

**Executive Committee
Minutes – APPROVED
April 19, 2023 – 3:30 p.m.
Town of Ithaca – Aurora Room**

Present: Lisa Holmes; Judy Drake; Kate DeVoe; Steve Thayer; Ed Fairbrother;
Ray Bunce (arrived 3:40p); Bud Shattuck;
Present via remote* Rordan Hart (Chair); Eric Snow;; Laura Granger
Excused: Gary Mutchler
Absent: Steve Scott; Peter Salton
Guests: Paul Pelton, Rob Spenard, Locey & Cahill; Vanessa Flynn, Mary Kirby,
Segal;
Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Kylie
Rodrigues, Benefits Specialist, Teri Apalovich, Finance Manager

* - attended remotely due to extraordinary circumstances

Call to Order

Mr. Hart, Chair, called the meeting to order at 3:31 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of February 1, 2023

It was MOVED by Ms. Granger seconded by Mr. Snow, and unanimously adopted by voice vote by members present and via remotely, to approve the minutes of February 1, 2023, as submitted. MINUTES APPROVED.

Chair's Report

Mr. Hart indicated that he didn't have anything specific to report on; However, he will share some comments regarding the potential lease agreement listed within the Audit and Finance Committee section of the agenda.

Premium Equivalent Rate Audit Update

(Mr. Bunce arrived 3:40p)

Ms. Flynn and Ms. Kirby expressed that they were engaged by the Consortium to conduct an independent review of the Consortium's medical and prescription plans. They did a parallel rating analysis to aid our leadership with understanding the influence that each plan has on our financial position. They indicated that they have been working on the Consortium's data and this was their first preliminary report presentation which showed a high-level overview of the parallel rating analysis and plan costs versus the premium. They also showed the 2023 rate analysis, along with key findings and potential next steps. Ms. Kirby said that overall, the high level the plans are self-supporting in aggregate in 2018 through 2020. The Consortium had surpluses of 1.2 million to 4.4 million. There was a

deficit of 1.7 million in the calendar year 2021, but that was not due to the Consortium's rates, just due to the surge in claims after 2020 shut down. She said everyone had a big surge in 2021, and most of the plans that she has dealt with had some sort of deficit. She explained it was not because of the rates, it was just because there was a big surge in claims.

Ms. Kirby said the deficit was mainly driven by the Consortium's platinum plan. She also said that the Consortium has several metal plans. The platinum plan did experience deficits in 2020 and 2021. She said the Consortium's prescription drug plan, 3T7, which is a three-tier plan, also had deficits since 2018 and prior to 2021.

Ms. Kirby said the Consortium had surpluses from the old indemnity type plans ran, and it was offsetting all of the Consortium's deficits from those other plans, but in 2021 the surplus of the indemnity plan could not sustain the deficit. She explained in aggregate the Consortium claim projection aligns with your current premium rates, but there is a lot of cross-subsidization between the plans.

Ms. Kirby said the Consortium's medical and prescription drug plans ran a surplus 2019, 2020, and 2021, of which 2020 is reflecting a premium holiday.

Ms. Kirby explained that the platinum plan had some pretty large deficits and the indemnity plans had some surpluses, but there is some shifting of enrollment into the metal plans and out of the PPO plans.

Ms. Kirby said the 3T7 3 Tier plans had a deficit every year and the 3T9 has started to show deficits in the last 3 years. These are the plans with the highest enrollment counts, and driving that financial position subsidy between the Platinum and the MM1 plan. The largest cross subsidy that they studied was between the Platinum and the MM1 plan. She said the question is that subsidization going to be sustainable because the Consortium does have enrollment shifts happening from those indemnity plans to the metal plans, and if the metal plans are running at a deficit, there's going to be some point in time where the Consortium is not going to be able to offset that deficit.

Ms. Kirby expressed that what is happening now with the Consortium's rating is that every plan gets the same increase annually, however, some plans shouldn't have a rate increase, while others should have a higher increase. Some plans might need a 4% increase, while other plans may need a 10% increase, so what happens is if you raise rates 4% one year, when it should have been 7%, you are still carrying that 3% loss into the next year. The Consortium is compounding that issue with the shift in enrollment. If more individuals are joining into the Platinum plan which is running a deficit, and less in that indemnity plan that's running a surplus. That surplus is going to get smaller, and that deficit is going to get bigger.

Ms. Kirby said an option to consider is if the premium is lower than what it should be might drive membership in the direction of that lower rate. However, if that rate is not a self-sustaining rate, the Consortium would have to make sure that the offset is right for those surpluses with those deficits.

Executive Director's Report

Ms. Dowd referenced her Executive Director report for March 2023. She encouraged the Committee to review her information on the changes that are coming about. She also noted her next report will be covering next steps to be taken on the Premium Equivalent Rate Audit Update that was just studied.

Resolution: Ratification of Permanent Appointment of Benefits Specialist - Kylie Rodrigues

Ms. Dowd congratulated Ms. Rodriguez for passing the Civil Service Test and noted that Ms. Rodriguez is currently studying for an exam through an organization that's highly recognized in the benefits field. Ms. Dowd said she will be taking that exam soon and wished her good luck.

RESOLUTION NO. 004- 2023 – RATIFICATION OF PERMANENT APPOINTMENT OF BENEFITS SPECIALIST – KYLIE RODRIGUES

MOVED by Mr. Shattuck, seconded by Ms. Granger. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) created the Benefits Specialist position by Resolution No. 035 on December 17, 2020, and

WHEREAS, the Selection Committee had determined that Kylie Rodrigues possessed the necessary knowledge and skills to satisfactorily perform the duties of the Benefits Specialist position, and

WHEREAS, Kylie Rodrigues was provisionally appointed by the GTCMHIC's Executive Director effective June 28, 2021, and

WHEREAS, the Tompkins County Civil Service office has provided the certificate of eligible listing for the said title and Kylie Rodrigues was a reachable candidate; now, therefore be it

RESOLVED, That the Executive Committee hereby ratifies the Executive Director's permanent appointment of Kylie Rodrigues as Benefits Specialist, effective February 14, 2023, with a twenty-six (26) week probationary period applies with no further action if there is successful completion of the probationary period as determined by the Executive Director.

Discussion Town of Niles Participation

Ms. Dowd explained that Town of Niles became a participant in 2019, however, they did not bring all their eligible employees on board. The Municipal Cooperative Agreement (MCA) states that each participant must become compliant and bring all their employees into the Consortium within three years. Ms. Dowd explained the Town was waiting to hire a Highway Supervisor and move the other employees forward. However, once they hired, that individual joined the Teamsters benefits. Last year, the Town of Niles signed the MCA even though they had no individuals on the plan, but to keep their membership active. Now that they have zero individuals, they have been non-compliant with the signing the 2023 MCA or acting on the MCA. This leaves the Consortium as non-compliant with the Department of Financial Services (DFS). Ms. Dowd expressed the Consortium has already sent the Town of Niles the resignation steps and asked for the Executive Committee's support and direction. Mr. Shattuck said that he would reach out to Joan Jayne, the Supervisor of Town of Niles, and speak with her to sign the resignation information needed. He said that Ms. Jane is stepping down from her position, and he does not foresee them coming back to the Consortium.

Discussion Town of Onondaga MCA

Ms. Dowd explained that during the previous meetings, the Consortium approved the new MCA to include the Town of Onondaga. Late in the process, they had a last-minute change. Ms. Dowd said she contacted them recently to see if they were still interested in moving to the Consortium in 2024. To date, she has not heard a response from them. She said that since they are not a participant, the Consortium will have to edit the MCA this year to eliminate the Town of Onondaga. She said that the Committee will be seeing that edit coming before the Board for action.

End of Public Health Emergency (COVID-19)

Ms. Dowd spoke that the Public Health Emergency will expire on May 11, 2023. She said any COVID doctor's appointments or vaccination will be paid just as if you were going to have these appointments for flu related symptoms. Ms. Dowd said the only item new and unique would now have COVID-19 tests that are over the counter. The Consortium does not cover anything over the counter because it doesn't require a prescription. These are not covered under durable medical equipment or our prescription drug plan. However, it has been because it was part of the Public Health emergency to cover the cost of Covid. Our pharmacy benefits Manager advised us that we had the option to continue to cover COVID-19 over the counter test kits. If you go to the doctor and you get flu, strep, or a COVID-19 test, it's covered at the doctor. If we wished to continue having them covered at a pharmacy also, we would need to update our plan and decide how many we would cover in a period of time and agree on which Tier co-pay they would be covered.

Mr. Shattock mentioned the COVID tests will still be covered by the FSA for a period of time. It is also a topic that can be discussed in the future as well, if needed. Mr. Hart also said that it is a topic that the Consortium could review again, and the Joint Committee could certainly put this forward as a resolution. No action was taken to add this benefit to our plans.

Resolution: Greater Tompkins County Municipal Health Insurance Consortium Update to Subcommittees for Videoconferencing and Required Attendance of Open Meetings Law Procedures for the Consortium's Board of Directors and Executive Committee

Ms. Dowd explained that it is found that subcommittees have better participation when the Consortium can count on online videoconferencing remote members. The Consortium has put together a resolution so that members of all standing committee members would be able to attend meetings remotely. The Consortium currently has 60 members, with a large travel radius of up to 100 miles. The Consortium wants to encourage participation and get rid of these extraordinary circumstances for standing committees only. This will not include the Executive Committee or the Board of Directors.

Ms. Dowd said that the resolution states that we encourage in-person; however, full use of videoconferencing for the subcommittees standing committees will be allowed for quorum numbers. She said this resolution also explains that Executive Committee and Board of Directors must have an established quorum in person at the main location or a satellite location prior to accepting votes from individuals online remotely due to extraordinary circumstances.

Mr. Hart said that once the law expires in 2024, the Consortium will be back to the old open meeting laws. He suggested it may be beneficial to lobby and push for something that is not only an extension of what exists, but an improvement on what exists.

Resolution No. 005-2023 - Greater Tompkins County Municipal Health Insurance Consortium Update to Subcommittees for Videoconferencing and Required Attendance of Open Meetings Law Procedures for the Consortium's Board of Directors and Executive Committee

MOVED by Ms. Drake, seconded by Ms. Holmes. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, On April 9, 2022, Governor Hochul signed Chapter 56 of the Laws of 2022 relating to the New York State budget for the 2022-2023 state fiscal year. Included in the bill is an amendment to the Open Meetings Law (OML) to make (semi) permanent (until July 1, 2024) the expanded use of videoconferencing by public bodies to conduct open meetings, under extraordinary circumstances, regardless of a declaration of emergency, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) adopted resolution No. 005 – 2022 - Adoption of Open Meetings Law Procedures for the Consortium's Board of Directors and Committees indicating the Consortium shall allow members to attend remotely via an established satellite location with participation counting towards quorum and adopted procedures for members attending remote meetings, and

WHEREAS, the GTCMHIC consists of 60 municipalities within the State of New York within a 90 mile radius and anticipates yearly growth, and

WHEREAS, due to a wide mile radius, travel time limits the availability of Committee members for Committee Meetings and the Consortium struggles to form a quorum for Standing Committees of the GTCMHIC. These subcommittees of the GTCMHIC include: Joint Committee on Plan Structure and Design, Operations, Audit and Finance, Claims and Appeals, and Nominations & Engagement, and

WHEREAS, The Executive Committee recognizes the need to reduce the restrictions of the “extraordinary circumstances”, and allow GTCMHIC subcommittee members belonging to municipality locations that requires several miles of travel, to attend via videoconferencing, and

WHEREAS, the Executive Committee recommends and carries the importance that the Executive Committee and Board of Directors Meetings must continue the “extraordinary circumstance” that excuses a member from in-person participation to allow for voting, discussion, and Board Meetings of such individuals, therefore now be it,

RESOLVED, on recommendation of the Executive Committee, to hereby adopt the full use of videoconferencing for meetings of the Consortium’s subcommittees to establish quorum and abolishes the rules set in Subdivision (c) of section 103 of the Public Officers Law to solely videoconference due to an “extraordinary circumstance.” and,

RESOLVED FURTHER that the GTCMHIC will continue to allow Executive Committee members and Board of Director Members remote attendance to count for quorum only via an established satellite location, with the following criteria being met: a satellite location must provide notice of the publicly accessible location from which they will attend as soon as possible but no later than within 48 hours of the meeting for posting on the Consortium’s website. Members attending remotely from a publicly accessible location where proper notice has been given will be counted towards quorum.

Committee Reports/Resolutions:

Nominations and Engagement

Ms. Dowd expressed that the Consortium is starting to get feedback from the Department of Financial Services (DFS) on the examination of the Consortium’s plan. They informed the Consortium that a new charter for the Audit and Finance committee is needed. The Consortium is working on a new charter, however, DFS continues to share feedback of changes, so once the advisement of changes is over, the charter can be finalized. One of the changes is that the Consortium’s Chief Financial Officer can no longer chair the Audit and Finance committee.

Ms. Dowd shared that due to Mr. Thayer's planned retirement in May, along with a hiring committee commencing to fill his position, there is a need for a temporary Chairperson for the Audit and Finance Committee that can vote and share.

Ms. Granger asked why this appointment is only temporary. Ms. Dowd explained that this member sits on the Executive Committee, and the Executive Committee must be voted on by the board, so it' be just to serve out the rest of Mr. Thayer's term.

RESOLUTION NO. 006 - 2023 – TEMPORARY APPOINTMENT OF JUDITH DRAKE, AS AUDIT AND FINANCE COMMITTEE CHAIRPERSON, FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

MOVED by Ms. DeVoe, seconded by Ms. Holmes. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, a planned retirement (June 2023) has been announced of Chief Financial Officer, Steve Thayer, who also acts as the Chief Financial Officer and serves as a voting committee Chairperson of the Greater Tompkins County Municipal Health Insurance Consortium's (GTCMHIC) Audit and Finance Committee, and

WHEREAS, the GTCMHIC will have a vacancy in the title of Chief Financial Officer and voting Chairperson on the GTCMHIC Audit and Finance Committee, and

WHEREAS, The GTCMHIC's Municipal Cooperative Agreement states that the GTCMHIC's Chief Financial Officer must be the City Comptroller from the City of Ithaca, and

WHEREAS, the Consortium's Executive Director and Finance Manager are currently serving on a search committee of all candidates eligible as new Chief Financial Officer for the City of Ithaca, and

WHEREAS, the chosen individual as Chief Financial Office for the City of Ithaca will automatically become the Consortium's Chief Financial Officer based on the GTCMHIC Municipal Cooperative Agreement, and

WHEREAS, the vacancy on the Audit and Finance Committee will need to be filled for the remainder of 2023 until a new slate of officers and committee members will be presented to the full Board of Directors, and

WHEREAS, the Nominations and Engagement Committee have recommended to the Executive Committee an individual, who is familiar with the Audit and Finance Committee finances and voting process, be temporarily appointed on the Audit and Finance Committee Chair to fill the role of the vacant voting body, now, therefore be it

RESOLVED, That the Nominations and Engagement Committee, on behalf of the Executive Committee, hereby approves recommendation of appointment of Judith Drake, the Consortium's past Chair, as temporary voting Chairperson of the GTCMHIC Audit and Finance Committee until a new slate of committee members and Chairs has been appointed.

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Claims and Appeals

Mr. Shattuck indicated that he did not have any items to report for the Claims and Appeals Committee at this time.

Audit and Finance

Mr. Hart spoke of the resolution brought forth regarding the adoption of an amended invoice payment procedure. Ms. Apalovich explained that the most significant change is having checks and balances as she will be the only finance individual once Mr. Thayer is retired. She said that another set of eyes will be needed for the bank reconciliations. Ms. Dowd said in the interim to replace Mr. Thayer, the Consortium will have Ms. Sheldon review the bank reconciliations prior to the Audit and Finance meetings. Once the new CFO starts, the Consortium will need to compose a new resolution to accommodate the role(s) of the new CFO.

RESOLUTION NO. 007 – 2023 – AMENDMENT TO RESOLUTION 034-2021 ADOPTION OF AMENDED INVOICE PAYMENT PROCEDURE (REPLACING PROCEDURE ADOPTED DECEMBER 15, 2021, BY THE AUDIT AND FINANCE COMMITTEE)

MOVED by Mr. Fairbrother, seconded by Ms. Holmes. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, The Audit and Finance Committees was presented with recommendations of Consortium staff for streamlining current invoice payment procedures, and

WHEREAS, The Audit and Finance Committee will initiate appropriate action and to monitor and approve expenditures and contractual agreements, and

WHEREAS, If the Audit and Finance Committee will not be meeting by the time the invoice becomes due, the Executive Director will first petition the contractor for a time extension until the Audit and Finance Committee meets. Should that petition be denied, the invoice will be paid and reported to the Committee at the next meeting, and

WHEREAS, The Monthly Financial Abstract Report detailing monthly expenditures will be presented at each Audit and Finance Committee meeting for review. All invoices approved by the Audit and Finance Committee will have checks prepared by the Finance Department and signed by the Executive Director. If the Executive Director is not available, then the Human Resource Manager or Chief Financial Officer will sign the checks for payment, and

WHEREAS, After the bank statements have been received the Finance Department will reconcile all related financial statements, and

WHEREAS, The Audit and Finance Committees has reviewed and recommended an amended Invoice Payment Procedure be approved by Executive Committee, now therefore be it

RESOLVED, On recommendation of the Audit and Finance Committees, That the Executive Committee, on behalf of the Board of Directors, hereby approves the following amended Invoice Payment Procedure effective April 6, 2023 to replace the procedure approved December 15, 2021 by the Audit and Finance Committee.

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Ms. Apalovich reported that the adopted budget approved at the board meeting showed a net loss of just over one million dollars. The amended budget is almost a negative 1.4 million, which is about a \$400,000 adjustment to expenses. Mr. Hart said most of the change was approximately 2 million to the medical side and approximately 1 million to the prescription drugs. Ms. Dowd said that the change is mostly due to adjusting claims based on new members.

RESOLUTION NO. 008- 2023 – ADOPTION OF AMENDMENTS TO THE 2023 BUDGET

MOVED by Ms. Granger, seconded by Ms. Drake. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, The Board of Directors adopted the 2023 Budget, Reserve amounts, and Premium Equivalent Rates on September 22, 2022, and

WHEREAS, The 2023 budget has been impacted by several factors including new members and changes to contracts renewed after September, and

WHEREAS, There is a need to amend budget lines in order to ensure the Consortium operates with a budget that reflects actual performance for the year, now therefore be it

RESOLVED, On recommendation of the Audit and Finance Committee, That the Executive Committee, on behalf of the Board of Directors, hereby approves amendments to the Consortium's 2023 budget,

RESOLVED, Further, That a copy of the amended budget shall be made available on the Consortium's website and will be reviewed as part of the regular monthly Audit and Finance Committee reports.

Mr. Hart presented the next resolution authorizing the extension of the office space lease agreement with the Town of Ithaca, through March of 2024, but noted that this resolution does allow for a 30-day notification window to exit the lease. He stressed that the 30-day notification is important for the following resolution that was to be subsequently discussed.

RESOLUTION NO. 009 - 2023 – AUTHORIZING EXTENSION OF OFFICE SPACE LEASE AGREEMENT WITH THE TOWN OF ITHACA

MOVED by Ms. Holmes, seconded by Mr. Snow. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, In 2019 the Executive Committee negotiated a lease agreement with The Town of Ithaca for office space; and

WHEREAS, The Consortium's legal counsel reviewed and approved the language contained in the lease agreement; and

WHEREAS, The lease agreement was updated in 2021 to include additional space to accommodate the Consortium's additional personnel needs; and

WHEREAS, The lease is set for a one year term and the ability to extend annually with all utilities being the responsibility of the landlord; and

WHEREAS, The lease agreement allows the Tenant to default on the lease by failure to pay Rent within a period of 30 days of the due date of if the premises become deserted or vacant for more than twenty-one days, Landlord shall have the right to terminate the Lease; and

WHEREAS, The Town of Ithaca has verbally informed the Executive Director for the Greater Tompkins County Municipal Health Insurance Consortium that they will accept a 30-day notification to exit the lease, in lieu of creating a new month to month agreement for this new annual period, should we wish to move to a new location; now, therefore, be it

RESOLVED, On recommendation of the Audit and Finance Committee, that the Executive Committee authorizes the Executive Director to sign said lease agreement dated March 14, 2023 with the Town of Ithaca for office space for the period April 1, 2023 thru March 31, 2024.

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Mr. Hart discussed the next resolution that contains quite a bit of information regarding authorizing a lease agreement at 408 East Upland Road, Ithaca, New York. The lease is a 10-years, for just over 3,200 square feet of space. There is already in place a draft lease and is essentially awaiting the Executive Committee's approval. The lease would allow the Consortium to access the property starting May 1, 2023, and construction would begin on the space. Based on the construction timeframe by Holt Construction, the Consortium may be able to begin moving approximately in July 2023.

Ms. Dowd said that the Consortium added the lease to the amended budget, but also furniture and fixtures. She said that the Consortium is currently also working on bringing forward to the Audit and Finance

Committee an amortization and depreciation policy which the Consortium currently does not have. Ms. Holmes asked if the technology networking portion of the Consortium would still be handled by Tompkins County. Ms. Dowd concurred.

RESOLUTION 010-2023 - AUTHORIZING A LEASE AGREEMENT WITH 408 UPLAND ROAD LLC FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC) AT 408 EAST UPLAND ROAD, ITHACA, NEW YORK 14850

MOVED by Mr. Hart, seconded by Mr. Shattuck. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, The GTCMHIC has entered into a Letter of Intent referring to a tenant/landlord agreement to the building address of 408 East Upland Road, Ithaca, New York 14850 for the Business Office/Headquarters for GTCMHIC; and

WHEREAS, The Letter of Intent is for office space on east side of building. Total Useable Space based on Architect drawing is 3,257 with an initial lease term of ten years commencing by or before May 1, 2023 and target rent commencement date of June 1, 2023.; and

WHEREAS, The initial base rent is set for \$17/SF [\$55,365 annually] with a rent escalation of Year 2 - \$20/SF [\$65,135 annually]; Year 3 - \$22/SF [\$71,649 annually]; Year 4 - \$23/SF [\$74,906]; and Year 5 - \$24/SF [\$78,162 annually] Year 6 thru 10 would be a \$1 increase annually; and

WHEREAS, In addition to rent the Tenant is to pay their pro-rata share (60%) of property taxes invoiced to GTCMHIC w/net 30-day terms and common area charges of Tenant's pro-rata share of snow removal, mowing and landscaping charges, cost to be invoiced quarterly to GTCMHIC w/net 30-day terms. Tenant to pay their share of utility costs (if any) and water/sewer charges; and

WHEREAS, The Landlord will have responsibility to maintain the HVAC, plumbing and electrical systems plus if and as required to structure; and

WHEREAS, The Tenant is responsible for any other maintenance within the Premises to include janitorial / housekeeping; and

WHEREAS, The Landlord's will contribute \$162,000 to complete the interior finishes to a "vanilla box". The total cost of the build out is estimated to be approximately \$311,624. The Tenant is responsible for any costs above \$162,000 to build / fit out work required for Tenants occupancy; and

WHEREAS, The Tenant has the option to renew for One [1] Five [5] Year Option with base rent to increase by 3% annually beginning in Year 11; and

WHEREAS, Miscellaneous considerations include Tenant requests that Landlord consider covering cost for architectural drawings for Tenant's portion of build / fit out. Landlord will contribute \$7,500 to architectural drawings, as long as Holt Architect is used; and

WHEREAS, A budget was approved by the Audit and Finance Committee for \$235,000 related costs to a move as outlined above with fixtures and furnishings; and

WHEREAS, An additional \$125,000 will be needed to complete the project. The initial capital costs can be amortized for the term of the lease and therefore would not require any budget changes for 2023; and

WHEREAS, A policy will be established allowing the Consortium to amortize capital costs for fixed assets and, now, therefore, be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee authorizes the Executive Director to sign said lease agreement represented within the Letter of Intent composed by 408 Upland Road LLC for office space at 408 East Upland Road, Ithaca, NY 14850 for the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) Business Office/Headquarters.

Operations

Ms. Granger reported that the Operations Committee will be meeting the following Monday. She invited anyone interested in hearing about the Pharmacy Benefit Management proposal from Excellus BCBS to attend that meeting, Monday at 1PM.

Joint Committee

Ms. DeVoe reported that the next Joint Committee is meeting on May 4, 2023. The meeting will be welcoming and hearing from ProAct and Excellus on utilization statistics.

Financial Update

Mr. Pelton presented and referred to the Budget Performance Report as of February 28, 2023 to include the following key facts:

1. The overall revenue of the Consortium is slightly below budget as of February 28, 2023. Locey & Cahill believes that as the enhanced pharmaceutical manufacturer

rebates and interest earnings, especially when longer term investments mature, will help the Consortium to stay close to its targeted budget number.

2. The combined Medical and Rx Paid Claims were 2.09% below budget through the first 2-months of the 2023 Fiscal Year. Locey & Cahill is keeping a close eye on the paid claims and how they evolve during the “new normal” post COVID-19 pandemic. 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 the early months.
3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected through the first 2-months of the 2023 Fiscal Year. With only two months “in the books”, the financial indicators are pointing toward a positive fiscal year. In the end, Locey & Cahill is 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, Locey & Cahill pointed out that the fiscal results experienced by the Consortium as of February 28, 2023, support the Board of Director’s decision to increase premium rates by 6.5% for the 2023 Fiscal Year. With careful planning and monitoring, especially when experiencing growth of membership, the focus will be on providing stability in future budgets and premium increases, which may allow for some premium relief to assist the Participating Municipalities during potential difficult financial times as COVID-19 relief monies dry up.
5. The net cash assets (unencumbered fund balance) finished the 2022 year at 19.07% of premium revenues. This result was achieved while still funding the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.81 million. Concern with prescription drug claims performing above budget may lead to further discussions after the 2022 annual audit has concluded to increase some of our reserve levels going forward.

Mr. Spenard reported on large loss claim activity through February 2023. He said the Consortium has only one member above \$100,000 at about \$140,000. He said that in terms of the 2022 year through February 2023, the Consortium had 73 individuals above \$100,000 totaling \$14.1 million dollars. Looking back through February of last year, there were 66 individuals above \$100,000 totaling about \$13.9 million. Regarding prescription drugs, about 42% of the Consortium’s large loss claims are going towards prescription drugs.

Mr. Locey added that because of the catastrophic self-insurance pool, the Consortium is covering the claimants above \$500,000, where under the stop loss policy, it was starting at \$600,000. The Claims pool covered six individual’s expenses, so at

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\$100,000 each, \$600,000 additionally paid, that wouldn't have been covered by stop-loss. This has been a good process as over three quarters, \$750,000 has been saved.

Next Agenda Topics

Segal Follow-up
Policies from Audit & Finance -Amortization & Depreciation
Recommendation from Operations Committee

Adjournment

The meeting adjourned at 5:16 p.m.

Next Meeting: June 21, 2023

Respectfully submitted by Lynne Sheldon, Clerk of the Board