

NIACOG EXECUTIVE COMMITTEE - MINUTES
Bennigan's, 2023 7th Ave. N, Clear Lake, Iowa
January 8, 2023 at 5:15 p.m.

Members in Attendance: Members in attendance included A.J. Stone, David Vikturek, Jim Wherry. Others in attendance included Executive Director Myrtle Nelson, Senior Planner John Robbins, Brent Hinson (Mason City Finance Director), and Perry Buffington (Mason City Human Resources Director).

Members Absent: Sis Greiman and Mark Johansen

1. Call to Order: Vice-Chair Stone called the meeting to order at 5:21 p.m.
2. Approval of Agenda and Minutes of Previous Meeting: The members reviewed the current agenda, as well as, the minutes for the Executive Committee meeting held on December 20, 2023. Vikturek made a motion to approve the agenda and the minutes as printed. Wherry seconded the motion, and it carried unanimously.
3. Financial Report - November 2023 Financial Reports: Nelson reviewed the 'Statement of Net Assets', the 'Statement of Revenue and Expenses', and the 'Monthly Disbursement Detail' (listing of checks) for November 2023. Nelson noted that the check written to Safety Solutions is for NORISC Safety Training and inspections.
 - a. Pre-approval: Bus Purchase – 2023 Turtle Top Terra Transit LD, VIN 1FDEU6PG3NKA24140, \$112,595: Nelson explained that a Region 2 bus was totaled in Ventura, but that no injuries occurred. She went on to explain that the bus had not met its 'federal useful life' so a new bus must be purchased as a 'like kind substitute' or the insurance money forwarded to the federal government without a future option to add a vehicle. This bus was smaller and did not require a CDL, which assisted with NIACOG's difficulty in securing CDL licensed drivers. Insurance will cover the actual cash value of the totaled 2019 bus, which is \$80,582.28. Due to the low productivity of buses for the past few years, buses are in high demand. As a result, NIACOG staff were unable to find a similar 2019 model of good quality. Two vendors provided quotes for 2023 bus models:
 - i. Davey Coach Sales \$132,714
 - ii. Nations Bus Sales: \$112,595

Viktirek made a motion to approve the financial report and preapproval of the 2023 Turtle Top Terra Transit LD, VIN 1FDEU6PG3NKA24140 offered by Nations bus sales at a price of \$112,595. Wherry seconded the motion, and it carried unanimously.

4. Communications and Reports - No communications or reports were raised.

5. New Business

- a. Health Insurance Discussion with Mason City: Nelson explained that, during discussions about the city's contribution for transit operations, the city raised the possibility of NIACOG joining the city's self-insured health care program. She said that process would involve NIACOG opening a local bank account and paying 'premiums' into it much like an insurance premium to generate funding to pay claims and fees. Then, when an employee, for example, goes to a doctor, Wellmark handles insurance claim and bills Mason City. The City then bills NIACOG. She said that the annual fees would include stop loss reinsurance of \$22,000, Mason City coordination fee of 3% (about \$9,000), Wellmark administrative fees of \$13,000, and Wellmark network access fee of \$3,776. She said that the proposal totals \$15,000 more than the current plan. She said that the City's plan coverage for the employees is much better in terms of deductible and out-of-pocket maximum. She also said that she was concerned about the stop loss reinsurance not activating until the respective claim exceeded \$100,000, which is a very high figure relative to NIACOG's health insurance budget.

Mason City Finance Director Brent Hinson thanked the board for allowing him to attend and participate in the meeting. He said that the city has about 240 employees, but they need to consistently exceed 250 employees to take advantage of potentially large prescription medication savings. The process involves importing medications from New Zealand that were originally manufactured in the United States. This method has been used by large employers for 15 years. So they are seeking a partner to help them exceed that level. He said that they have also spoken to Charles City, and Forest City. Hinson also detailed the advantages of a partnership for NIACOG including the following.

- Better insurance for employees. The deductible would go from NIACOG's current plan of \$2,000 single/\$4,000 family to Mason City's plan of \$500 single/\$1,000 family. The maximum out of pocket would go from \$4,000 single /\$10,600 family to \$3,000 single/\$6,600 family. The co-pay percentage would also drop from 30% to 20%.
- Lower annual increases would be expected with the Mason City plan. Their increases have been around 5% for the past few years.

Nelson reiterated some of the very significant benefits that Hinson had described and added that additional benefits include: not having to pay the buffer to an insurance company (versus self-insurance), being able to take advantage of low medication costs offered to people in the 250 employee pool, and being able to help Mason City as one of NIACOG's members. Nelson also described her concerns regarding potential vulnerability in the following areas:

- Stop Loss reinsurance for claim amounts above \$100,000 is a high percentage of the NIACOG health insurance budget. A few large claims could exceed the pool with premiums from only 20 people to cover them.

- NIACOG's cost could increase by \$36,000 if more people decide to take the insurance instead of being on their spouse plan because it offers much better coverage. Currently, the insurance is free to employees on a single plan, but that could be changed with the new plan. Spouses/Families may also decide to join, but the 30% employee contribution is high enough on spouse/family plans that this seems less likely.
- In joining Mason City's plan, NIACOG would become a 'large employer' for health insurance and would need to follow requirements for large employers. Hinson indicated that Mason City staff would handle the reporting requirement and the other items were manageable, so this concern was largely addressed.

Because of Nelson's concerns about the stop-loss insurance level and risk to the agency, she asked if it would be possible to look at NIACOG just paying the same amount as Mason City employees into the pool and sharing the risk over all of the employees in one pool. Hinson and Buffington indicated that a plan following the city's rates could be a viable route that they would be willing to pursue.

Hinson noted the urgency for a decision to be made in time for Wellmark to complete the process before the July 1 plan year begins. He indicated that a decision in February would be preferred. He also noted that he and Buffington were continuing to discuss the same concept with Charles City and Forest City.

Stone offered to advance the next meeting to February 14 or meet at other times if that would be helpful to proceed in a more expedient manner. The consensus of the board was the same.

Board members asked for written details of the plan as they evaluate it further. Nelson agreed to provide the documents.

Hinson and Nelson concurred to meet as staff to prepare a plan.

- b. Community Development Planner Hiring Approval: Nelson said that Travis Konig was selected to replace Caraline Eggena, who went to work for another employer late in September. She offered him the position at a salary of \$42,500 with a \$1,000 increase at 6 months subject to a positive review. She described his background and answered the member's questions about the candidate. Wherry made a motion to approve the hiring as proposed. Vikturek seconded the motion, and it carried unanimously.

6. Old Business:

- a. Update on EDA RLF Grant: Nelson said that, to be eligible to apply for EDA funds to capitalize a Revolving Loan Fund, \$562,000 in loans must be identified with multiple businesses and no loan exceeding one-fourth of the pool. She noted that she had spoken to and emailed the EDC directors and included a notice in the

NIACOG newsletter. Only one inquiry had been received, and no viable loan projects have been received. As a result, the application is on hold.

- b. FY24 Budget Enhancement Progress & Plans: Nelson stated that a Budget Enhancement status would be provided at the full board meeting, but she wanted to mention that she followed up on the board's recommendation to look into state bids for tires. NIACOG staff were able to confirm that the state bid has been used for tires for several years.

7. Other Items from the Board: None

8. Next Meeting: Stone noted that the next meeting is scheduled to be held on Wednesday, February 21, 2024 at noon in the NIACOG office, but that the date might be changed to February 14, 2024 depending on availability.

9. Adjournment: Stone adjourned the meeting at 6:24 p.m.

Respectfully submitted,

Myrtle Nelson, AICP
Recording Secretary