty of the original municipalities that formed the Consortium and said they took some risk by joining when others did not. He said if the Village of Cayuga Heights is the only municipality and the contract pre-existed the Consortium itself, the formation of the Consortium may be considered approval of that municipality to continue doing what it was doing. He agrees with the proposed clause that no new group should be able to bring in any actives who are not part of the Consortium. Mr. Barber explained that the Consortium has been taking steps to remove any barriers to groups bringing in all of their employees and referenced the Medicare Supplement Plan that was created and the current proposal to offer a Medicare Advantage Plan. Mr. Hart asked that the Consortium's attorney clarify if the Board accepts a municipality with a group outside whether that constitutes Board approval of keeping the group outside.

It was MOVED by Mr. Hart, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present, to Table the resolution to the next meeting for the purpose of allowing time for the Consortium's attorney to provide a response to Mr. Hart's question. MOTION TO TABLE CARRIED.

RESOLUTION NO. – AMENDMENT TO RESOLUTION NOS. 2 OF 2015 AND 7 OF 2018 – APPLICATION MATERIALS MUNICIPALITIES MUST PRESENT FOR APPLICATION TO JOIN THE CONSORTIUM AND RECOMMENDED MUNICIPAL RESOLUTION LANGUAGE

Mr. Barber explained the purpose of this resolution and said it is an attempt to address the issues that occurred during last year's start-up. Ms. Drake questioned some of the dates in the resolution being out of order; this will be corrected to show all steps in chronological order. Mr. Shattuck suggested a template be created for as many steps in the process as possible. Ms. Drake said she would like the resolution template to indicate what plan an entity will be participating in. The resolution was deferred to the next meeting to allow the Committee to consider a corrected version of the resolution.

Mr. Hart was excused at this time.

Next Agenda Items

The following items will be included on the next agenda:

- Continued Discussion of Internal Captive;
- Plan Underwriting Review Update;
- Update on BMI Medical Claims Audit;
- Resolution – Board Policy Regarding Compliance with Section A.3 of MCA
- Resolution – Amendment to Resolution Nos. 2 of 2015 and 7 of 2018 – Application Materials Municipalities Must Present for Application to Join the Consortium and Recommended Municipal Resolution Language;
- Proposals from Insero & Co.; and
- Policy to Determine a Departing Municipality's Pro Rata Share.

Adjournment

The meeting adjourned at 5:20 p.m.



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2018 Greater Tompkins County Municipal Health Insurance Consortium Annual Report

The Greater Tompkins County Municipal Health Insurance Consortium (The Consortium) closed out 2018 in a strong financial position. After eight years of operations we continue to provide affordable health care security for our subscribers and premium rate stability for our municipal members. The Consortium's Board of Directors, claims administrators, and consultants work together to create a lean organization and provide quality services.

Operationally we continue to be a model for health insurance in New York State with an efficiency rate of 95%, meaning 95% of our expenses are directed to pay subscriber claims. Our revenue has grown to \$42.6 million. This growth continues from two main sources: member premiums and the addition of new municipal partners. We continue to be prudent financial stewards of our financial reserves by not only increasing our statutory responsibilities of Surplus and Incurred But Not Reported Reserves (IBNR), but also holding rate stabilization and catastrophic claims reserves.

Our success has also come from the strong partnerships we have grown with our medical claim's administrator, Excellus, and our Prescription Benefits Manager, ProAct. Excellus has committed to finding system solutions to increase customer service and reduce unnecessary claims expense while promoting a culture of wellness, making resources readily available and assisting subscribers with finding affordable access to quality care. ProAct also offers our subscribers a network of providers conveniently located across our region and they continue to secure and pass along pharmaceutical manufacturer rebates which reduces costs.

The Consortium is a self-funded, self-insured Article 47 municipal cooperative which writes medical and prescription drug health insurance benefit plans, collects premiums, and pays medical and pharmaceutical claims for its covered members. The Consortium began its operations in 2011 with thirteen municipal partners. With the addition of three new municipal members for 2018, the consortium had thirty-one (31) municipal partners and five labor Directors; covering approximately 2,500 employee and retiree contracts with more than 5,250 lives.

Operations Highlights:

- In 2018 the Consortium collected \$42.6 million in premiums and paid \$40.9 million in total expenses, resulting in \$319,806 net income after funds were added to reserves.
- With the continued strong fund balance from this additional net income, the board approved a relatively small 5% premium rate increase for 2019. The Consortium has averaged a conservative 6% increase in the last nine years compared to a 10% average rate increase for the same period in the private health insurance sector.
- The Consortium continues to be the model for operational efficiency, with claims costs a 95% of total expenses.
- In the fall of 2017, the Consortium welcomed three (3) additional municipalities: Towns of Newfield, Homer and Owasco for coverage beginning in 2018. In fall of 2018, the Consortium

Greater Tompkins County Municipal Health Insurance Consortium
2018 Annual Report

welcomed eight (8) new municipal partners for 2019: Seneca County, Towns of Big Flats, Mentz, Niles and Sennett, and Villages of Horseheads, Freeville, and Lansing.

- In 2018 The Consortium Board hired a Wellness Consultant, Michelle Berry, to raise awareness of the benefits of preventative health care and boost participation in wellness opportunities.
- During 2018, the Board adopted their Investment Policy and secured an Investment Management Firm, Wilmington Trust, to help garner the greatest return through the limited investment vehicles available to municipal cooperatives.
- The Consortium also launched a new website in 2018.
- For Flu season 2017-2018, 28% of consortium subscribers had flu vaccines.
- The Consortium held its fifth educational retreat “Our Health Care Trends”.

Committees:

The Consortium’s Board of Directors is supported by standing and special committees that perform in-depth research and deliberations of operations matters and opportunities for the Consortium. These committees propose policies, products, and process improvements to benefit the operations, services and financial position of the Consortium.

The Audit and Finance Committee is chaired by Mack Cook. In 2018, in addition to its annual task of developing next year’s budget and premium rates, this committee reviewed several contracts with all our vendors and new contracts including the hiring of a wellness consultant. Changes to our stop loss insurance program and silver plan actuarial values were reviewed and advanced for Board approval. Furthermore, a new conflict of interest policy and investment management policy were created, and an investment manager was secured.

The Owing Your Own Health Committee was chaired by Ted Schiele and Kathy Servoss. In 2018 OYOH supported the creation of the goals and objectives of the new wellness consultant; and along with the consultant, advanced participation in both flu vaccination clinics and Blu4U metal plan participation.

The Joint Committee on Plan Structure and Design is chaired by Olivia Hershey. In 2018, due to municipal partner growth, the Consortium labor representation increased to five representatives. The committee reviewed changes to the ProAct management of claims by introducing formulary edits of step therapy and prior authorization. After a review of actuarial values, a change was recommended to the Silver Plan to remain in compliance.

The Website Committee was chaired by Ted Schiele and successfully launched our new stand-alone website with new domain name <http://healthconsortium.net>.

Financial Highlights:

For the year ending December 31, 2018, the Plan’s net position increased by \$319,806. Increases in net position is the excess of revenues over claims and administrative expenses less funds added to reserves.

The Plan’s net position, in comparison with the two previous years, consists of the following:

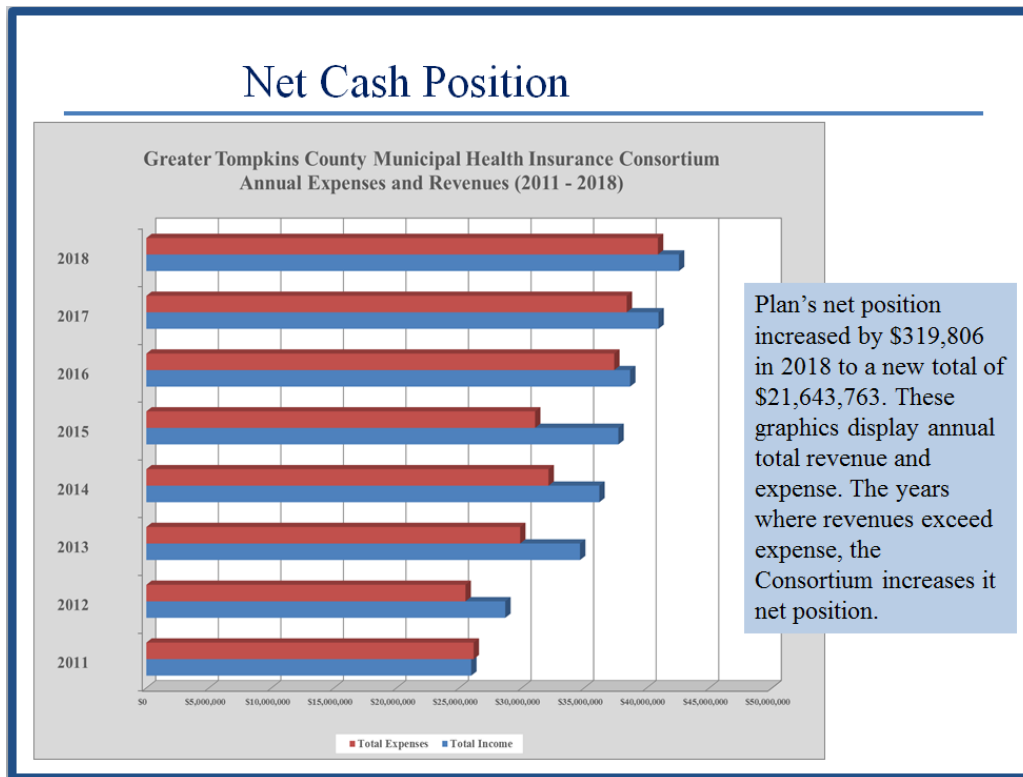
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Restricted for Contingency Reserve	\$2,120,085	\$2,038,725	\$1,925,998
Catastrophic Claims Reserve	2,000,000	1,350,000	1,050,000
Rate Stabilization Reserve	2,100,000	1,868,819	1,758,496
Unrestricted New Position	<u>15,423,678</u>	<u>16,066,413</u>	<u>14,266,791</u>
TOTAL NET POSITION	\$21,643,763	\$21,323,957	\$19,001,285

Greater Tompkins County Municipal Health Insurance Consortium
2018 Annual Report

A summary of operating and nonoperating revenues and expenses follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Premiums	\$ 42,401,705	\$40,774,492	\$ 38,519,955
Aggregate Write-ins for Other Reserves	150,959	145,643	131,974
Nonoperating Revenues – interest	21,938	17,702	16,533
Total revenue	<u>42,574,602</u>	<u>40,937,837</u>	<u>38,668,462</u>
Claims and Related Expense	38,991,995	35,828,612	34,999,888
All Other Expenses	1,898,938	2,568,789	2,396,240
Total Expenses	40,890,933	38,397,401	37,396,128
Adjusted for Incurred by Not Reported Claims	<u>(1,363,863)</u>	<u>(217,764)</u>	<u>(99,014)</u>
Increase in New Position	<u>\$ 319,806</u>	<u>\$2,322,672</u>	<u>\$1,173,320</u>

The following Chart shows the growth of the Plan's Net Position.



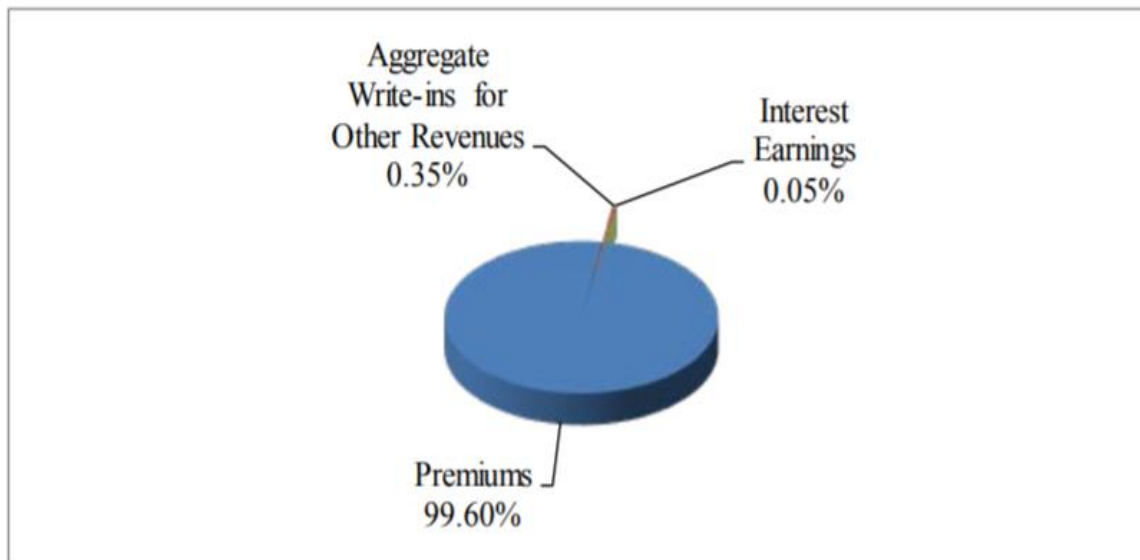
Revenue:

The increases in premium **revenues** is the result of a 4% premium increase and the addition of three new municipalities participating in the Plan. Other revenues had minimal impact on total revenues.

Revenue Overview

	2018	2017	2016
Premiums	\$ 42,401,705	\$ 40,774,492	\$ 38,519,955
Aggregate Write-ins for Other Revenues	150,959	145,643	131,974
Interest Earnings	21,938	17,702	16,533
Total Revenues	<u>\$ 42,574,602</u>	<u>\$ 40,937,837</u>	<u>\$ 38,668,462</u>

Sources of Revenue for 2018



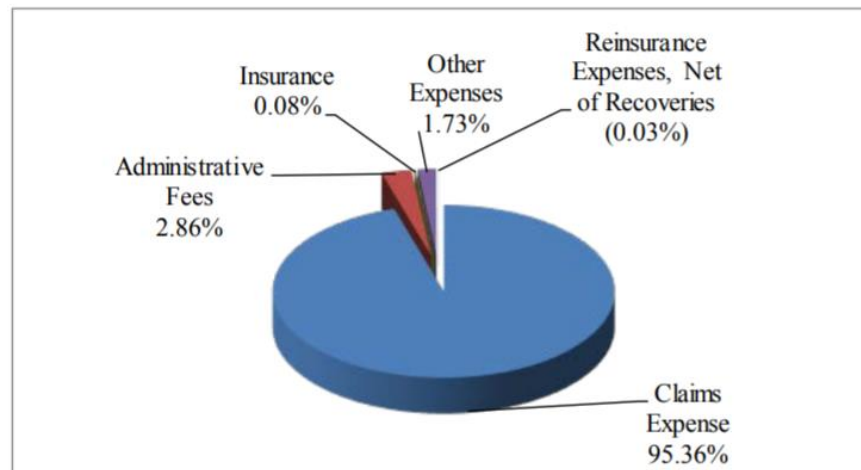
Expenses

The increases in claims **expense** are primarily a result of medical cost inflation and increased utilization of health care services by growing risk pool. The increase in administrative and other expenses is primarily due to increased cost associated with growth in membership. Reinsurance is the net of premium paid and reimbursements. Other expenses consist mainly of professional support and ancillary benefits expense.

Expense Overview

	2018	2017	2016
Claims Expense	\$ 38,991,995	\$ 35,828,612	\$ 34,999,888
Reinsurance Expenses, Net of Recoveries	(10,448)	738,388	661,426
Insurance	33,139	33,139	30,903
Administrative Fees	1,169,230	1,105,738	1,046,447
Aggregate Write-ins for Other Expenses	554,668	538,103	523,450
Other Expenses	152,349	153,421	134,014
Total Expenses	<u>\$ 40,890,933</u>	<u>\$ 38,397,401</u>	<u>\$ 37,396,128</u>

Operating Expenses 2018



Stop-Loss Insurance

The Plan purchases Stop-Loss Insurance to reduce its liability for large claims. Stop-Loss insurance has a deductible which sets the maximum liability for any individual claim. Claims that exceed to deductible are first paid by the Consortium and then reimbursed for the excess of deductible by the Stop-Loss carrier. Stop-Loss premium can be managed by increasing specific claim deductible. The plan reserves assets conservatively to mitigate unexpected catastrophic claim exposure and Stop-Loss deductible liability.

Aggregate Stop-Loss Insurance

The New York State Department of Financial Services put in place for 2018 and going forward a waiver to purchase additional stop-loss insurance as found in §4707 of the New York State Insurance Law. This waiver does not create a substantive risk to the Consortium or its members, as the Consortium maintains reserves and fund balance which protects the financial integrity of the Consortium and the New York State Department of Financial Services agreed. This action reduced the Consortium's expense by approximately \$70,000 in 2018.

Reserves

This is an area which is reviewed by the Board of Directors on an annual basis to ensure funds are available to cover anticipated risk. The Consortium establishes adequate reserves to provide security for subscribers and municipal members for the foreseeable future. Both the IBNR and Surplus Reserves and their amount are required by statute.

Incurred But Not Reported (IBNR) Claims Liability Reserve

The IBNR Reserve is required by Section 4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services allows the Plan to utilize a factor of 12% of total annual incurred claims to establish the amount of this reserve.

However, the Consortium continues to see a decrease in its calculated IBNR as determined by the Consortium's Actuaries, Armory Associates, LLC. At the close of the 2011 Fiscal Year, the Consortium's calculated IBNR was 10.15% of paid claims. The IBNR calculation for 2018 was 6.76%. While this does not directly impact the mandated 12% of actual paid claims reserve required by the NYS Department of Financial Services, it does provide creditable data demonstrating the IBNR Reserve at 12% is very conservative and amply protects the Consortium for its claim's liability.

Surplus Reserve:

The 2018 financial report reflects a Contingency (Surplus) Reserve of 5% of current year premiums in accordance with New York State Insurance Law, Section 4706 (a)(5).

Catastrophic Claims Reserve

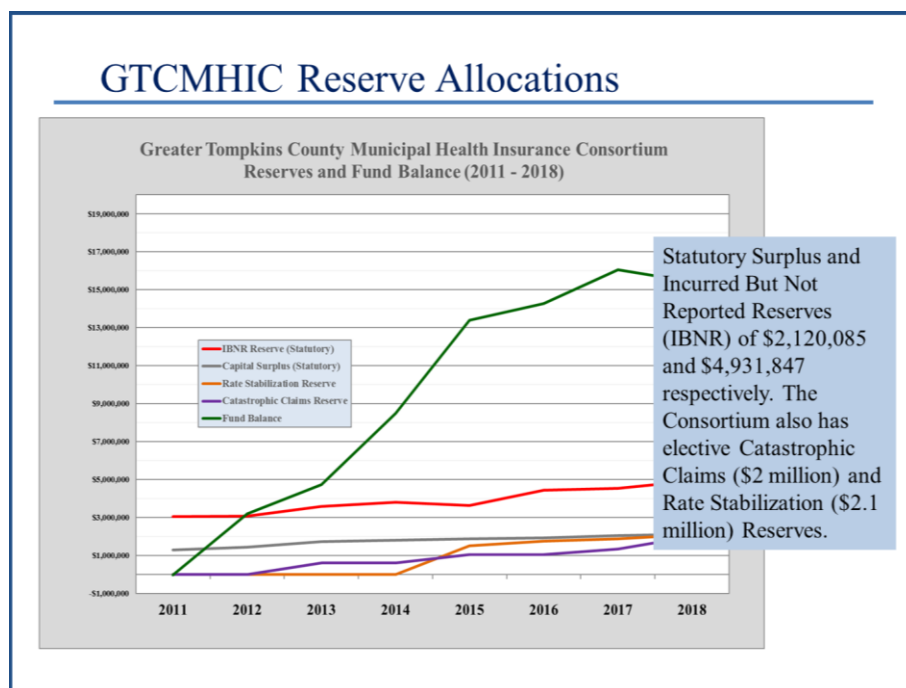
The Catastrophic Claims Reserve was initially established during the 2014 Fiscal Year at approximately \$600,000 to create financial resources when the Stop-Loss risk retention (deductible) was increased from \$250,000 to \$300,000. To manage Stop-Loss premium expense the Consortium Board has steadily increased the specific deductible and Catastrophic Claims Reserve. For the 2018 Fiscal Year, the Board of Directors approved an increase in the Stop-Loss deductible to \$600,000. The increased deductible, along with a separate deductible of \$1,000,000 on one subscriber who represents a substantially higher risk based on medical claim history, led to the decision to increase the Catastrophic Claims Reserve by \$650,000 to \$2,000,000.

During deliberations of the Audit and Finance Committee regarding stop-loss insurance quotations for 2019, the Consortium was presented with two individuals with separate deductibles of \$1,000,000 and \$1,400,000 respectively. The Committee reviewed the complete history of large loss claims (over \$100,000), determined maintaining the deductible at \$600,000 was an acceptable risk, and agreed to the higher deductible on the two individuals. This resulted in lower than budgeted premium expense for 2019, but also greater risk retention. The Board of Directors agreed with maintaining the \$600,000 deductible and further determined the Catastrophic Claims Reserve of \$2,800,000 was adequate for the 2019 Fiscal Year.

Rate Stabilization Reserve

With better than expected paid claims and expense results in 2015, the Board of Directors decided to establish a Claims/Rate Stabilization Reserve to further protect the Consortium’s cash flow and provide additional financial stability. The level of this reserve was set at 5% of the expected/paid claims expense for the year. These funds are available to mitigate premium rate increases should there be a sharp uptick in expenses.

- The Consortium’s goal is to maintain reasonable, prudent, and modest premium increases for the foreseeable future. This reserve grows each year as the level of claims increases and was at \$2.1 million at the close of the 2018 Fiscal Year.



Additional Economic Factors Affecting the Future

Patient Protection and Affordable Care Act

The Board of Directors is monitoring the effects of the potential dismantling of some or all of the Patient Protection and Affordable Care Act. Although ACA fees have declined substantially with the sunset of the Transitional Reinsurance Program, the Board is actively monitoring its position relative to any changes which could negatively impact the finances of the Consortium.

Escalating Cost of Prescription Medications

Another area which has drawn the attention of the Consortium's Board of Directors is the significant increase in the cost of prescription medications on a per fill basis. The cost per fill for 2017 was 24% greater than 2015. These increases are present across all tiers of medications with significant growth in specialty pharmaceuticals purchased by covered members. This increase in expense is somewhat countered by an increase in prescription drug rebates passed through our Prescription Benefits Manager, ProAct. For 2018, this offsetting income was \$1.7 million.

In 2017, the Board of Directors approved CanaRx as a pharmacy for our members to use for maintenance medications on the CanaRx formulary, which is managed in conjunction with ProAct. Subscribers contract directly with CanaRx for their prescriptions which are made and shipped from Canada, the United Kingdom, New Zealand, and Australia. These pharmaceuticals have \$-0- copay for the subscriber and in aggregate saved the Consortium 35% over US made drugs. The Board will continue to work with ProAct, Inc. and its other associates to mitigate the rate of growth in this area.

Continued Growth

In 2010, the Greater Tompkins County Municipal Health Insurance Consortium became the first municipal cooperative health benefits plan organized pursuant to Article 47 of the New York State Insurance Law to be made up of local municipalities, started from "the ground up", since the law's enactment in 1993. The Consortium has seen its list of municipal partners grow from its original thirteen (13) members to thirty-one (31) municipal partners for fiscal year 2018.

In the Fall of 2017, the Consortium welcomed three (3) additional municipalities: Towns of Newfield, Homer, and Owasco for coverage beginning in 2018. In the fall of 2018, the Consortium welcomed eight (8) new municipal partners that will begin coverage in 2019: Seneca County, Towns of Big Flats, Mentz, Niles and Sennett, and Villages of Horseheads, Freeville, and Lansing. As additional municipalities show interest in joining the Consortium, the Board of Directors is taking the steps necessary to ensure future growth is controlled and premium rates are fair for all municipal partners.

Monitoring Claims Adjudication

The Board annually contracts with a third party to audit the hospital, medical, and surgical claims adjudication practices of Excellus one year and the pharmaceutical claims practices of ProAct the next to ensure all claims are being adjudicated according to our plan documents and with proper medical and clinical oversight.

Communication and Information

The Consortium launched a new website, publishes a quarterly newsletter, and annually hosts an educational retreat. All communication pieces have a goal of engaging subscribers and members with the latest information about Consortium activities and milestones as well as helpful hints on proactively accessing the health care system.

The Consortium's vision is to create a culture of preventative health care. To that end, the Board annually conducts on-site flu clinics and has established a biometric screening wellness program with our "metal" plans. For 2017-2018 flu season, 28% of Consortium subscribers had flu vaccines from our onsite flu clinics, pharmacy, and primary care physicians. This rate, according to Excellus, is more than double that

of other groups in our region. Also, over 80% of our subscribers have a Primary Care Physician. This is critical for one to proactively manage one's health. Healthy subscribers have lower claims costs. In 2018, the Consortium Board hired a Wellness Consultant to raise awareness of the benefits of preventative health care and boost participation in wellness opportunities.

Investment of Reserves

During 2018, the Board of Directors adopted their Investment Policy and then interviewed several firms who specialize in Investment Management for the limited investment vehicles available to municipal cooperatives. The decision to contract with Wilmington Trust was made at the end of the year. We anticipate significant interest income from U.S. Treasury investments in 2019.

**STATEMENTS OF NET POSITION
DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 15,934,310	\$ 18,905,139
Accounts Receivable - Stop Loss and Drug Rebates	442,347	406,929
Premiums Receivable	178,141	472,607
Total Current Assets	<u>16,554,798</u>	<u>19,784,675</u>
OTHER ASSETS		
Noncurrent Assets		
Premium Claims Deposit	647,700	526,300
Restricted Cash and Cash Equivalents	9,861,401	6,220,147
Total Noncurrent Assets	<u>10,509,101</u>	<u>6,746,447</u>
Total Assets	<u>27,063,899</u>	<u>26,531,122</u>
LIABILITIES		
Current Liabilities		
Incurred Claims Liability	4,931,847	4,540,654
Accounts Payable	488,269	494,991
Unearned Revenues	-	8,603
Unearned Premiums	20	162,917
Total Current Liabilities	<u>5,420,136</u>	<u>5,207,165</u>
Total Liabilities	<u>5,420,136</u>	<u>5,207,165</u>
NET POSITION		
Restricted		
Restricted for Contingency Reserve - Section 4706(a)(5)	2,120,085	2,038,725
Board Designated		
Catastrophic Claims Reserve	2,000,000	1,350,000
Rate Stabilization Reserve	2,100,000	1,868,819
Total Board Designated	<u>4,100,000</u>	<u>3,218,819</u>
Unrestricted	<u>15,423,678</u>	<u>16,066,413</u>
Total Net Position	<u>\$ 21,643,763</u>	<u>\$ 21,323,957</u>

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Premiums	\$ 42,401,705	\$ 40,774,492
Aggregate Write-ins for Other Revenues	<u>150,959</u>	<u>145,643</u>
Total Operating Revenues	<u>42,552,664</u>	<u>40,920,135</u>
Operating Expenses		
Claims Expense	38,991,995	35,828,612
Reinsurance Expenses, Net	(10,448)	738,388
Insurance	33,139	33,139
Administrative Fees	1,169,230	1,105,738
Aggregate Write-ins for Other Expenses	<u>554,668</u>	<u>538,103</u>
Total Operating Expenses	<u>40,738,584</u>	<u>38,243,980</u>
Excess of Operating Revenues Before Nonoperating Revenue (Expense)	1,814,080	2,676,155
Nonoperating Revenue (Expense)		
Interest Earnings	21,938	17,702
Other (Expenses) Revenues	<u>(152,349)</u>	<u>(153,421)</u>
Total Nonoperating (Expense)	<u>(130,411)</u>	<u>(135,719)</u>
Change in Net Position	1,683,669	2,540,436
Net Position, January 1,	<u>21,323,957</u>	<u>19,001,285</u>
Adjustment for Incurred but Not Reported Claims	<u>(1,363,863)</u>	<u>(217,764)</u>
Net Position, December 31,	<u>\$ 21,643,763</u>	<u>\$ 21,323,957</u>

Accomplished Goals for 2018:

- Responded to recommendations from the Department of Financial Services second audit
- Produced and delivered 5th annual education retreat entitled “Our Health Care Trends”
- Established implementation of Online Enrollment process
- Developed remote meeting access for Board of Directors and committee members
- Created investment policy and secured new Investment Management firm to maximize returns
- Restructured stop loss contract deductibles and high claim exclusions to manage stop-loss premium costs
- Expanded wellness culture of subscribers and employers by hiring wellness consultant
- Developed new website – www.healthconsortium.net

Goals for 2019:

- Hire a full-time Executive Director
- Become compliant with NYS Cybersecurity requirements
- Propose new Governance Structure to accommodate growing number of partners
- Refine new member application process with Excellus and ProAct
- Continue to monitor operations for efficiency while provide quality subscriber service

**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors – 2018**

(1) Steven Thayer	City of Ithaca
(2) Mack Cook	City of Cortland
(3) Amy Guererri	Tompkins County
(4) Alex Patterson	Town of Aurelius
(5) John Fracchia	Town of Caroline
(6) LuAnn King	Town of Cincinnatus
(7) Laura Shawley	Town of Danby
(8) Kathrin Servoss	Town of Dryden
(9) Ann Rider	Town of Enfield
(10) Chuck Rankin	Town of Groton
(11) Kevin Williams	Town of Homer
(12) Judy Drake	Town of Ithaca
(13) Charmagne Rumgay	Town of Lansing
(14) Thomas Adams	Town of Marathon
(15) John Malenick	Town of Montezuma
(16) Terrance Baxter	Town of Moravia
(17) Christine Laughlin	Town of Newfield
(18) Ed Wagner	Town of Owasco
(19) Jim Doring	Town of Preble
(20) Gary Mutchler	Town of Scipio
(21) David Schenck	Town of Springport
(22) Tom Brown	Town of Truxton
(23) Richard Goldman	Town of Ulysses
(24) Eric Snow	Town of Virgil
(25) Alvin Doty, Jr.	Town of Willet
(26) Peter Salton	Village of Cayuga Heights
(27) Michael Murphy	Village of Dryden
(28) Nancy Niswender	Village of Groton
(29) Kristen Case	Village of Homer
(30) Rordan Hart	Village of Trumansburg
(31) Bud Shattuck	Village of Union Springs
(32) Olivia Hersey	Labor Rep #1 (Chair, Joint Comm. On Plan Structure & Design)
(33) Jim Bower	Labor Rep #2
(34) Zack Nelson	Labor Rep #3
(35) Doug Perine	Labor Rep #4
(36) Tim Farrell	Labor Rep #5
Labor Alternate – Jeanne Grace	

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Consortium website: www.healthconsortium.net
Executive Director: Don Barber, edconsortium@tompkins-co.org
Consortium e-mail: consortium@tompkins-co.org

Respectfully submitted:

Judy Drake
Chair of Board of Directors

Don Barber
Executive Director



Greater Tompkins County Municipal Health Insurance Consortium

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

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RESOLUTION NO. – 2019 – CREATION OF POSITIONS: ADMINISTRATIVE/COMPUTER ASSISTANT AND CLERK OF THE GTCMHIC BOARD OF DIRECTORS

WHEREAS, in 2011 the Board of Directors authorized the hiring of an Administrative Clerk on an hourly basis through its contract arrangement with Locey & Cahill LLC, to perform administrative duties for the Consortium, and

WHEREAS, Michelle Cocco has held the position of Administrative Clerk since April 11, 2011, and

WHEREAS, the administrative work and responsibilities of one part-time position have increased exponentially as the Consortium has grown and is no longer sustainable under the current arrangement, and

WHEREAS, the Executive Committee has discussed the staffing needs of the Consortium and has directed the Board Chair to work with the Executive Director to create a staffing proposal that will meet the increasing administrative demands and ensure the Consortium maintains a strong administrative foundation, now therefore be it

RESOLVED, That the Audit and Finance Committees recommends the Board of Directors of GTCMHIC hereby create the following positions effective July 1, 2019:

- Administrative/Computer Assistant – Civil Service Competitive Class (\$25-\$26 per hour); to be filled by the Executive Director; and
- Clerk of the GTCMHIC Board – Exempt Class (\$26.50 per hour); to be appointed by and serve at the pleasure of the Board of Directors

RESOLVED, further, That due to the nature of responsibilities and the Board of Directors being comprised of elected and appointed officials from municipal corporations, the Board directs the Chair of the Board to work with the Tompkins County Department of Human Resources to formally request an exempt classification for the Clerk of the Board of Directors position from New York State Civil Service.



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**RESOLUTION NO. - 2019 - RESOLUTION OF THE BOARD OF DIRECTORS
OF THE GREATER TOMPKINS COUNTY MUNICIPAL
HEALTH INSURANCE CONSORTIUM – POLICY TO COMPLY
WITH SECTION A.3 OF THE MUNICIPAL COOPERATIVE
AGREEMENT**

WHEREAS, Section A.3. of the Greater Tompkins County Municipal Health Insurance Consortium's (the "Consortium") current Municipal Cooperative Agreement (MCA) states:

"Participation in the Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant is not encouraged and shall not be permitted absent prior Board approval. Further, after obtaining approval, any Participant which negotiates an alternative health insurance plan offering other than the plan offerings of the Consortium with a collective bargaining unit or employee group may be subject to a risk charge as determined by the Board.", and

WHEREAS, two of our current municipal Participants do not have all of their active subscribers enrolled in the Consortium Plan and one of them has, by municipal resolution, agreed to bring those subscribers into the Consortium within 3 years; and

WHEREAS, except for one instance, the non-participation of these employee groups has not been ratified by Board approval; and

WHEREAS, the Consortium wishes to otherwise bring all Participants into compliance with Section A.3 of the MCA with respect to their active enrollees, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends the Board adopt the following policy:

1. that municipal Participants with *active employees* not enrolled in Consortium benefit plan options, must, within 3 years of the date of this resolution, fully enroll all of their active employees on Consortium plan options or otherwise seek Board Approval as required by Section A.3, or they will be subject to termination of their further participation in the Consortium



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**RESOLUTION NO. - 2019 – AMENDMENT TO RESOLUTION NO. 007 OF 2018 -
APPLICATION MATERIALS MUNICIPALITIES MUST PRESENT
FOR APPLICATION TO JOIN THE CONSORTIUM AND
RECOMMENDED MUNICIPAL RESOLUTION LANGUAGE**

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") Board of Directors adopted Resolution No. 002-2015 and then amended that resolution with Resolution No. 007-2018 to provide guidance to eligible employers, as defined in §4702 (f) of Article 47 of the New York State Insurance Law ("Municipal Corporations"), applying for membership in the Consortium, and

WHEREAS, The Consortium is experiencing rapid growth of Municipal Corporations applying to join the Consortium, and

WHEREAS, the Consortium has instituted several policies, not stated in the Municipal Cooperative Agreement ("MCA"), that prospective Municipal Corporations are required to comply with as part of their application process, now therefore be it

RESOLVED, that the Consortium's Audit and Finance Committee, recommends the following policy for Municipal Corporations seeking possible membership in the Consortium:

1. Submit by **September 1st**, a municipality board resolution authorizing application for membership along with the GTCMHIC new group member application.
2. As soon as practicable, preferably by July 1st, but no later than **September 1st**, submit the Municipal Corporation's required financial and operational documents, as follows:
 - a. for Municipal Corporations with taxing authority (county, city, town, or village), two years of State Comptroller AUD reports; or
 - b. for Municipal Corporations without taxing authority:
 - i. five years of audited financial statements;
 - ii. internal governance documents and/or rules such as bylaws, resolutions, and/or statutes creating the Municipal Corporation; and
 - iii. financial documents confirming funding sources, funding mechanisms, account balances, assets, investments, contractual obligations, and any debts, contingent liabilities, and/or lawsuits.
3. As soon as practicable, preferably by July 1st, but no later than **September 1st**, submit the Municipal Corporation's most recent monthly premium billing statements from all health insurance carriers providing benefits to all active employees and retirees.

**RESOLUTION NO. - 2019 – AMENDMENT TO RESOLUTION NO. 007 OF 2018 -
APPLICATION MATERIALS MUNICIPALITIES MUST PRESENT
FOR APPLICATION TO JOIN THE CONSORTIUM AND
RECOMMENDED MUNICIPAL RESOLUTION LANGUAGE**

Said premium billing statements should include the name of the Municipal Corporation and the month for the which the billing is related. In addition, said premium bills must include the number of contracts (employee, employee + spouse, employee + child (children), and family) and the monthly premium rate for each plan of benefit.

4. For Municipal Corporations who are currently experience-rated or who operate a self-insured employer-sponsored health insurance plan, they must submit as soon as practicable, preferably by **July 1st**, but not later than September 1st, a minimum of three (3) years of monthly paid claims (medical and pharmacy separately) data and monthly covered lives counts.
5. Sign the Municipal Cooperative Agreement of the GTCMHIC upon notification that the GTCMHIC Board of Directors has approved the Municipal Corporation's application to become a Participant in the GTCMHIC by **October 15th**. The resolution authorizing the Municipal Corporation's Chief Officer to sign the MCA must also clearly state which GTCMHIC health benefit insurance plan or plans the Municipal Corporation's employees and retirees will be participating in upon the effective date of participation in the GTCMHIC.
6. Confirm by **October 25th**, with the Medical Claims Administrator the names of all employees, retirees, and dependents to be covered in the Consortium's health insurance plans. A list of those enrolled will be sent to the Municipal Corporation by the Medical Claims Administrator by no later than **November 15th** for verification purposes.
7. By **November 1st**, notify the GTCMHIC of the name and contact information for the person within your organization for benefit administration; and who will attend a new member orientation between November 15 and December 15.
8. By **November 1st**, notify the GTCMHIC of the Municipal Corporation's commitment to utilize the GTCMHIC's on-line enrollment process or to authorize the GTCMHIC to provide, for the Municipal Corporation's employees and retirees, this function.
9. By **November 1st**, for Municipal Corporations **without taxing authority**, provide the Consortium with a secure financial instrument equal to the value of 25% of the estimated annual premium as determined by the Consortium as protection against expulsion or cancellation due to a default in premium payment. Said financial instrument may include the following:
 - a. A Secured Bank Account;
 - b. Letter of Credit; or
 - c. Surety Bond

Please note, municipal corporations with taxing authority (county, city, town, or villages) will be exempt from this provision.

10. Submit payment by **November 1st** to the Consortium of the Municipal Corporation's proportionate share of the Surplus Account Reserve (5% of annualized premium) as determined by the GTCMHIC and as required by Article 47 of the New York State Insurance Law and the GTCMHIC's Municipal Cooperative Agreement.

**RESOLUTION NO. - 2019 – AMENDMENT TO RESOLUTION NO. 007 OF 2018 -
APPLICATION MATERIALS MUNICIPALITIES MUST PRESENT
FOR APPLICATION TO JOIN THE CONSORTIUM AND
RECOMMENDED MUNICIPAL RESOLUTION LANGUAGE**

11. By November 1st, submit a municipal resolution appointing the Director and Alternate to the Consortium.
12. By **November 30th**, take the necessary steps to comply with the GTCMHIC’s dependent verification process.
13. Provided the Municipal Corporation applying for Membership in the GTCMHIC completes all the requirements set forth in this Resolution by the due dates indicated; the Surplus Account Reserve payment defined in Item 3 above will be credited against the Municipal Corporation’s January premium invoice from the Consortium.
14. All Municipal Corporations applying for Membership in the GTCMHIC are hereby advised that missing any of these steps by the due date indicated will result in the Municipal Corporation not being accepted into the Consortium for the upcoming year and will result in the forfeiture of the Municipal Corporation’s Surplus Account Reserve payment.

* * * * *



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RESOLUTION NO. – 2019 – APPROVAL OF CONTRACT FOR CONSULTING SERVICES – DONALD L. BARBER

WHEREAS, it was determined in 2013 that based on the increased responsibilities placed on the Consortium by the State and Federal governments, the Affordable Care Act, and the managing of an increased number of contracts it was in the Consortium’s best interest to contract for services of an Executive Director, and

WHEREAS, following the issuance of a request for proposals in 2014 seeking contractors who could fulfil the responsibilities of Executive Director a contract was entered into with Donald L. Barber in 2014 and extended in 2016 and 2018, and

WHEREAS, in 2018 the Consortium entered into a process to hire its first full-time Executive Director, Elin Dowd, who began employment on April 15, 2019, and

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

- A. Providing historical information of the operations, vision, operations strategy, and member/associates relations.
- B. Assuming responsibility for specific projects as delegated by the Executive Director.
- C. Serving as primary interface with municipal corporations that seek information and process guidance for joining the Consortium.
- D. Attending Board and Committee meetings as directed by the Executive Director.
- E. In concert with the Executive Director providing useful and timely information to Board members, employees, retirees, and other interested parties
- F. Assisting with the preparation of the Consortium’s annual operating budget.

RESOLVED, on recommendation of the Executive and Audit and Finance Committees, That a contract for Consulting Services with Donald L. Barber be approved through December 31, 2020 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.
