MINUTES
GOVERNANCE COMMITTEE
Thursday, October 18, 2018 – 9:00 AM
Dulles State Office Building, Conference Room 100, 1st Floor
Watertown, New York

Members Present
Gary Turck, Chairman
Alfred Calligaris
Fredrick Carter
Thomas Hefferon
John B. Johnson, Jr.
Margaret Murray

Staff Present
James W. Wright, Executive Director
Carl Farone, Comptroller
Angela Marra, Executive Assistant

Guests Present

Committee Members Absent

Other Board Members Present

1. Chairman Turck called the meeting to order at 9:00 AM.

2. Chairman Turck requested a roll call by A. Marra. All Committee Members were present. Chairman Turck confirmed a quorum was present.

3. Resolution No. 2018-10-111, authorizes the purchase of a Certificate of Deposit from Carthage Federal Savings and Loan in the amount of $433,477 plus accrued interest. The Chairman, Treasurer, Executive Director, Comptroller and Deputy Comptroller be named as authorized signatories on this Authority account, as well as all documents required as evidence of this Authority be executed by appropriate Authority Officers/personnel. The Accountant I and Accountant Associate will be designated authorized representatives for the purposes of executing transfers of Authority funds electronically when authorized by the designated Authority Officers/personnel, and that all documents required as evidence of such Authority be executed by Authority Officers/personnel.

   F. Carter asked if we have to bid this. C. Farone responded we have received 3 quotes, none of which are close to the 2%.

   Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2018-10-111, authorizing Certificate of Deposit, Regional Waterline Investments, was unanimously approved by the Governance Committee.

4. Resolution No. 2018-10-112, adopts the Sexual Harassment Prevention Policy. The Development Authority of the North Country rescinds Sections 2, Employment Policies, B. Sexual Harassment Policy, subsections 1-3 and replaces same with a reference to the
newly adopted more detailed policy. This policy shall be effective immediately upon adoption, with copies provided to all employees and training being provided to all employees within one year of this adoption.

J. Wright further commented this policy is required by the State. This policy is modeled after the States suggested policy.

G. Turck asked if this is a straight forward form from New York State. J. Wright replied yes. J. Wright further stated that he and the Authority human resources department have been trained, and the contracted training for employees has been scheduled. This will be conducted over the course of three sessions at each location. A. Calligaris asked if this training is contracted outside, and how much it cost. J. Wright replied yes, and the cost is $360.

F. Carter asked if when all is completed, will the staff each receive a copy and will human resources maintain a proof of receipt. J. Wright responded that with the new human resources software all staff will receive and sign off electronically, and this is all maintained within the electronic system.

Upon a motion by T. Hefferon, and seconded by A. Calligaris, Resolution No. 2018-10-112, adopting Policy, Development Authority of the North Country, Sexual Harassment Prevention, was unanimously approved by the Governance Committee.

5. Health Benefits Review

C. Farone presented the health benefits update. This is the same format as last year using the Excellus Blue Cross Blue Shield Bronze 4 Plan which we used in 2016, 2017 and 2018. In 2016 we were required to make a change to the plan due to the Affordable Care Act. From 2017 to 2018 there was a 14.4% increase, along with a high deductible plan. This allows the Authority to self-insure a portion of the policy.

A Calligaris commented that with this plan the employee doesn’t pay anything except premium costs, and that because of the way this is set up, they really get a better plan than the Bronze. C. Farone stated that by going to a high deductible they have been able to decrease the premium piece.

C. Farone further stated that the Authority does track historical trends for deductible utilization showing what it cost the Authority at the end of each year. In 2017, $225,000 was utilized of the $574,000 available, which is 39%. On the front end, 45% had been budgeted, but is not predicting this to be the case in 2018. The bottom line is what did the plan cost the Authority at the end of the year? The goal is to get this plan to where the employee is paying 30%. In 2017 the individual paid 28%, employee/spouse paid 32%, and family paid 31%, averaging out a bit higher because we came in at less than our deductible. The same estimation process was continued in a similar format for 2018, along with using the figures from January thru September, we are about to calculate these figures to be at about 45%. 2018 has been projected, while 2019 has been estimated. Even at a bit higher estimation, this puts employees at 26%, and just under the 30% which is very close to our mark. An important piece to note is why the individual is less as a percentage. This is because the Affordable Care Act has a limitation as far as affordability
on the plan. If we were to go to a full 30% on an individual, it would not be considered affordable and we would be penalized. C. Farone went on to recap for FYE 2019, Excellus Blue Cross has provided for an 8.9% increase in premium. The deductible did not increase. The estimations were done at 26% for individual at $2,132, employee/spouse 30% at $4,966, employee/children 30% at $4,472.00, and family would be 30% at $6,318.

Some of the plan increases noted over the last few years can be attributed to the increase in enrolled employees. There were 54 enrolled employees, which has climbed up to 63 employees. The HRA is being estimated to go from 39% to 45%. Excellus has raised their premium cost 8.9%. The key piece to look at is the "average cost per active employee" is almost the same as in 2015.

The Authority is doing what they can to manage the cost. C. Farone still feels the Authority did the right thing in moving from the NYS System as this has allowed the Authority much more flexibility.

A Calligaris commented that this is really a good job, especially in keeping this right where we wanted it to be, even with the cost of Blue Cross going up about 40%.

C. Farone further stated that another way we have been able to maintain some of the savings is with the health insurance stipend. This is offered as a $3,750.00 annual stipend to those employees insured by other healthcare. At this point 23 employees are partaking in the offered stipend. A. Calligaris commented that this is good because if the Authority had over 100 employees enrolled it would put us up a category. If the plan were changed from platinum to bronze, it would charge the full risk.

Retiree Healthcare, if they were to be charged the full 30% they would be on the same plan that the employees are on. This would be an increase from the current $169 to $206, resulting in a 21.9% increase. The question is whether to do this increase incrementally per year, or do the full 30% all at once. The distinction is that we have always billed the retirees at the same rate as the individuals, and where the individual premiums are capped under the Affordable Care Plan, this cap is not applicable to the retiree and can continue to increase. F. Carter asked if this was just for an individual, or a spouse too. C. Farone replied this is just for the individual. F. Carter feels a jump from $169 to $206 is not a bad number.

M. Murray asked how many retirees are currently on this plan. C. Farone stated there is less than double digits, eight (8) total at this time he believes. This is only for retired staff that have not turned 65 yet. Once they have turned 65, they will supplement with Medicare.

G. Turck stated that he would go for the recommendation of the increase to $206. F. Carter stated this should be a cautiously made decision as these rates always go up, never down. C. Farone stated that the Authority is always keeping its eye on this and that at least 15 plans were reviewed.

F. Carter asked if there was still an account available to employees to cover co-pays. C. Farone stated there is an optional Flex Spend Plan available, and that the medical coverage itself is a very good plan with minimal co-pays.
J. Wright explained that if this plan is accepted, the committee members will sign this report and it will be presented at the Board Meeting under the Executive Director’s Report.

C. Farone commented that there are numerous individuals that do not use any of the deductible. The current plan is an HRA with the unused funds staying with the Authority, as opposed to an HSA where the unused funds would go to the employee.

F. Carter asked if the Authority ever issues a questionnaire to employees asking what they think of the coverage. C. Farone responded that an employee committee determined to leave the State Plan, and with that change they were not able to get everything they wanted but are overall very happy with what they have.

J. Wright explained that each year meetings are hosted to explain any plan differences or changes. These meetings are mostly attended by spouses since they seem to be the ones handling the medical billings. T. Hefferson asked if the feedback seemed to indicate that the overall feeling was that the coverage is good? J. Wright has reviewed the policy with managers and staff. The premiums have increased more than pay increased. T. Hefferson asked if this covers prescriptions as well. C. Farone stated the plan does cover prescriptions

There is no motion needed for this action. All committee members have signed the Adoption of Health Insurance Premiums, Calendar Year 2019, Effective January 1, 2019.

Chairman Turck asked that the committee move into Executive Session to discuss a personnel matter.

Upon a motion by F. Carter and seconded by T. Hefferson, the committee moved into Executive Session at 9:32 AM.

Upon a motion by T. Hefferson, and seconded by F. Carter, the Governance Committee came out of Executive Session at 9:55 AM.

No action was taken during this Executive Session.

6. Upon a motion made by J. Johnson, and seconded by F. Carter, the committee meeting was adjourned at 9:55 am.

Respectfully submitted,

[Signature]

Gary Turck
Chairman, Governance Committee