



VILLAGE OF JOHNSON CITY

MUNICIPAL BUILDING

243 MAIN STREET, JOHNSON CITY, NY 13790

www.villageofjc.com

Village Board

Gregory Deemie, Mayor

Deputy Mayor Clark Giblin Trustee Martin Meaney

Trustee Benjamin Reynolds Trustee John Walker

Minutes of a Work Session of the Johnson City Village Board held at 5:00pm on Tuesday, May 19, 2020 via Zoom Video Conference

Present: Gregory Deemie, Mayor
 Clark Giblin, Deputy Mayor
 Martin Meaney, Trustee
 John Walker, Trustee
 Benjamin Reynolds, Trustee

Absent: None

Also Present: Cheryl Sacco, Legal Counsel
 Cindy Kennerup, Clerk/Treasurer
 Deputy Treasurer Thomas Johnson

Mayor Deemie called the meeting to order at 5:00 p.m., took roll call and confirmed there was a quorum.

Mayor Deemie read the Executive Order 202.1 regarding virtual meetings.

Mayor Deemie thanked Clark Giblin for all his work on getting the Board to this point on the insurance information.

Trustee Giblin introduced Heather Sodon and Tom Surowka of National Financial Partners.

- Mr. Surowka explained his insurance experience and discussed their insurance proposal.
- NFP is headquartered in NY.
- They make certain they share accountability, are cost effective and offer the best plans for the best rates.
- They work for the Village of Johnson City, not the carrier.
- Medical plans and benefits are the largest part of NFP's business.
- The Village will have access to Heather and him on a day to day business to make sure the employees are getting what they were promised.
- They always make sure you are implementing the right plans for the right price.
- There will be four formal meetings annually.

- The Village will receive monthly, quarterly and year-end reports about how the plan is running.
- There will be webinars and guidance with regard to COVID Compliance.
- They have a discovery period for following rules and regulations and help make sure the Village is in compliance.
- Benefits and online access to benefits
 - Treasurer Kennerup confirmed employees cannot sign up online and cannot access benefit information online.
- Mr. Surowka and Ms. Sodon explained Ease and advantages of having program.

Trustee Meaney asked what significant changes they implemented at the sewage treatment plant?

- Mr. Surowka stated they were at a community rated plan (under 100 employees) paying \$2,500 a month to paying \$1,000 a month for a family. They negotiated their Medicare rate to a lower rate and saved them \$200,000-\$250,000. They have also saved the City of Binghamton a significant amount of money.

Trustee Giblin questioned the Medicare coverage and confirmed the renewal date is June 1, 2020.

- Mr. Surowka stated if you have group Medicare you were paying \$495, current rates are down to \$225-\$250.
- Trustee Giblin confirmed the Village is paying \$315.

Jim Stoddard and Tom Augustini appeared on behalf of Haylor, Freyer & Coon.

Mr. Stoddard thanked the Village for the opportunity to work with them.

Trustee Meaney questioned deductibles. Why did they go from \$2,500 to \$5,000?

- Mr. Stoddard replied it was done to try and keep the cost as low as possible. If there is a desire to keep the deductible lower, he can change that.

Trustee Giblin confirmed the renewal of the policy is on 6/1/2020. Trustee Giblin asked about the police professional policy claims.

- Mr. Stoddard will confirm the correct amount of claims made.

Trustee Meaney asked about the ISO rating and why we went from a 4 to a 2 and assumed that would impact their premiums on the fire side.

Mr. Stoddard responded property claims are done on class rating. ISO rates are specific rates by location. He confirmed that a four to a two would affect the premium. He will check on that and get back with us.

Mr. Stoddard explained Haylor, Freyer and Coon and their presence in the municipal market.

- Public entity division
 - In New York State, they insure over 100 municipalities and 100 school districts.
 - They have 5-6 people who all they do is provide insurance to municipalities and 100 school districts throughout the state.
 - Stated the municipalities and school districts they work with.
 - One of the largest and most significant providers in New York State
 - HFC employees involved with Village insurance and claims.

Trustee Walker questioned the jump for public officials from \$11,000 to \$16,000

- Mr. Stoddard said he doesn't have the claims history in front of him, but most likely is the result of claims activity in the Village, but could be part of the rate increase. He is going to check into it.
- Trustee Giblin stated he isn't aware of any claims with officials in the Village.
- Attorney Sacco confirmed there are no claims against Village officials.

Trustee Walker asked about the optional umbrella and if it is an additional \$13,000-\$16,000 or is it part of the existing umbrella.

- Mr. Stoddard responded it is either an additional \$13,000 to get to \$3 million or an additional \$16,993 to get to \$5 million. The umbrella is \$1 million and always has been. Trustee Giblin and him discussed this and he asked for the cost.

Trustee Walker inquired about the \$3,900 terrorism charge.

- Mr. Stoddard stated they are quoting what they received from the carrier.
- Trustee Giblin added they can exclude that charge and explained terrorism versus cyber.
- Mr. Stoddard explained the cyber limit coverage. He stated the Village coverage is for \$1 million and has a \$10,000 deductible.

Tom Augustini of HFC explained the current renewal from Excellus came back in the February-March time frame with a 24% increase which is related to high claimants. Individuals who have over \$85,000 in total cost such as hospitalization, surgical procedures or prescription drugs. After several communications with Excellus they brought it down to 21.85%.

Mr. Augustini went back to Excellus and asked them to take a look at modifications to the medical plans below: (Classic Blue Plans – grandfathered in and you have to have them in existence to renew)

- Prescription – mail order v. pharmacy
- Deductible – currently \$50 per person (3 maximum) or \$150 for family plan
- Co-Insurance - \$400 maximum
 - Deductible and co-insurance apply to office type settings
- Out of Pocket maximum \$6,350 for an individual or \$12,700 per family
 - This doesn't mean much because the Village already has the Co-insurance layer

Mr. Augustini asked Excellus to remove the Co-Insurance maximum so any cost sharing continues for the entire plan.

- Emergency Room benefit covered in full
 - Mr. Augustini asked they put a minimum co-pay on Emergency room of \$250
- Prescription Drug Plan
 - Mr. Augustini asked Excellus to remove no edit provisions and put in the edits.

Excellus said based on modifications it would bring it down to 14.79%.

Trustee Giblin stated any changes would have to be negotiated with all of the unions.

Trustee Meaney confirmed the retirees plan cannot be altered. Trustee Meaney asked if Mr. Augustini tried to negotiate the over 65 plan down.

- Mr. Augostini responded they did not budge on the current Medicare rate. The Medicare Advantage Plan renews January of each year. They will not do it for the remainder of 2020, but may negotiate in January of 2021.

Mr. Augostini gave a history of renewals.

- For the last nine renewals 2011-2019 there has been an average increase of 3.7%.
 - 2016 and 2017 were 0%
 - 2018 -10%
 - 2019 was 0%.
 - 2014 projected spending was \$6,050,000
 - 2020 projected spending is \$6,076,000

Trustee Meaney asked if, on any proposals have you taken into account more high deductible plans for employees.

- Mr. Augostini stated it would raise the cost on other plans.

Tom Harding and Colleen Harding appeared on behalf of Harding Brooks.

Mr. Harding discussed the following:

- After review of the property schedule, Travelers noted the buildings were underinsured
 - Blanket limit the Village can use on all buildings
 - \$2,500 deductible which is the same as last year.
 - \$5,000 deductible would be \$4,200 of savings
 - They added Carousel to building instead of inland marine policy
 - Property extensions are automatically thrown in and is similar to previous policy
 - General liability
 - No deductible except on sewage backup or failure to supply
 - Zero claims in these areas in the last six years
 - Police is the same as the Village currently has
 - Public entity management (public officials) is the same as previous
 - OCB is the same as previous
 - Automobile
 - Agreed Value – emergency, heavy and extra heavy
 - He suggested Department Heads review the current values
 - Replacement cost
 - Inland Marine Policy
 - Significant difference in replacement costs
 - Harding Brooks replacement costs for anything ten years or newer
 - current policy has replacement costs for everything
 - Umbrella – liability over the top of your auto and general liability
 - \$2 million is very low, but may want to look at \$3 or \$5 million umbrella
 - Paid \$206,000 last year
 - At \$198,000 with Harding Brooks less \$4,200 on deductible and add \$3,500 (\$3 million umbrella) or \$4,800 (\$5 million umbrella)

Trustee Meaney questioned the ISO rating.

- Mr. Harding responded Johnson City ISO is 2

- Congratulates the Village because a 2 is hard to get. It is because of the Fire Department, the water supply, communications and a lot of other factors. They figure it saves 20% on average on a homeowner's policy.

Trustee Walker asked regarding the Inland Marine policy if we took off anything under \$1,500 what would that do to the premium?

- Mr. Harding explained the Village has \$50,000 unscheduled and it would make sense to take anything off under \$1,500 or \$2,500. It would save money and the items would still be covered.

Mr. Harding stated the Village was with Travelers for three years prior to Argonaut/Trident and had 48 claims, settled out for \$55,000 or a little over \$1,000 a claim on average with 26 claims that closed out at \$0.

The Village was with Argonaut/Trident for last four years had 52 claims and settled \$528,000 in claims or a little over \$10,000 a claim on average. 10 claims closed out at \$0.

It looks as if Travelers did a much better job managing the Village's account.

Colleen Harding discussed the following with regard to group benefits:

- Overall philosophy – job as broker is to know the markets and trends in the industry, to ensure the Village offers their employees the best benefits package at affordable rates. Harding Brooks prides themselves in taking plan education down to the individual employee level which in turn would reduce plan costs to the Village.
- Wellness initiatives
 - Benefits employees and the Village
- Proposal
 - Initial renewal for active group medical came in at 24.85% rate increase with a 21.85% plan increase.
 - They went to regional and national carriers and Excellus came in at the most competitive pricing.
- Health Plan Management Report – provides valuable insight on how to predict and budget accordingly for your upcoming renewal.
 - Outlines employee demographics
 - Plans and how they are being utilized
 - Claims incurred
 - Annual contract – contingency premium plan or prospective premium plan
 - Contingency plan contract which the Village has had for the past several years is a riskier plan contract than the prospective plan
 - Ms. Harding gave an explanation of Contingency premium contract and described penalties the Village incurred in the last couple years. She stated the contingency plan is not working for the Village.
 - Recommendation is to sign a prospective premium contract and agree to lock in at the full 100% premium regardless of the claims and fees and taxes. If the claims surpass the 100% you would not have to pay anything additional.
 - It is Harding Brooks job to review the claims, utilization and demographics of the employees to evaluate whether a contingency or prospective plan would be better for the coming year.
- High Deductible Health Plan quotes were given for consideration in the future which would save the Village money.

Trustee Meaney asked if they offer a choice in plans, they will see a reduction in premiums.

- Ms. Harding acknowledged they would offer plan additions not changes. Excellus confirmed if you offer a high deductible health plan along with a Village sponsored health savings account you would see reduction in costs down the road.
- It is trending that employees want a choice in plans and it would effectively reduce the costs to the Village.
- Even with high deductible health plans, preventative health care and preventative medicine is still covered.

- Excellus Medicare Advantage Retirement Plan
 - They went to market and looked at national and regional carriers who had a 4.5 rating as Excellus. The star rating measures the strength of the Medicare Advantage Plan.
 - There is a significant savings with national carriers that write Medicare Advantage style plans. They have a larger market share in the Medicare industry and show significant savings in premiums.
 - Ms. Harding recommends changing to a national carrier such as Aetna, CDPHP, United Healthcare or Humana. Two carriers that are neck and neck are Aetna and the Humana 3 option. They would have to work directly with you to make sure we go with a carrier that is consistent with what the Village has. The ones they have looked at show a 17-month rate guarantee.
 - When they went to Excellus they said they would not make any concessions and Harding Brooks does not feel that any concession they would make would come close to the national carriers.
 - The Village could look at changing in September and doing a full analysis and full education and meetings with the subscribers to make sure they fully understand the situation, how it will affect them and make sure it is a successful transition.

- Lifetime Benefit Solutions, self-insured dental
 - No longer going to be in the self-funded market so the Village will have to change to a different third-party administrator
 - Currently charged \$500 monthly minimum.
 - If changed to Excellus the Village would see a \$215 per month savings.

Trustee Giblin stated we need to have a decision on the property and casualty by June 1st because that is the renewal date.

Mayor Deemie discussed the agenda, resolutions and the following:

- All Memorial Day events have been cancelled and a combined one will hopefully be rescheduled for November. There will be a small event at 9:00a.m. at the gazebo for veterans only.
- The April 1st Consent Order for JSTP was hit. A few minor things left, but things are looking good to finish the project. Hoping to turn the plant over to the owners by June 1, 2020.
 - Privatization is pushed off until August. They want to make sure everything is in place.
- County Update
 - Phase 1 is going well
 - Phase II hopeful in a couple weeks – professional businesses, administrations, salons and barbers
 - Phase 4 is parks.

- Governor will get back to what the County is doing with their parks most likely not opening any of their parks until June 15th. The State is opening their parks Friday, May 29th with social distancing. At this point we will not have arts and crafts and coordinating with other municipalities regarding other activities. Carousel and spray park are on hold at this point.
- Dead end of St. Charles
 - UHS will get an appraisal and let us know the number.
- Cleaning company for Village Buildings. If we do that it must be prevailing wage
- Papers were signed on Avenue B and Avenue C.

Trustee Meaney questioned status of the Floral Ave pool.

- Mayor Deemie will get an update.

Trustee Meaney asked why the light at the schools is not on blink.

- Mayor Deemie will talk to the school.

ADJOURNMENT

Mayor adjourned the meeting at 7:29 pm.

Cindy Kennerup
Village Clerk/Treasurer

CK/kc

Recordings of the Village Board meetings and work sessions
are available for review through the Village Clerk/Treasurer's Office.

05192020 ABSTRACT QUESTIONS

1) Was the mechanics tool set in the water department a new set or a replacement set? If this is a replacement set what happened to the old set? **The old set is missing some of the sockets and parts , we are doing quite a bit of preventative maintenance on the vehicles.**

2) Why are pliers charged to the janitorial supply line in the water department? **I don't see on the purchase from Home Depot for \$135.31 for janitorial supplies I don't see pliers, please clarify.**

3) In the miscellaneous tool line for the water department \$413.00 was spent, what happened to the old tools? **In the Water Dept. due to the nature of the environment we work in tools go bad , handles break, tape measures don't hold up to being wet , and just generally things wear out, just preparing for the upcoming construction season .**

4) On the credit card bill we spent \$419.80 for medical security papers, what is this used for? **This is the security paper for birth and death records; required by the State.**

5) Why are sewer and water issues being billed as code issues on the Coughlin and Gerhart bill? **Code can and often does involve refuse, water and sewer issues. (It also includes ownership issues, bankruptcy, unfit structure, court matter, etc.). Also, some matters involve multiple departments at the same time. I would suggest that maybe we discuss restructuring the retainer so that we can create one monthly bill.**

6) What is Century Link for in the Coughlin and Gerhart bill? **Century Link is a pending litigation matter. We made a motion to dismiss and are awaiting a decision or direction from the Court.**

7) What is the water attorney and water matter for in the Coughlin and Gerhart bill? **The Napoli law firm reached out to me. If you recall Napoli's firm was hired by the Village. This is the litigation whereby the village would litigate over contaminants in the water and try to recover for those contaminants.**

8) Was the email server in the police department budgeted for? **It is budgeted for next fiscal year, however we budgeted less than the full amount because the plan was to spend the surplus from this year's server line now on the first phase, and then the remainder of the project is in next year's budget.**

9) Was the air handler needed for the exhaust system in the public works? If the air handler was needed for the exhaust system, why did it not go out to bid? **The Air Handling unit was purchased from the Source Well (formerly National Purchasing Alliance) this save funds due to a municipal discount. The PR for the "Replace Air Handling Unit" was to remove the old unit, coordinate shipment and delivery of the new unit and reconnect to the existing heating system. Since this was under the Procurement Policy \$35,000 limit, three written quotes were requested. The exhaust system is not connected to the AHU. These are two separate systems and controlled separately. The design documents show two separate systems NOT to be controlled by a central Building Management System or remote access.**

The Air Handling Unit is to be controlled by a programmable thermostat only, and only provide heat and fresh air.

The exhaust system is controlled by sensors for CO and NO2, carbon monoxide and nitrogen dioxide, respectively. The exhaust system was under \$35,000; therefore, three written quotes were requested.

I respectfully request that these questions are attached to the work session minutes.

Thank you,

Trustee Meaney

1. On budget line F8340.2.502 we purchased on 5/9 we purchased items that put us over budget by \$95.99. On the same day we purchased \$107.98 from Home Depot from the same line. And a 3rd purchase was made for \$135.00. Then another from JC Smith for \$413.00 Each purchase requisition Sheet has different numbers on them. Which one is correct? Or are we really 700plus over budget? **We did overrun the Admar blanket by \$95.00 dollars for belts for the demo saw, but budget line itself has \$324.84 in it according to our records. \$ 135.00 dollars was for janitorial. The numbers on the requisition sheets are different according to what budget line the purchases are coming out of. These blankets are done at the beginning of the fiscal year after the budget is adopted.**
2. What is the relevied water & sewer rents, refuse fees? **These are the Unpaid Water/Sewer Rents and Refuse Fees that the Village sent to Broome County to relevy to taxes.**
3. Why are we buying \$37.00 safety glasses for the police department? **We had to replace our 15 to 20-year-old shooting glasses. These are for firearms training at the range and should last a decade or two.**
4. Why are we buying 20 reams of medical security paper? What is this used for? How long will the 20 teams last us? **This is security paper for Birth and Death certificates in the Clerk's office. Use of this paper is mandated by the state. We typically order twice in a FY, but it depends on demand for certificates.**
5. What is the 5-year protection plan for the fire department is this annual? **Chief wasn't sure what you were referring too. We were unable to find anything in the voucher pertaining to a 5- year protection plan. Do you have something more specifics for us to go on?**
6. Why are we buying 20 cases of copy paper? How long will that last? **This paper was purchased for court. They ran out and they typically order twice during a FY.**

Respectfully Submitted

Trustee Walker

Sent from my iPhone