

**Operations Committee  
Minutes – APPROVED  
September 28, 2020 – 1:00 p.m.  
Via Zoom Conference Call**

Present: Lisa Holmes, Tompkins County; Judy Drake, Town of Ithaca; Sunday Earle, TC3; Doug Perine, White Collar Labor; Chris Wagner, Seneca County; Mark Emerson, Town of Cincinnatus; Gary Mutchler, Town of Scipio; Schelley Michell-Nunn (arrived at 1:18pm), City of Ithaca; Mike Catalano (arrived at 1:35pm)

Excused: Luann King, Ed Fairbrother

Staff: Elin Dowd, Executive Director; Rick Snyder, Director of Finance, Drew Braman, Deputy Director of Finance; Jessica Hobart, Accounting; Debra Meeker, Administrative/Computer Assistant

**Call to Order**

Ms. Holmes, Chair, called the meeting to order at 1:03 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Approval of Minutes of July 27, 2020**

It was MOVED by Ms. Drake, seconded by Mr. Perine and unanimously adopted by voice vote by members present, to approve the minutes of July 27, 2020 as submitted. MINUTES APPROVED.

**Executive Director's Report**

**Third Quarter Report**

Ms. Dowd apologized for the late delivery of the pdf copy of the report to the Committee, as it was emailed to everyone just before the meeting was to start.

**Board of Director's Meeting**

Ms. Dowd stated that the 2021 Consortium budget was approved at the Board of Director's (BOD) meeting on 9/24/2020. It included a 5% premium increase, some of the metal plans vary slightly depending on the specifics of those plans. Everything will go into effect on January 1, 2021. The premium equivalent rates will be posted and then everyone will be notified. Some questions have arisen about the premiums equivalent spreadsheet that was presented at the BOD meeting. Ms. Dowd stated that there needs to be some clean up of the spreadsheet that the Board received and asked everyone to hold their questions until they have received a clean version.

Additionally, the Board approved eight new members to join the Consortium as of January 1, 2021. This means that the Consortium will now have 83 new contracts. Ms. Dowd expressed excitement in the growth of the Consortium and welcomed the new members.

**Accumulator Update**

Ms. Dowd gave a quick update for those municipalities that have metal level plans. The ProAct-Excellus debacle has had all the research and auditing completed. Ms. Dowd met with ProAct this past Friday and all of the reimbursements for both 2019 and 2020 should be out within the next two weeks. Ms. Dowd has been reassured by both entities that changes have been made and this should not happen again. Excellus is up for their bi-annual audit, done by BMI, which will include issues specifically related to the accumulator problem. Additionally, Ms. Dowd and Ms.

Drake have met with ProAct and Excellus to discuss the accumulator situation and for reassurance that this will not happen again in the future. As the Consortium goes out with Request For Proposals (RFP) in the future, there will be discussion of the relationship and how the systems from one organization to another communicate to ensure that something like this does not continue or happen again.

### MCA Update

Ms. Dowd stated that now that the new members have been voted on and approved, each municipality will be receiving two copies of the MCA to sign. The 2020 amended and the 2021 that will have the new members on it. These should be coming out in the next week or so.

### Benefit Clerks and Welcome Webinars

In October there will be a few webinars for the benefit clerks and a Welcome to the Consortium webinar for our new members and their benefit clerks. Invitations for that will be going out this week. There are a lot of changes going on now. These changes include government mandates, plan provisions that were sent to the Board from the Joint Committee and other system changes with third party benefit administrators.

### 2021 Budget Approval Implications

#### 2021 Budget Approval Implications

With the growth of the Consortium the Executive Committee has asked Ms. Dowd to create a staffing plan to meet our ongoing administrative needs. Today Ms. Dowd asked us to focus our attention specifically on reviewing bringing responsibilities for financial services in-house, including a larger role for the Executive Director to be involved in the fiscal responsibility of the organization. The need to change staffing is a result of Consortium growth in the following areas:

- From a \$20 million-dollar organization with thirteen members to a \$55+ million-dollar organization with 43 members, soon to be 50.
- Our third-party benefit administrators are looking for Consortium support on customer service related issues, so 50 organizations are not all calling TPAs for day to day needs., It is unrealistic to expect our TPAs to keep supporting the Consortium at previous levels without the Consortium taking on some of the responsibility.
- The Consortium grew from 2000 to over 2900 contracts which is considerable growth and brings complexities to how the business is managed.

As the Consortium continues to grow it is important that the Consortium is more proactive in staffing and positioning to be as responsible to our members as possible. It is impractical to think that the Consortium can continue servicing this much larger organization with a staff of outside consultants. The Consortium is still a very thin, efficient and effective organization with less than 2% of expenses going towards administrative fees.

Ms. Dowd stated one of the positions that she would like the Committee to discuss is an in-house finance position. Currently the Consortium finances are being managed in several different ways. Tompkins County does the billing, accounting and reporting. Locey and Cahill does the budget and financial overview. The Consortium also has two outside CPA firms to help with accounting & auditing and the Town of Ithaca handles payroll. As the Consortium continues to grow, fiscal responsibility should be brought into the organization with accountability. Ms. Dowd would like the committee to consider her recommendation of adding an additional staff member. She reminded everyone that the Consortium contracts with Tompkins County and that they are a separate organization that has done a great job with the accounting and other financial responsibilities. Ms. Dowd wanted to make it clear that this would be a new position with the

Consortium. This position would transition some of the responsibilities that are currently contracted through Tompkins County. Ms. Dowd reiterated that Mr. Snyder had spoken at the BOD meeting and said he would be happy to support the Consortium and that should be considered. However, as the Consortium grows it should be responsible for its own fiscal requirements and not utilize several different resources to do so.

Ms. Dowd referred to the job description that was given to the Committee and stated that this position would take on the day to day accounting responsibilities which include invoicing, monthly reporting, budget work and some financial analysis. The Consortium will continue to use the services of Locey & Cahill. The push for this Financial Manager position comes from a recent meeting between Ms. Dowd, Ms. Holmes and Mr. Molino of Tompkins County, where it was requested to transition the financial services responsibilities away from Tompkins County.

Ms. Dowd asked this Committee to review the job description and approve it, so it can go to the Audit and Finance Committee for funding. Ms. Earle inquired about Locey and Cahill's hourly rate. Ms. Dowd responded that they are not hourly, rather are paid via contract. Ms. Earle stated that means there would be not cost savings by hiring this position vs having Locey and Cahill continue. Ms. Dowd rebutted that the Consortium would then if necessary, consider renegotiating a contract to make sure Locey and Cahill is not duplicating services. This position replaces more of the Tompkins County services than the Locey & Cahill services. However, this position has not been created yet. Therefore, no discussions have transpired regarding contracts.

Mr. Wagner questioned the minimum qualifications listed, as it differs from Seneca County. Ms. Dowd deferred to Ms. Drake, who stated that those are the same qualifications as other finance positions that she has posted. Ms. Drake also stated that this job description has gone through the County for civil service review and has initial approval. There will still be minor tweaks even after approval from the Consortium Board, as it goes through the County's processes. Ms. Holmes asked what role if any will Tompkins County's finance staff still play once this position is created. Ms. Dowd stated eventually there would be transition to a self-standing organization. During the transition Jessica Hobart would help train new staff regarding day to day responsibilities and Rick Snyder would continue to provide cash management, investment management, JURAT reporting and annual audit support.

Ms. Dowd is looking to finalize the salary grade and job description. Ms. Drake stated that this has been discussed earlier this year and some positions have been put in the 2021 budget and are trying now to be defined and finalized.

Ms. Holmes asked if this should be a formal vote. Ms. Dowd said it should. It was moved by Mr. Mutchler, seconded by Mr. Wagner, and unanimously adopted by voice vote, by members present, to recommend to the Audit and Finance Committee the creation of a Finance Manager position as presented to the committee.

Ms. Holmes asked if the Benefits Specialist and Wages are those for future discussion? Ms. Dowd said yes, that is for future discussion working with the Audit and Finance Committee to create a complete package for our staffing level for next year. Any changes or recommendations that will come out of the Audit and Finance Committee will go to the BOD meeting in December for support. Ms. Drake stated that most of the committee is coming from organizations that have been in place for years and years. The Consortium is really a start-up organization that is trying to move from a complete outsourced organization. Ms. Dowd has only held the position of Executive Director for a little over a year and there is a lot to figure out. Ms. Drake and Ms. Dowd are working closely to establish what positions are needed and working within civil service parameters. Ms. Drake apologized if it seems that the process is a little discombobulated, as this is not what would be seen in the larger organizations. Ms. Holmes stated that it underscores the point as to why these positions are needed and it is a giant step forward.

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

MOVED by Mr. Emerson, seconded by Ms. Michell-Nunn, and unanimously adopted by voice vote.

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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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 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. This will be reviewed at future meetings.

**RESOLUTION NO. - 2020 – ADOPTION OF PREMIUM PAYMENT POLICY**

MOVED by Mr. Mutchler, seconded by Mr. Perine.

During discussion a friendly amendment was made to the policy to add the wording “The Executive Director on behalf of” at the beginning of the fifth paragraph, in front of “The Consortium may waive the first penalty once per Plan Year for each Participant, but will strictly enforce the penalty thereafter.

A voice vote resulted in 8 Aye, 0 – Noes, 1 – Abstention by Ms. Earle, due to her employment, the resolution was adopted with the policy amendment. 2 Excused (Mr. Fairbrother and Ms. King).

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.

\* \* \* \* \*

The revised Premium Payment Policy is as follows:

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 1<sup>st</sup> 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.

9.28.2020

### **Future Discussion Topics**

At the next meeting, this Committee will discuss:  
Benefits Specialist Position  
Wages

### **Date of Next Meeting**

The date of the next meeting was set for October 26, 2020 at 1 p.m.

### **Adjournment**

It was MOVED by Ms. Drake, seconded by Mr. Emerson; and unanimously approved to adjourn the meeting at 2:04 p.m.