

Board of Directors Meeting
LIMRiCC
Meeting Minutes Tuesday, March 22, 2022
at Fountaindale Public Library District
300 Briarcliff Road, Bolingbrook, IL

1. Call to Order & Roll Call: Jennie Mills called the meeting to order at 1:00 PM.
PRESENT: Jennie Mills, Director of Shorewood-Troy Public Library/LIMRiCC President;
Leandra Pottle, Human Resource Manager-Fountaindale Public Library District/LIMRiCC
Vice President.

Via Zoom: Carolyn Coulter, Director of PrairieCat /LIMRiCC Trustee and Sharon Swanson, Finance Manager of RAILS Library System/LIMRiCC Treasurer.

2. Introduction of Visitors / Public Comments. The following people were present for the Board Meeting. Assurance Agency representatives: Ashton Wagner and Danny Omiecinski. Lauterbach & Amen, LLP representatives: Shannon Healy and Margie Tannehill. Richard Kong, Director of Skokie Public Library.

Via Zoom: Anne Skrodzki, Associate at Klein, Thorpe & Jenkins and Maryann Mileto from Assurance Agency.

3. Consent Agenda

RESOLVED, THAT THE LIMRiCC BOARD OF DIRECTORS
APPROVE THE CONSENT AGENDA AS PRESENTED

- a. Approval of Agenda.
- b. Acceptance of the LIMRiCC Board Meeting Minutes from January 18th and February 8th, 2022.
- c. Ratify payment paid from January 19th through February 18th, 2022.
Business Services \$21,290.32, PHIP \$710,516.18 and UCGA \$7,144.95.
- d. Approval of the payment of bills from February 19th – March 15th, 2022.
Business Services \$21,642.00, PHIP \$727,504.35 and UCGA \$33,755.23-
- e. Approval of Balance Sheet and Detail of Expenditures for January and February 2022.

Motion: A motion was made by Carolyn Coulter and seconded by Leandra Pottle to approve the Consent Agenda items a-e listed above.

Roll call: All board members present voted to approve the Consent Agenda.

AYES - 3

NAYS - 0

ABSENT - 1

Sharon Swanson, LIMRiCC Board Treasurer, joined the meeting at 1:07 pm.

4. Action Item #1 – Adopt the Resolution amending the IGA.

As LIMRiCC's attorney, Anne Skrodzki, Associate at Klein, Thorpe & Jenkins was invited to discuss how the LIMRiCC Board of Director's could potentially make updates to the IGA via a resolution and ballot. Unlike the By-laws, the IGA prohibits any updates. The Board's objective is to have the IGA mirror the By-Laws per Article IX. A resolution and ballot to amend the IGA will be sent to the entire PHIP & UCGA membership via Docu Sign. The resolution must pass unanimously with 100% participation of the membership. If a single no vote is received, the Board cannot accept the resolution. In that event, any future changes would require a resolution and ballot with a unanimous vote of approval.

If a unanimous vote of approval is received, members of LIMRiCC would be protected under Article IX with a 2/3 majority vote and would allow a member to withdraw from the program if they are adversely affected with a 60-day notice.

The resolution and ballot will be sent on May 1st to members with no less than 60 days prior to the effective date and no more than 90 days. The Board is optimistic for an effective date of July 1st.

Motion: A motion was made by Carolyn Coulter and seconded by Leandra Pottle to adopt the resolution with the amendment as discussed during the discussion portion of the meeting.

Roll call: All board members present voted to adopt the resolution with the amendment as discussed.

AYES - 4

NAYS - 0

ABSENT - 0

5. Action Item #2 – Accept the Board election results.

Leandra Pottle and Sharon Swanson were both voted in for the 4-year terms. Richard Kong was accepted to the 1-year term.

Motion: A motion was made by Sharon Swanson and seconded by Leandra Pottle to accept the Board election results as presented.

Roll call: All board members voted to accept the Board election results as presented.

AYES - 4
NAYS - 0
ABSENT - 0

6. Action Item #3 – Board Officer elections: President, Vice President, Treasurer, Secretary and Trustee.

There was a discussion for the election of officers. The nomination for Board President was Jennie Mills.

Motion: A motion was made by Leandra Pottle and seconded by Sharon Swanson for the nomination of Jennie Mills as Board President.

Roll call: All board members present voted to accept the nomination of Jennie Mills as Board President.

AYES - 4
NAYS - 0
ABSENT - 0
Jennie Mills abstained from the vote.

Leandra Pottle volunteered for the position of Board Vice President.

Motion: A motion was made by Leandra Pottle and seconded by Richard Kong for the nomination of Leandra Pottle as Board Vice President.

Roll call: All board members present voted to accept Leandra Pottle as Board Vice President.

AYES - 4
NAYS - 0
ABSENT - 0
Leandra Pottle abstained from the vote.

Sharon Swanson was nominated for Board Treasurer.

Motion: A motion was made by Jennie Mills and seconded by Carolyn Coulter for the nomination of Sharon Swanson as Board Treasurer.

Roll call: All board members present voted to accept the nomination of Sharon Swanson as Board Treasurer.

AYES - 4
NAYS - 0
ABSENT - 0

Sharon Swanson abstained from the vote.

Nomination for Secretary – Carolyn Coulter.

Motion: A motion was made by Jennie Mills and seconded by Sharon Swanson for the nomination of Carolyn Coulter as Board Secretary.

Roll call: All board members present voted to accept the nomination of Carolyn Coulter as Board Secretary.

AYES - 4

NAYS - 0

ABSENT - 0

Carolyn Coulter abstained from the vote.

Richard Kong will hold the position of Trustee on the LIMRiCC Board of Directors.

7. Action Item #4 – Approve the 2022 UCGA rates.

The annual UCGA rates are determined by a 3-year look back period for individual and pool experience. At the end of 2021, 25 member libraries had a deficit of \$178,000. In 2020, 33 members had a deficit balance of \$235,000. Claims decreased \$125,000 from 2020 to 2021 while the taxable payroll increased minimally by \$160,000 from 2020 to 2021. A small multiplier was added to any library that have a deficit balance. \$0 - \$10,000 had .1% added to the rate, \$10,001 - \$30,000 had a .25% increase and \$30,001 and up had a .35% increase. Rates remained stable and 16 libraries had a decrease in rate. Shannon Healy of L&A predicts that in 2023 there should be a UCGA member dividend payout.

Motion: A motion was made by Richard Kong and seconded by Leandra Pottle to approve the 2022 UCGA rates as presented.

Roll call: All board members present voted to accept the 2022 UCGA rates.

AYES - 5

NAYS - 0

ABSENT - 0

8. Discussion Item #1 – Review the Preliminary Fiscal 2023 Budget.

The Cashflow summary page reflects the beginning balances, revenue, and expenses in 3 funds: Business Services, UCGA, and PHIP. Business Services is projected to break even. Last year there was a deficit and the Board agreed to use the Rx Rebate to supplement the deficit. UCGA will have a deficit of \$103,000 because of the projected ability to pay dividends in FY23. The PHIP fund is projected to have \$381,700 excess in cash.

LIMRiCC will receive approximately \$100,000 in Rx Rebates each quarter that will be transferred into the Business Service fund to cover expenses. The reason for the transfer is due to a lack of revenue available in the fund and as an alternative to raising the administrative fee for its members.

The Rx Rebate affects the medical fixed cost that LIMRiCC pays each month. Anytime a member purchases a brand name Rx there is a rebate given to the carrier. With our previous carrier, BCBS would estimate the rebate amount and give LIMRiCC a discount per ee/per mo. off the fixed cost. Conversely, Aetna takes the money they receive from the rebate and pays it back to LIMRiCC thru a quarterly discount on the invoice.

There was an increase in miscellaneous expense of \$500 assuming we will advertise for new PHIP members next year. Interest income in PHIP and UCGA is projected to increase this year after a couple years of low interest rates. Unemployment claims expense decreased by 24% based on a 3-year average.

Previously, the insurance fees were paid out of the business services fund. This was moved to the PHIP fund. Thus, reflecting a significant increase in the consulting expense for 2023.

The ILA conference will be in person this year in Rosemont, IL 10/18 – 20th. The Board recommends that LIMRiCC is represented to advertise the PHIP open membership with benefits beginning January 2024 for new members and the UCGA program. Giveaways to include pens and candy.

9. Discussion Item #2 - Assurance: Financial and other updates.

Plans continue to run high. Medical claims update through February 2022. \$750 PPO loss ratio is at 96% and Rx at 28% of claims paid. \$1500 PPO loss ratio is at 101% at 25% of claims paid. HDHP/HSA PPO loss ratio at 107% and Rx at 16% of claims paid. The HMO loss ratio was at 110% and Rx at 54% of claims paid. Large claims were over \$50,000. There were 2 large claims. Large claims were paid at a total of \$181,079 and are at 15.9% of Total Paid Claims YTD. BCBS runout period ended December 31, 2021.

Q3 2021 Rx Rebates were received in September for January – March. YTD Rx Rebates from BCBS in 2021 would have been just over \$300,000 in credits. Aetna's actual Rx Rebates were \$364,000. This amount is reflected as a discount on the claims invoice.

Aetna also had a 2021 Pharmacy Network Discount and Dispensing Fees. LIMRiCC will receive a \$4,977 credit on their April 2022 invoice.

Six libraries submitted applications to Aetna for a risk assessment to join PHIP with approximately 136 benefit members. A risk score less than 1 will be approved to join.

A Virtual Wellness Fair is planned for 5/23 – 5/27. The cost is \$3,000 for the base fee and \$1,000 for additional topics. The cost will be covered by a \$5,000 wellness credit offered thru Aetna. The wellness credit replaced the previous technology credit. Live sessions will include office ergonomics, cooking demo, chair yoga, and a session with an Aetna representative discussing mental health.

Assurance recommends an audit of dependents to be performed by BMI. The audit would verify that the dependents listed on an employee's health care plan are true dependents. If a dependent is not a true dependent, that could lead to an increase in claims cost for LIMRiCC. The process would entail BMI contacting employees that have dependents listed and request the employee to provide documentation as proof of dependency, such as a marriage license, birth, or adoption certificate. If a dependent was found ineligible, they would be removed from the plan. If the appropriate paperwork is not submitted, the dependent would be removed from the plan. The cost is estimated at \$8,486. The Rx Rebate can be used to pay for the service. The Board will hold a Special Meeting on 4/19 to view a demo of the service.

An Employee Satisfaction Survey will be sent on 4/15 to the entire PHIP membership with the results presented at the Spring Meeting.

10. Discussion Item #3 – Lauterbach & Amen: Updates.

LIMRiCC had two members libraries that terminated their PHIP relationship at the end of 12/21; Midlothian Public Library and River Grove Public Library District. Based on the IGA, a terminating member must pay 3 months of premiums after the term date. Midlothian has paid their 3-month premium. River Grove Public Library has not paid and has an outstanding balance of \$9,666. Board President, Jennie Mills, advised to send correspondence and the invoice via certified mail to the library director and board president.

Mahomet Library Director, John Howard, reached out to inquire about the PHIP program.

The Spring Meeting will be held on 5/17 at 2:00 following the Board Meeting at 1:00. The Board would like to hold the Spring Meeting via zoom. Margie will reach out to Anne Skrodzki at Klein Thorpe & Jenkins, to see if a zoom meeting is viable. Alternatively, Margie will look for a member library large enough to host the meeting. Libraries to consider are Des Plaines, Geneva and Gail Borden.

11. New Business

12. No Closed Session.

13. The next regular board meeting is scheduled for Tuesday, 5/17/22 at 1:00 PM followed by the Spring Meeting at 2:00 PM.

14. Adjournment

A motion was made by Jennie Mills to adjourn the meeting and seconded by Richard Kong
The meeting ended at 2:29 PM.

Minutes prepared by Margie Tannehill, Benefits Manager.

Approved

Carolyn Coulter

Carolyn Coulter, Secretary

5/16/2022

Date