

**AGENDA
BUDGET/PERSONNEL COMMITTEE
FRANKLIN CO. LAW ENFORCEMENT CENTER
MT. VERNON, TEXAS
JUNE 27, 2019; 9:15 a.m.**

Item 1. Call to Order

Item 2. Approval of Minutes dated May 26, 2016, September 25, 2016 and June 26, 2018.
(Due to lack of quorum present during subsequent meetings)

Item 3. Review and consider annual approval of Investment Policy (To be presented by
Melinda Tickle)

Item 4. Presentation of Proposed FY 2020 Salary Schedule (To be presented by Executive
Director Chris Brown)

Item 5. Presentation of TML Rerates. (To be presented by Leslie McBride)

Item 6. Adjourn

**MINUTES
ARK-TEX COUNCIL OF GOVERNMENTS
BUDGET/PERSONNEL COMMITTEE
MAY 26, 2016**

The Budget/Personnel Committee of the Ark-Tex Council of Governments (ATCOG) met at 9:00 a.m. Thursday, May 28, 2015, at the Titus County Extension Office, Mt. Pleasant, Texas.

President L.D. Williamson, Judge, Red River County, called the meeting to order.

Minutes from the Budget/Personnel Committee meeting dated September 24, 2015 were reviewed. Lynda Munkres, Judge, Morris County, moved that the minutes be approved. Ann Rushing, Mayor, City of Clarksville seconded this motion and the minutes were approved as submitted.

Linda Moore, Manager, Finance Department reviewed the proposed FY 2017 Salary Schedule, required by the State. ATCOG salaries must be equal to or less than State employees in equivalent job descriptions. The Salary Schedule will be presented with approval during the June Budget meeting. Chris Brown, ATCOG Executive Director, noted a change in the Area Agency on Aging Manager grade & salary due to the level of experience for the manager to be hired. Judge Williamson reiterated that the Schedule is only a guideline to ensure ATCOG staff are paid within the limits of the State, not the actual salaries paid out.

Motion to approve was made by Judge Munkres and seconded by Robert Newsom, Judge, Hopkins County. It was approved.

Ms. Moore presented for consideration annual approval of Investment Policy. No revisions or changes have been made since the last approval.

Motion to approve was made by Mayor Rushing and seconded by Judge Munkres. It was approved.

Motion to adjourn was made by Judge Newsom and seconded by Mayor Rushing. The meeting was adjourned at 9:15 a.m.

COMMITTEE MEMBERS PRESENT:

L.D. Williamson, Judge, Red River County
Lynda Munkres, Judge, Morris County
Robert Newsom, Judge, Hopkins County
Ann Rushing, Mayor, City of Clarksville

STAFF PRESENT:

Chris Brown, Executive Director
Linda Moore, Manager, Finance Department
Amber Thurston, Executive Assistant

**MINUTES
ARK-TEX COUNCIL OF GOVERNMENTS
BUDGET/PERSONNEL COMMITTEE
SEPTEMBER 25, 2016**

The Budget/Personnel Committee of the Ark-Tex Council of Governments (ATCOG) met at 9:00 a.m. Thursday, September 25, 2016, at Sulphur Springs City Hall, Sulphur Springs, Texas.

President L.D. Williamson, Judge, Red River County, called the meeting to order.

Minutes from the Budget/Personnel Committee meeting dated May 26, 2016 were tabled for review due to technical issues & Committee members not receiving complete minutes. They will be reviewed at the next meeting.

Linda Moore, Manager, Finance Department reviewed the proposed FY 2017 Financial Work Plan, required by the State. She provided the main highlights of this plan to the Board, including merit step increases for several staff as funds permit, as well as a COLA to offset the commencement of the required employee contribution retirement plan from Texas County and District Retirement System (TCDRS) for all employees. The last COLA was given in FY2010.

Changes in program funding were noted, with the biggest increase being the Transportation program, which will utilize an increase of \$2,708,931. The bulk of these funds will be used for buses and equipment for the Paris and Atlanta Fixed-Route systems. The Housing program will also receive an increase in funds this year, as well.

There was an increase in TML benefits – 4% in medical benefits and 9% increase in dental. ATCOG will pay a defined contribution amount for the basic medical rate and absorb the increase, keeping employee Health Savings Account contributions unchanged. The Indirect rate increased to 4.9%, with the Benefit rate increasing to 61.6% The maximum allowable Indirect rate is 15%, so ATCOG is in good standing. Hotel reimbursement, meal allowances and mileage reimbursement all remain the same as FY 2016.

Total income by source was reviewed within the Budget document, including Federal and State funds, Administrative funds and membership fees. Judge Williamson questioned the status of the Transportation program. A new fleet of more efficient buses have been ordered, due to an increase in ridership. The Paris fleet will need to be increased soon as well, as ridership has increased by about 1000 passengers within the last year.

Chris Brown, Executive Director, explained the increase in the Benefit rate. Due to the increase in drivers from North East Texas Opportunities, the Benefit rate is higher than anticipated, but should be back at a normal level in the next year. Mr. Brown credited the increase in Transportation funds to Nancy Hoehn, Transportation Manager. He credited Mae Lewis, Housing Manager, for the increase in Administrative funds from HUD.

Motion to approve the Budget as presented and recommend for approval to the Full Board was made by Lynda Munkres, Judge, Morris County, and seconded by Brian Lee, Judge, Titus County. It was approved.

There was no further business to discuss. The meeting was adjourned by Judge Williamson.

COMMITTEE MEMBERS PRESENT:

L.D. Williamson, Judge, Red River County
Lynda Munkres, Judge, Morris County
Robert Newsom, Judge, Hopkins County
Brian Lee, Judge, Titus County

M.C. Superville, Jr., Judge, Lamar County

STAFF PRESENT:

Chris Brown, Executive Director

Linda Moore, Manager, Finance Department

Amber Thurston, Executive Assistant

**MINUTES
ARK-TEX COUNCIL OF GOVERNMENTS
BUDGET/PERSONNEL COMMITTEE
JUNE 26, 2018**

The Budget/Personnel Committee of the Ark-Tex Council of Governments (ATCOG) met at 9:00 a.m. Thursday, June 26, 2018, at Sulphur Springs City Hall, Sulphur Springs, Texas.

President L.D. Williamson, Judge, Red River County, called the meeting to order.

Motion to approve the minutes from the Budget/Personnel Committee meeting held on September 28, 2017 was made by Robert Newsom, Judge, Hopkins County, and seconded by Ann Rushing, Mayor, City of Clarksville. They were approved.

Melinda Tickle, Finance Manager, presented for consideration annual approval of the Investment Policy. No changes have been made since 2014, when minor wording was changed due to a change in Personnel.

Motion to approve was made by Mayor Rushing and seconded by Judge Newsom. It was approved.

Chris Brown, Executive Director, presented for consideration the FY 2019 Salary Schedule. He noted the proposed schedule includes a potential 3% COLA. Due to needing more information on program budgets, the COLA has not been officially adopted as of yet. Once those numbers are in, Mr. Brown will be able to determine whether or not each program will be able to incur the increase. He asked for approval contingent upon the Budget to lower if needed, and also permission for the Executive Committee to make any potential alterations due to meeting schedules. The Salary Schedule is required to be submitted to the State 45 days prior to the start of the next fiscal year, which would be before the next Board of Directors meeting in September.

Motion to approve with contingency was made by Mayor Rushing and seconded by Judge Newsom. It was approved.

Mr. Brown presented for consideration TML Rerates. Due to a significant 15% increase in premiums, Mr. Brown presented an option of discontinuing the employee Health Savings Account contribution in order to continue paying 100% of employee premiums. The current defined contribution per employee is \$592.47 monthly, with \$50 being contributed to the HSA, for a total of \$642.74 monthly per employee. With the proposed increase from TML, the defined contribution would be \$681.92 monthly per employee with no HSA contribution. Currently, this is the only option ATCOG has been presented with, however, other options are being reviewed. There was some discussion from Board members concerning the current providers they use.

Motion to approve the maximum of \$681.92 per month per staff member with permission to proceed with another option contingent upon a better value was made by Judge Newsom and seconded by Mayor Rushing.

There was no other business to discuss so motion to adjourn was made by Mayor Rushing and seconded by Judge Newsom. The meeting was adjourned.

COMMITTEE MEMBERS PRESENT:

L.D. Williamson, Judge, Red River County
Robert Newsom, Judge, Hopkins County
Ann Rushing, Mayor, City of Clarksville

STAFF PRESENT:

Chris Brown, Executive Director
Mary Beth Rudel, Deputy Director
Melinda Tickle, Finance Manager
Leslie McBride, Human Resources Manager
Amber Thurston, Executive Assistant

BRIEFING PAPER – ACTION ITEM

ITEM 3:

Review and consider annual approval of the Investment Policy that establishes procedures to be followed in investing funds for Ark-Tex Council of Governments (ATCOG).

BACKGROUND:

In December 2002, the ATCOG Board approved a new Investment Policy. ATCOG normally operates on a reimbursable basis whereby we receive approval for grant funds, we provide services, and then we are reimbursed our money from that particular grant. In the event ATCOG should receive funds in advance, the Investment Policy stipulates how the funds are invested.

This Investment Policy was amended in April 2014 designating the ATCOG Finance Manager as the ATCOG Investment Officer. This is the only amendment to the original document approved in December 2002.

DISCUSSION:

The Public Funds Investment Act requires that the ATCOG Board review and approve the Investment Policy annually. This is an opportunity for the Board to make any necessary changes. The Policy is and will remain a part of the Accounting Policies and Procedures Manual.

RECOMMENDATION:

The Budget/Personnel Committee and staff recommend annual approval of the Investment Policy.

Ark-Tex Council of Governments

Investment Policy

Purpose: The purpose of the policy is to establish the procedures to be followed in investing Ark-Tex Council of Governments funds.

1.0. Policy

It is the policy of the Ark-Tex Council of Governments (ATCOG) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting ATCOG's daily cash flow demands and conforming to all federal, state and local statutes governing the investment of public funds.

2.0. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The strategy of the pool is to assure cash flows are matched with adequate liquidity.

3.0. Objective and Strategy

The primary objectives, in priority order, of ATCOG's investment activities shall be:

- (a) **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the ATCOG shall be undertaken in a manner that seeks to ensure the preservation of capital.
- (b) **Liquidity:** The ATCOG's investments will remain sufficiently liquid to enable the ATCOG to meet all operating requirements which might be reasonably anticipated.
- (c) **Yield:** ATCOG's investments will be limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

4.0. Delegation of Authority

The ATCOG's Finance Manager is hereby designated as the ATCOG's Investment Officer. The Investment Officer shall be responsible for the implementation of this policy. The Investment Officer shall attend at least one training session within twelve months of assuming duties. The Investment Officer is granted the authority to deposit, withdraw, invest and manage the program.

5.0. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. The Investment Officer shall disclose to the Texas Ethics Commission and the ATCOG's Board of Directors any personal business relationship or material financial interests with anyone attempting to sell an investment to the ATCOG.

6.0. Authorized and Suitable Investments

The Investment Officer may invest in:

- (a) Interest Bearing Checking Accounts at ATCOG's designated depository bank;
- (b) Eligible Investment Pools; or
- (c) Such other investments as the governing body may authorize that are in accordance with federal and state laws and local statutes.

7.0. Maximum Maturities

To the extent possible, the ATCOG will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the ATCOG will not directly invest in securities maturing more than one year from date of purchase. The dollar weighted average maturity for the investment pool fund group will not exceed 180 days.

8.0. Internal Control

The Investment Officer shall establish an annual process of independent review by an external auditor. The review will provide internal control by assuring compliance with policies and procedures.

9.0. Investment Policy Adoption

This policy shall be adopted by the ATCOG's Board of Directors and shall be reviewed as needed by the Board. Any modifications made thereto must be approved by the ATCOG Board of Directors.

L. D. Williamson, President
Board of Directors
Ark-Tex Council of Governments

ATTEST:

BRIEFING PAPER – ACTION ITEM

ITEM 4:

Review and consider annual approval of the proposed Salary Schedule for Ark-Tex Council of Governments (ATCOG) for fiscal year ending September 30, 2020.

BACKGROUND:

The State requires that we submit a Salary Schedule by August each year to compare salaries of ATCOG employees with salaries of State employees in equivalent jobs, such salary schedule to be approved by the full Board of Directors. The State will not allow salaries of ATCOG employees to exceed those of State employees in equivalent positions.

DISCUSSION:

All ATCOG employees are paid lower or are at the low-end of the State salary scale. There are no positions at ATCOG that exceed the pay of State employees in equivalent positions. A handout of the Salary Comparison of ATCOG and State employees will be available at the meeting.

RECOMMENDATION:

The Budget/Personnel Committee and staff recommend approval of the Salary Schedule for submission to the State.

BRIEFING PAPER – ACTION ITEM

ITEM 5:

Review and consider approval to sign the Rerate and Benefit Verification Form with Texas Municipal League Health to continue to provide health, dental and life insurance benefits to staff of Ark-Tex Council of Governments (ATCOG) for Plan Year 2019-2020.

BACKGROUND

TML Health has provided health, dental and life insurance benefits to ATCOG for several years, and it is once again time for renewal of those benefits for FY 2020. The signed Rerate Notice and Benefit Verification Form is due to TML Health by July 8, 2019.

DISCUSSION

Current Premium: \$681.92

Current Defined Contribution: \$681.92/Month

Premium Effective 10/01/2019: \$743.30/Mo

(9% Increase, or \$61.38 increase per month)

Employees with Health Insurance as of July 1, 2019: 70 Staff Members

The Rerate Notice for FY 2020 includes an increase for health premiums however, dental insurance rates are the same as FY 2019 and life insurance rates decreased slightly.

ATCOG can incur the increase in insurance premiums; therefore, we are proposing to make a defined contribution of \$743.30 to each employee per month. This will pay for the basic health insurance rate of \$743.30. Staff that wish to “buy up” may do so at their own expense.

RECOMMENDATION

Staff is recommending approval for ATCOG to sign the Rerate Notice with TML Health with a defined contribution of \$743.30.



TML Health Renewal Notice and Benefit Verification Form

Ark-Tex COG

Original

Plan Year 2019-2020 (12 Months)

Rates are subject to change if there is any legislation passed during the plan year affecting benefits. Supplemental benefits cannot be accessed without accessing the TML Health Medical Benefit Plan. This renewal notice contains proprietary and confidential information of TML Health.

Medical

Consumer Centered Pool Plans

Plan	Benefit Percent	In Net Ded	Out Net Ded	In Net OOP*	Office Visit	XRav & Lab in OV	Rates	Current	New
P85-20-32-Mac A Choice	80/50	\$200	\$450	\$3200	N/A	No	Employee Only:	\$1,036.64	\$1,129.94
							Employee + Spouse:	\$2,102.06	\$2,293.78
							Employee + Child(ren):	\$1,637.50	\$1,988.70
							Employee + Family:	\$3,105.32	\$3,333.32
P85-50-35-Mac A Choice	80/50	\$500	\$750	\$3500	N/A	No	Employee Only:	\$962.92	\$1,049.58
							Employee + Spouse:	\$1,952.62	\$2,130.66
							Employee + Child(ren):	\$1,521.04	\$1,847.26
							Employee + Family:	\$2,884.58	\$3,096.28
P85-75-475-Mac A Choice	80/50	\$750	\$1000	\$4750	N/A	No	Employee Only:	\$861.20	\$938.72
							Employee + Spouse:	\$1,746.34	\$1,905.60
							Employee + Child(ren):	\$1,360.38	\$1,652.14
							Employee + Family:	\$2,579.78	\$2,769.20
H85-150-55-Mac A Choice	80/50	\$1500	\$1750	\$5500	N/A	No	Employee Only:	\$751.96	\$819.64
							Employee + Spouse:	\$1,524.86	\$1,663.88
							Employee + Child(ren):	\$1,187.84	\$1,442.56
							Employee + Family:	\$2,252.58	\$2,417.94
H85-250-55-Mac A Choice	80/50	\$2500	\$2750	\$5500	N/A	No	Employee Only:	\$681.92	\$743.30
							Employee + Spouse:	\$1,382.80	\$1,508.90
							Employee + Child(ren):	\$1,077.20	\$1,308.20
							Employee + Family:	\$2,042.74	\$2,192.72

*In Network Deductible applies towards In Network OOP.

Monthly Employer Contribution Amounts

TML Health requires 60% employer contribution toward employee medical – Minimum employer contribution is \$445.98

Employer Contribution for Active Employees	Employee		Spouse		Child		Family	
	Amount	% of Rate	Amount	% of Rate	Amount	% of Rate	Amount	% of Rate
	\$_____	or _____%	\$_____	or _____%	\$_____	or _____%	\$_____	or _____%

Dental IV

Rates	Current	New
Employee Only:	\$28.44	\$28.44
Employee + Spouse:	\$66.82	\$66.82
Employee + Child(ren):	\$61.10	\$61.10
Employee + Family:	\$85.24	\$85.24

Vision Plan

No Vision Coverage

Basic Life and AD&D: Plan 43 (1xBAE, Max \$300,000)

	<u>Current Rate</u>	<u>New Rate</u>
Life:	\$0.250	\$0.194
AD&D:	\$0.035	\$0.040

Additional Employee Life and AD&D

<u>Age of Employee</u>	<u>Current Rate per \$1000</u>	<u>New Rate per \$1000</u>
Under 30	0.061	0.061
30 - 34	0.069	0.069
35 - 39	0.100	0.100
40 - 44	0.130	0.130
45 - 49	0.198	0.198
50 - 54	0.332	0.332
55 - 59	0.595	0.595
60 - 64	0.913	0.913
65 - 69	1.513	1.513
70 and over	2.431	2.431

Dependent Life

No Dependent Life Coverage

Voluntary AD&D

No Voluntary AD&D Coverage

LTD

No LTD Coverage

STD

No STD Coverage

Calendar Year Pre-65 Retiree Medical

No Pre-65 Retiree Medical Coverage

Employer Contribution for Pre-65 Retirees	<u>Employee</u>		<u>Spouse</u>		<u>Child</u>		<u>Family</u>	
	Amount	% of Rate	Amount	% of Rate	Amount	% of Rate	Amount	% of Rate
	\$ _____	or _____ %	\$ _____	or _____ %	\$ _____	or _____ %	\$ _____	or _____ %

Calendar Year Pre-65 Retiree Dental

No Pre-65 Retiree Dental Coverage

Calendar Year Pre-65 Retiree Vision

No Pre-65 Retiree Vision Coverage

Basic & Additional Retiree Life

No Basic & Additional Retiree Life Coverage

Retiree Dependent Life

No Retiree Dependent Life Coverage

Continuation of Coverage (Cobra)

Yes

Benefit Waiting Period

1st of mo after date of hire

Flex, HRA, HSA & RRA

Flex Admin

HRA Admin

HSA Admin

RRA Admin

No

No

Yes

No

If employer accesses Flex and/or HRA, HSA or RRA, only one charge of \$3.70 per participant per month will be incurred.

HSA Administration			
Employer making monthly deposit	Y or N	Monthly deposit amount	\$
Employer Prefunding	Y or N	Prefunded amount	\$
If employer prefunds, new employees during the plan year get prorated amount	Y or N	Will prorated amount be divisible by 12 or some other amount?	Div by 12 or Variable or Other \$
Prefund does not apply to new employees	Y or N		
Employer prefund deposit is based on coverage tier	Y or N	Monthly defined contribution amount	\$
Employee Only	\$		
Employee + Spouse	\$		
Employee + Child(ren)	\$		
Employee + Family	\$		

Signature Section

The undersigned employer hereby acknowledges that for an employee to receive coverage, TML Health must receive enrollment information within thirty-one (31) days of the commencement of employment regardless of whether the Employer has a waiting or a waiting and orientation period. If an employee is not enrolled within thirty-one (31) days of hire, the employee cannot be added to the Plan until the next Open Enrollment period or a qualifying event occurs.

751293383

Tax ID Number

Authorized Signature

Date

Printed Name

Title

The entity named on this Rerate and Benefit Verification Form desires large claim information as specified in Article 21.49-15 of the Insurance Code in Section 2 (2), to be for individual claims that reach or exceed \$35,000 during the plan year. This information is considered confidential for purposes of Chapter 552 of the Local Government Code.

The rates are based on census information five months prior to plan year. If the census changes by more than 10%, TML Health reserves the right to revise rates due to census change and underwriting impact.