

**Operations Committee
Minutes – Approved
July 27, 2020 – 1:00 p.m.
Via Zoom Conference Call**

Present: Judy Drake, Sunday Earle, Doug Perine, Mike Catalano, Ed Fairbrother, Chris Wagner, Mark Emerson (arrived at 1:15PM)
Excused: Lisa Holmes, Schelley Michell-Nunn, Gary Mutchler, Luann King
Staff: Elin Dowd, Executive Director; Drew Braman, Deputy Director of Finance; Debra Meeker, Administrative/Computer Assistant

Call to Order

Mr. Perine, Vice Chair, called the meeting to order at 1:05 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of June 1, 2020

It was MOVED by Ms. Drake, seconded by Mr. Fairbrother and unanimously adopted by voice vote by members present, to approve the minutes of June 1, 2020 as submitted. MINUTES APPROVED.

Executive Director's Report

COVID-19 Update

Ms. Dowd reminded everyone that we are still in the midst of a pandemic. Government mandates are still in place although scheduled to sunset beginning in September. To date the Consortium has spent approximately 277k on testing, diagnosis and treatment. There have been 514 unique consortium subscribers tested and fifteen positive cases. The Consortium is waiting to see what the future holds regarding more mandates.

MCA Update

The Consortium has sent in final recommended changes to the Department of Financial Services (DFS) for the approval of amendments to the 2015 Municipal Cooperative Agreement (MCA) to update it for 2020. This process has taken a lot longer than expected and presents some administrative challenges to the Consortium. The MCA must be updated when any changes are made, such as when new members join and each member must sign the amended MCA. The Governance Structure Committee has given more authority to the Executive Committee to keep things going throughout the year, which means the Board of Directors (BOD) will then have an annual meeting and possibly one pre-meeting that lessens the commitment for Board members. Once the MCA is approved, the Board of Directors (BOD) has given the Governance Structure Committee the authorization to finalize the document and send it out to all the members. This should happen before the August BOD meeting. The next step after the MCA is updating the Certificate of Authority, which gives the ability to operate in sixteen counties in New York State. A new certificate would not be needed unless the Consortium grows beyond those counties.

Financial Findings

Ms. Dowd stated that the Consortium is working on several other projects with DFS. The DFS had asked to have an amendment done giving more information on the actuarial report

that accompanied the 2019 annual JURAT. This process is wrapping up by waiting to secure signatures.

Accumulator Concerns

The Bronze and Silver metal level plans were found to have an accumulator issue with both ProAct and Excellus. This has resulted in an audit and weekly meetings between the Consortium and these providers to make sure that they can accommodate the way that the Consortium plans are written and claims are adjudicated correctly. There are a few individuals that have been affected by this issue. This should be resolved before this Committee meets again.

Premium Holiday Update

The Audit and Finance Committee (AFC) and the BOD have been discussing a premium holiday for December 2020 if medical claims due to the pandemic, continue to trend well below budget. There is also discussion of how to keep 2021 premiums low using the Rate Stabilization Reserve and fund balance. A recommendation should come from the AFC tomorrow that will be reviewed with the 2021 budget at the August meeting. It then will go to the BOD. Mr. Braman asked if there was a way to separate out the premium holiday month, as often adjustments from Excellus can be reflected over several months. Ms. Dowd stated that Excellus has been part of the discussion, but that issue has not been brought up and she will ask.

Late Fees

At the last BOD meeting, one of the issues brought up was that TC3 is ninety days in arrears on their premium payment which is approximately \$1.8 million. Some Board members were surprised at this. Ms. Dowd spoke with Mr. Talbot from TC3, who agrees that it is an issue due to lack of funding from the State. Mr. Talbot is working with both Tompkins County and Cortland County to try to come up with a line of credit. Ms. Dowd stated while TC3 is working to pay their bills this will give the Operations Committee time to develop a policy about late payments for any member that fails to make their payments on-time.

In the MCA, it states a one percent fee can be charged and that is currently what is happening. Ms. Drake asked for thoughts regarding this, and all agreed on that percentage with a request to revisit the conversation rules of what a consortium can charge and when would it be time to terminate the member who is behind. At the next meeting there needs to be a draft of a policy to be put in place.

Consortium Staffing

As a result of updating the MCA, the Executive Committee requested an update for the Consortium's plan for staffing. Ms. Dowd stated at the fifteen percent growth mark, staffing would need to be increased. This year because there are so many changes this has caused a little more of an administrative push than before. Ms. Dowd has asked The Operations Committee since they are in charge of personnel, for a recommendation that would go to the Executive Committee and ultimately to be passed by the BOD. The bullet points that have been looked at are:

- Where do changes need to be made regarding staffing (e.g. is it with contracts or members that come onboard?)

- In house administration utilizing consultants for value added expertise like actuaries and attorneys. These are positions that the Consortium does not need to staff, rather can purchase their expertise as necessary.
- Getting the Executive Director “out of the trenches” and involved in more meaningful work, other than just pushing paper along.
- Look at the accounting and bringing that in house, as currently it is shared with the County. The Administrative/Computer Assistant is training to be a backup for Jessica Hobart.
- Bringing in a Benefits Manager/Administrator that will handle wellness, appeals and the accumulator process, also effective communication to our subscribers.

The budget process will start looking at where we can add staff over the next eighteen months, however, it will be a three-year plan. The next steps, will need more time on the agendas to finalize organizational charts and job descriptions. Ms. Dowd will continue to put proposals in front of this Committee going forward.

Personnel Budget Implications for 2021

Wages

Last year the Consortium mirrored what Tompkins County’s wage increase, which was two percent. The Consortium’s employer of record is the Town of Ithaca, which is why the following needs to be reviewed:

- Salaries, Salary Grades and Salary structure: where do we get this from: the County, Town of Ithaca, or elsewhere?
- Should all personnel policies, benefits and wage increases mirror the Town of Ithaca?

Because of the pandemic, it is a hard year to discuss wage increases however, many municipalities are giving increases as it is part of the budget. Ms. Dowd asked the Committee for a recommendation as to how to address wages for this next year. Ms. Drake added that a resolution was passed to get the Consortium started that it would have the same policies as the Town of Ithaca, as wages and benefits were established. Overall, the Consortium is adopting the Town’s policies, it doesn’t mean that it can’t be modified as the Consortium grows. Ms. Earle voiced that it would be a struggle to explain an increase that would be reflected upon the municipalities in light of funding issues. Ms. Dowd stated that the Consortium stands on its own and this Committee will be making recommendations for the budget.

Wellness Incentive

Ms. Drake stated the Town of Ithaca is the employer of record for the Consortium and Bolton Point water systems also. If the Town make changes in a policy, she takes it to each entity to let them decide if they would adopt the policy. Ms. Dowd asked the Committee to review the wellness program from the Town of Ithaca. She stated that she feels it is important for the Consortium, as this is what the Consortium stands for. This currently would only apply for the full-time employees; if they did everything it would cost the Consortium a maximum of \$2000. Ms. Drake stated that this needs to go to the BOD at the August meeting. It would be discussed with the Audit and Finance Committee, as a budgeted item for next year. There was consensus to present to the Board with a resolution approving this for the Consortium employees for 2020.

Future Discussion Topics

At the next meeting, this Committee will discuss:

Contracts

Staffing

Creation of a late fees policy

Date of Next Meeting

The date of the next meeting was set for August 24, 2020 at 1 p.m.

Adjournment

It was MOVED by Ms. Drake, seconded by Mr. Perine; and unanimously approved to adjourn the meeting at 2:12 p.m.