

NIACOG EXECUTIVE COMMITTEE - MINUTES
NIACOG, 525 6th St. SW, Mason City, Iowa
February 14, 2024 at 12:00 p.m.

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

Members Absent:

1. Call to Order: Chair Stone called the meeting to order at 12:03 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 January 8, 2024. Greiman made a motion to approve the agenda and the minutes as printed. Johansen seconded the motion, and it carried unanimously.
3. Financial Report - December 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 December 2023. Nelson noted that no checks were written for capital expenditures exceeding \$5,000. Wherry made a motion to approve the financial report. Johansen seconded the motion, and it carried unanimously.
4. Communications and Reports - No communications or reports were raised.
5. New Business
 - a. FY23 Audit: Nelson stated that Fort & Schlegel is getting close to wrapping up the audit and will present at the March 11, 2024 board meeting. Nelson also stated that the audit is nearing completion, but that a defaulted loan of \$10,000 is being added. She noted that the recipient was a construction contractor who had been doing good work with NIACOG's Housing Trust Fund until after the loan was awarded to him and his job foreman changed.
 - b. Procurement Policy – Increase Small Purchase Limit from \$100,000 to \$250,000: Nelson explained that the method for selecting items and services to purchase is outlined in NIACOG's procurement policy. The selection methods include: micro-purchases that do not require bidding, small item purchases that require getting price quotes, and sealed bidding purchases that require the development of detailed specifications and formal advertising. The type of process to be used is largely defined by the cost associated with the item to be purchased. The threshold dollar figures for Small Purchase Limits have increase from \$100,000 when the 2CFR200 procurement regulations were adopted in 2014 to now \$250,000. Given

the considerable expense in developing specifications and the difficulty obtaining bids, Nelson recommended updating the Procurement Policy to increase the Small Purchase limit to \$250,000. Greiman made a motion to approve the modification in NIACOG's Procurement Policy to increase the Small Purchase limits to \$250,000. Wherry seconded the motion, and it passed unanimously.

- c. Insulation Project: Nelson explained that the insulation in the bus storage garage and maintenance shop has been deteriorating due to water condensation. She stated that the insulation is now drooping from the weight of the water and no longer capable of holding its R-value. She also expressed concern about the water being trapped in the insulation and its propensity to cause oxidation of the metal roof as well as mold/fungus growth. She explained that quotes were requested from six (6) contractors, some declined without viewing, some inspected the site then declined, and only one actually responded with a bid. So, this bid would be considered sole source procurement under the terms of NIACOG's Procurement Policy which is allowed under 4.d., which states that sole source of procurement is allowed if 'After solicitation of a number of sources, competition is determined inadequate'. The bidder is Northern Iowa Insulation of Orchard, Iowa. Their bid of \$235,320 is less than the original estimate of \$250,000. In conjunction with Mason City Transit, Region 2 Transit received a Public Transit Infrastructure Grant (PTIG) in the amount of \$200,000. The local match can be split equally between the City of Mason City and NIACOG. Should funds remain after completing the insulation projects, they can be used to install equipment to mitigate humidity in the space (dehumidification/ventilation). Wherry made motion to award the bid to Northern Iowa Insulation of Orchard, Iowa for \$235,320. Greiman seconded the motion, and it carried unanimously.

6. Old Business:

- a. Consideration of Health Insurance 28E Agreement with Mason City & Personnel Policy Modification for Employee Contributions: Nelson thanked the board for their consideration of a joint healthcare program with the City of Mason City at the Executive Committee meeting on January 8th. The City had explained their interest in adding NIACOG to its self-insured plan so that its employee pool would consistently exceed 250 employees, which would allow flexibilities that would result in significant savings especially in regard to prescribed medications. Nelson recalled reviewing the pursuit of many insurance options with the board. More recently she reviewed insurance with Iowa Communities Trust and the City of Mason City.

Nelson stated that the city's initial proposal (presented at the previous meeting) was for NIACOG to act as a self-insured independent agency, which concerned her because of the risk for such a small number of employees on NIACOG's healthcare plan. Since that time, city staff and NIACOG staff negotiated a new plan that now addresses key issues including a shared risk pool and more affordable cost.

She reviewed the coverage for the current policy with Health Partners and the proposed coverage with Mason City. The rate comparison of the plans was based upon a 20-employee participation. Nelson also reviewed the low rate increases for Mason City of 2.5% to 5% and the higher rate increases of Iowa Communities Trust of 5.66% to 11.91%. She also noted the potential for mitigating rate increases through the re-importation of prescribed medicines.

The city has agreed to costs based upon 85% of Mason City's contribution rates for the remainder of FY24 and FY25 and 90% of city rates for FY26 and FY27. 100% rates after FY27. Additional fees included: Wellmark administrative fee, Mason City fee, Wellmark network fee, backfilling new deductibles if previously met by the employee, and stop loss re-insurance premium.

Nelson noted the urgency for a decision to be made in time for NIACOG to join the City's pool and establish the 250 employee level sufficiently prior to the end of the fiscal year.

The 28E Agreement for the insurance was then reviewed including: a start date of May, 2024, monthly invoicing from the City to NIACOG, calculation method for fees, rates as a percentage of the rates used by the city for its own employees, and termination clause.

Wherry requested clarification about how insurance risk would be shared. Hinson explained that the Mason City and NIACOG employees would be in the same risk pool, which would reduce NIACOG's risk by spreading risk over the entire pool of over 250 employees. Nelson noted fluctuations in current years' rates based upon claims of previous years.

Wherry made a motion to approve the 28E Agreement with the exception that Section I. TERMINATION be modified to set a deadline of November 1st prior to the respective plan renewal date for any notice of termination. Vikturek seconded the motion, and it carried unanimously.

Nelson recommended additions to the Section 6.1 Group Health Insurance Benefit in the Personnel Policy as illustrated by the underline words below:

Full-time employees may participate in NIACOG's group health insurance program. The cost to provide this benefit for employees is currently paid by NIACOG, except that participating employees shall contribute \$35 per pay period. Eligible dependents of regular full-time employees may also participate in our group health insurance program. Employees desiring to also cover their dependent(s) under the plan are responsible for paying thirty percent (30%) of the premium for the joint coverage of themselves and their dependents. Additionally, a \$100 monthly fee shall be paid for spousal coverage unless a

waiver is provided indicating a lack of healthcare insurance option(s) available to the spouse through an employer, Medicare, and/or retirement benefits.

Johansen made a motion to approve the 28E Agreement and the recommended changes to the Personnel Policy in Chapter 6.1 with an effective date of May 1, 2024 to match the start date for the insurance. Greiman seconded the motion, and it carried unanimously.

- b. FY24 Budget Enhancement Progress & Plans: Nelson stated that progress is being made on healthcare insurance cost, training for software implementation and driver input will be held on Saturday, February 17th, and software implementation will begin on Monday. Johansen asked Nelson to tell the drivers ‘how important they are to riders’. He noted that his mother had broken her leg, and, when asked what she missed most with her leg being broken, she said, “I miss not getting on the transit bus and hearing the driver’s kind words.” His mother rides the bus in Hampton.
7. Other Items from the Board: The board discussed protesting decennial Census counts, lunch policies for drivers, and transit vendors who have closed and transferred their operations to NIACOG.
8. Next Meeting: Stone noted that the next meeting is scheduled to be held on Monday, March 11, 2024 at 5:15 p.m. at Bennigan’s.
9. Adjournment: Stone adjourned the meeting at 1:42 p.m.

Respectfully submitted,

Myrtle Nelson, AICP
Recording Secretary