



MINUTES
GOVERNANCE COMMITTEE
Thursday, October 20, 2022 – 10:00 AM
Warneck Pump Station, Conference Room
Watertown, New York

The Development Authority of the North Country Governance Committee met in regular session in person at the Warneck Pump Station, 23557 NYS Rt 37, Watertown, New York on Thursday, October 20, 2022 at 10:00 am.

Members Present

Margaret Murray – Board Chairperson
Thomas Hefferon – Vice Chair
Alex MacKinnon, Treasurer
Dennis Mastascusa – Secretary
Mary Doheny
Steve Hunt

Staff Present

Carl E. Farone, Jr., Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Angela Marra, Executive Assistant

Committee Members – Absent

Guests Present

Other Board Members Present

1. Chairperson Murray called the meeting to order at 10:00 AM.
2. Roll Call – A quorum of committee members was established.
3. Health Insurance Renewal –

M. Doheny asked about a similar review that was done four months ago. C. Farone explained that was the Authority RFP to select an agent, and today we are reviewing the actual plans.

J. Staples began by reviewing the health insurance cost increases between 2021 and 2022 and also recapped how the premiums increased but the deductible stayed the same. She further explained the varied percentages of increase between 2021 and 2022 noting that the individual contribution rate went up more than others due to the Affordable Care Act which is calculated based on what the lowest paid employee is earning coupled with the IRS percentage, which changes yearly. At the end calendar year 2021 the HRA plan was used 10% less than what was budgeted resulting in a savings of \$90,300. Calendar year 2022 is on target for a utilization of 5% less than budget, resulting in a projected savings of \$44,000. From calendar year 2021 to 2022 there was a premium increase of 10.6%, and in 2023 there is a stated premium increase of 7.7% with a 7.1% increase in deductible. J. Staples continued by stating that because of this increase two different options are being suggested for 2023. Option 1 is continuing to have employees contribute at a rate of 30% with an HRA deductible utilization to be projected at 43%.

A. MacKinnon asked how the deductible works for the employee. T. Hefferon stated that the Authority pays that for the employees. C. Farone confirmed that the premium is what the employee is paying and the HRA covers co-pays and prescriptions. A. MacKinnon stated that this is a good plan.

J. Staples continued by explaining the Authority costs under Option 1 with 73 staff taking the health insurance would be \$948,000, or an average of \$13,000 per employee. Option 2 suggests lowering the employee contribution to 28.5%, which would keep the employee contribution rate about the same as 2022.

T. Hefferon asked if the 30% was self-imposed. C. Farone responded yes, and further stated that it has become more difficult to recruit and retain staff. Inflation is also an issue currently being at about 7%. Keeping the employee contribution flat would give staff a bit of a break from a health care perspective. This also takes the \$90,000 savings in 2021 and the projected savings of \$44,000 in 2022 into consideration. Next year there may be options of multiple plans based on affordability to staff where they would choose from different plan options.

T. Hefferon asked how we compare with the private sector. C. Farone responded that we are not sure how we compare to the private sector, but within the public sector, the Authority employees pay more.

M. Doheny asked how many staff are taking the insurance versus the stipend. C. Farone responded that 73 staff are currently on the health insurance plan and 19 are taking the stipend.

M. Murray asked the amount of the stipend. C. Farone replied that in 2022, it is \$4,000, but an increase to \$4,250 is being proposed. J. Staples further stated that in 2015 the stipend amount was \$3,000 but has been increased over time to keep pace with increased health insurance costs and to incentivize staff to utilize alternate health insurance. If an employee with family coverage goes off the Authority's insurance with alternative coverage and takes the stipend, it is saving the Authority \$14,575.

S. Hunt asked if staff could take the stipend and not have alternative insurance. J. Staples stated that staff needs to provide proof of other coverage.

D. Mastascusa asked how the stipend is paid. J. Staples responded this is paid by pay period, they do not receive the \$4,250 up front.

T. Hefferon asked if they pay tax on the stipend. J. Staples responded that yes they do.

J. Staples continued with retiree health care coverage, and is recommending this remain at the 30% contribution rate as this is not associated with the Affordable Care Act. M. Murray asked how many retirees are currently participating. J. Staples replied that there are eight retirees under 65, and we are predicting 11 over 65.

J. Staples explained that she personally reviewed 37 plans, not just the Excellus Blue Cross Blue Shield Bronze 4, and narrowed those possibilities down to 15 for C. Farone to review. Within this process and the discussions with John Kamide at OneDigital (formerly Benefit Services Group) the Bronze 4 plan was determined to be one of the best plans based on our needs.

M. Doheny asked if local providers accept this plan. J. Staples replied yes, this plan is accepted all over the United States as opposed to only regionally. There is also coverage towards out of network doctors.

J. Staples went on to explain the United Concierge Medicine (UCM). The Authority has used this telemedicine program for two years and finds it very beneficial. UCM offers triage, treatment, medical assistance, diagnostic imaging and lab referrals, and follow-up. Employees are using this more. The cost is \$4.00 per month per employee, with no increase in cost this year. This service is only for those staff who take our health insurance, including retirees. C. Farone stated this program helps to decrease cost as the cost of an actual ER visit could result in a bill of several thousand dollars while this whole service costs only \$3,500 each year.

D. Mastascusa asked if this is through Excellus. C. Farone responded no, the telemedicine program with Excellus has a cost of \$50 per visit. J. Staples commented that another benefit to the telemedicine is you are able to get in touch with a doctor that day rather than wait weeks for an in person appointment.

M. Murray asked how many Authority staff actual use this program. J. Staples replied that in 2021 it was utilized 30 times with an estimated health care savings of \$19,000, and in 2022 September YTD it has been used 37 times for a savings of about \$24,000.

D. Mastascusa asked if any employees not enrolled in the bronze plan use this program. J. Staples replied no, staff must participate in our health coverage to be eligible for the UCM.

J. Staples concluded by offering a comparison between the Authority's current plan and the New York State Empire Plan. Utilizing the 2022 premium rates and assuming the same increased premium as the Bronze 4 plan, the Empire Plan would cost \$2.5 million, versus the \$1.3 million with the current plan.

Upon a motion by T. Hefferon, and seconded by M. Doheny, Adoption of Health Insurance Premiums, Calendar Year 2023, Effective January 1, 2023 at a 28.5% employee contribution rate, was unanimously approved by the Governance Committee.

3. Resolution No. 2022-10-76 approves the modifications to the Personnel Policy as attached and incorporated in the resolution, and the revised Personnel Policy shall become effective on January 8, 2023.

C. Farone presented the Personnel Policy updates, beginning with a comparison of compensated absences or paid time off (PTO) between the Authority and similar entities within the state who we are competing with for the same staff in the same wage pool. The Authority is currently at the bottom of those organizations we compared, but with the changes being suggested we would move more to the middle. While the current time off is generous, a trend is being noticed in that new hires are looking for more time, and especially if they are coming to us with 15 to 20 years of experience. The first proposed change to the policy would be increasing vacation time for new hires from two to three weeks, and increase the 5, 10, and 15 year marks incrementally as well. The cost to the Authority for this suggested change would be equivalent to the hiring on one full-time employee.

M. Doheny asked if when staff leave the Authority is this a use it or lose it policy, or is it compensable. C. Farone responded that when individuals leave the Authority they are

paid out up to 1.5 times their current accrued rate. Time is earned per pay period, and on April 1 of each year all time earned over 1.5 times their accrual rate is lost.

S. Hunt asked if there is a cap on what an employee could carry. C. Farone replied that on April 1 of each year, earned time off is reconciled to 1.5 times what staff is able to accrue. If they are able to earn 4 weeks vacation, they can roll 6 weeks over into the new fiscal year. Any days over that will be lost.

S. Hunt asked if there is any incentive or encouragement for staff to take time off. J. Staples stated that they begin notifying staff in January if they have excess time they are positioned to lose.

M. Murray asked if sick time is also accrued, and if not used is that lost too. J. Staples stated there is a cap of 200 days or 1600 hours. C. Farone further stated that another benefit with our sick time is upon retirement a half year can be rolled into the pension. This time cannot be used to reach retirement age, but it can be rolled in once retirement is achieved. C. Tuttle added that sick time is not paid out upon retirement.

S. Hunt asked if salaries had been reviewed along with the compensation. C. Farone replied yes, a salary analysis was completed 12 months ago for each position to compare wages and paid time off. We found some work was needed on a few positions, but we are now very comparable. C. Tuttle added that in terms of recruitment we are still losing employees so this is more of a retention issue. She further stated that we have recently lost a controls engineer for more salary and time off, and a water quality technician to a private sector employer. The Authority is not the highest paid employer in the area and that is shown with the employees lost to other companies in both the public and private sectors.

C. Farone added that six weeks used to be the maximum vacation, but was decreased to five and is now attainable earlier in one's career. This is a work/life balance benefit that young professionals seem to be looking for.

S. Hunt asked about the remote work plan and if it was being utilized. C. Farone yes, this is dependent on the position and managerial approval.

M. Doheny asked if time off was manager approved or self-reported. C. Farone explained that BambooHR is used to enter a vacation request, which then goes to their manager to approve or deny. All time off in BambooHR is then confirmed on each timecard. M. Doheny asked if staff understand that if they are to take the morning off it is vacation time, not that they can work later. C. Farone responded yes, unless there is an extenuating circumstance where the employee has previously communicated that. He further stated as a manager, when these requests come through, they are able to see who else in their department has time off during that time period.

C. Farone continued reviewing the proposed amendments to the Personnel Policy. The first being the increased vacation time as already discussed. M. Murray asked if this additional time is accrued every pay period. C. Farone answered yes, that this change would go into effect January 8, 2023. The second change is regarding continuing education as the Authority pays for employees who want to receive college degrees. Degree programs are approved by the Executive Director, and are limited to SUNY rates. The policy currently reads that the tuition reimbursement covers tuition and books as long as a grade of C or higher was achieved. This proposed amendment would change the

reimbursement to be grade based; 100% for an A, 90% for a B, 80% for a C. Several staff have received their Masters through this program and we see it as a very beneficial program to staff who can then step up as the current leadership moves on.

M. Doheny asked if there is a caveat for pass/fail. C. Farone replied that would then need to be a 100% reimbursement.

S. Hunt asked about retention in respect to staff receiving the training and then going to work somewhere else. C. Farone stated that if an employee selects to do this they would sign a contract stating if they were to leave within one year they would pay back the Authority based on a prorated scale.

Upon a motion by T. Hefferon and seconded by S. Hunt, Resolution No. 2022-10-76, Personnel Policy, Approving Modifications, was unanimously approved by the Governance Committee

4. Resolution No. 2022-10-77 amends the FYE 2023 Water Quality Contracts Budget as reflected in Appendix A attached to the resolution which reflects an increase in customer revenue for additional contracts authorized and additional expenses for the addition of an Assistant Director of Water Quality.

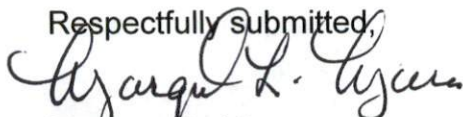
C. Farone explained that with succession planning and ensuring when the current leadership moves on that the Authority has a sufficient resources to proceed. The Water Quality division appears to have the greatest growth potential, and this is best shown with the number of calls we receive requesting the Authority to take over operations. The current concern is if we have adequate staffing to take more on. This year, two contracts have already been added and we currently have three requests. We would like to add an Assistant Director of Water Quality position to this fiscal year's budget, with a cost not in excess of the additional revenue already brought in this year. The addition of this position will put us in a better position to provide services to our municipal partners.

M. Doheny asked if we use any recruiting firms or outside sources for hiring people. J. Staples replied this is all done internally. C. Farone continued by stating that water quality is challenging and finding staff with licenses is very difficult. We have learned it is optimal to hire staff as technicians and put them through training programs to become certified and licensed. M. Doheny asked if the certification is covered by the Authority. C. Farone responded yes, the Authority pays for classes. These are difficult tests with only a 16% passing rate.

Upon a motion by S. Hunt and seconded by T. Hefferon, Resolution No. 2022-10-77, FY 2023 Water Quality Budget, Amendment Authorizing Assistant Director Position, was unanimously approved by the Governance Committee.

4. Upon a motion by A. MacKinnon, and seconded by S. Hunt, the committee moved to adjourn at 11:08 AM.

Respectfully submitted,



Margaret L. Murray
Chairperson, Governance Committee