



MINUTES
GOVERNANCE COMMITTEE
Thursday, October 24, 2019 – 9:00 AM
Authority Conference Room, 4th Floor, Suite 414
Dulles State Office Building

The Development Authority of the North Country Governance Committee met in regular session at the State Office Building, Development Authority Conference Room, 4th Floor, 317 Washington Street, Watertown, New York on Thursday, October 24, 2019 at 9:30 am.

Committee Members - Present

Frederick Carter, Chairman
Alfred Calligaris
Thomas Hefferon
John B. Johnson Jr. – 9:33 AM
Dennis Mastascusa
Margaret Murray

Committee Members - Absent

Mary Doheny

Other Board Members Present

Staff Present:

James W. Wright, Executive Director
Carl Farone, Deputy Executive Director, Chief Financial Officer
Angela Marra, Executive Assistant

1. Chairman Carter called the meeting to order at 9:29 AM.
2. Chairman Carter requested a roll call by A. Marra.

All committee members were present except for M. Doheny and J. Johnson, confirming there was a quorum.

3. Resolution No. 2019-10-107, authorizes the establishment of an Allowance of Doubtful Accounts as identified and further directs the Deputy Executive Director to adjust the Authority's financial statements to reflect such an Allowance for Doubtful Accounts.

C. Farone stated that 10 years' worth of data had been reviewed, and overall the Authority has done well. Recording an allowance for Doubtful Accounts as recommended will provide for a more conservative Accounting of Receivables.

A. Calligaris asked if this 2% would be recorded in this year. C. Farone responded yes, this will flow through this year. By increasing these allowances, it will decrease the balance sheet of the Authority.

A. Calligaris asked if this was suggested by the auditors a couple years ago, but we did not favor doing it at that time. C. Farone responded yes.

Upon a motion by A. Calligaris, and seconded by T. Hefferon, Resolution No. 2019-10-107, Authorizing the Establishment of an Allowance for Doubtful Accounts, was unanimously approved by the Governance Committee.

4. Resolution No. 2019-10-108, authorizes an increase in the revenue and expense account of the Engineering Division to continue pass-through expenditures and amends the FYE 2020 Engineering Budget.

Upon a motion by A. Calligaris, and seconded by T. Hefferon, Resolution No. 2019-10-108, Pass-Through Expenditures, Operating Budget Amendment, Engineering Division, was unanimously approved by the Governance Committee.

5. Health Insurance Discussion

C. Farone presented the recently reviewed health insurance plan for the Authority. 15 options had been reviewed with Benefit Services Group to see if staying with the same plan is still the best option. Even with the projected increase, it was determined that the Bronze Four Plan is still the best plan for the Authority and its employees.

In 2012 when the Authority decided to switch to the current plan from the New York State (NYS) Plan, it was because of the cost of the NYS Plan. The NYS Plan is still much more expensive than what the Authority is currently using.

While the premium costs are increasing, they are still within the affordable range specified within the Affordable Care Act.

With the high deductible plan, it has been budgeted that there would be a 40% utilization for 2018; which actually ended up at 42%. While this is higher than what was budgeted, it was not as bad as was expected. The utilization increase of roughly 3% each year is being attributed to increased health insurance costs and an aging workforce. This year 45% utilization is being budgeted, resulting in 55% recapture.

A. Calligaris stated that these premium cost increases seem huge, but they are really not as bad as we think it is. C. Farone stated that everyone is struggling with Health Insurance Costs. If there was a solution then everyone would be using it. J. Wright stated that the Authority's usual savings within the stipend has been declining.

In 2016 there were 55 employees on the plan, in 2020 it is estimated there will be 70 employees partaking in this health care plan. The remaining employees are offered a stipend. With the increased number of staff opting for the plan over the stipend, the savings to the Authority has been declining. The Authority would like to increase the stipend from

\$3,750 to \$4,000 (an extra \$144 per each pay period), to hopefully entice more employees to partake in this option.

Retiree coverage will remain the same as active employees until the retirees reach the age 65 and then Medicare becomes primary. The Authority then provides supplemental coverage at the rate of 30% of the cost, as well as the Medicare Part B.

M. Murray asked if the health care plans are evaluated on a calendar year basis. C. Farone responded yes.

F. Carter asked how long it had been since the Authority had reviewed the health care plan. C. Farone stated that while the Authority has been with Benefit Services Group since 2012, they have access to many different plans, and 15 different plans were reviewed this year to make this determination.

A motion was made by A. Calligaris, and seconded by T. Hefferon, to accept the proposed health care plan for 2020. This was unanimously approved by the Governance Committee.

6. The committee meeting was adjourned at 9:58 AM.

Respectfully submitted,



Fredrick D. Carter
Chairman, Governance Committee