



## EMPLOYEE BENEFITS TRUST MINUTES

February 23, 2021

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### I. CALL TO ORDER:

A meeting of the Centre County Employee Benefits Trust was held on February 23, 2021, via Blue Jeans on web. Trustees present were Commissioner Mark Higgins (Chair), Commissioner Michael Pipe, Commissioner Steven Dershem, County Administrator/Chief Clerk Margaret Gray, and Controller Jason Moser. Also, in attendance were Human Resources Director Kristen Simkins, Employee Benefits Analyst Heather Bruss and Auditor/Accountant Travis Walker.

### II. PUBLIC COMMENT:

The meeting was called to order at 11:02 a.m. by Commissioner Mark Higgins (Chair).

### III. MEETING MINUTES:

- a. A motion was made by Commissioner Steven Dershem to approve the minutes for the October 20, 2020 EBT meeting. Motion seconded by Controller Jason Moser and unanimously approved.

### IV. NEW BUSINESS:

### V. DISCUSSION ITEMS

- a. The Meeting was handed over to Controller Jason Moser. Mr. Moser stated that PCHIP sent a statement about the amount we were getting from 2020's claims. The anticipated percent for claims was at 96% but came in at a real 78.3%. This gives a significant amount back that was not anticipated. The question is now what to do with it. The concern is how it will affect grants that have already been filed for 2020. Mr. Moser stated that one of the ways to utilize the amount could be doing the 90% claims model for 2022 billing. This would allow them to reserve an additional \$650,000 give or take for 2022 health insurance. They could also do a holiday with no cost for departments for March in the amount of \$350,000. Commissioner Michael Pipe suggested that the Board members could reach out to other counties on how they utilize their large returns. Mr. Pipe would like to get some other options on the table. He was wondering if the County could keep the money in reserves-so that if we had an increase in 2022, the reserves could offset the cost. County Administrator/Chief Clerk Margaret Gray asked Mr. Moser if the distribution of the check refunds played in the timing of when a decision needs to be made. Mr. Moser

said he believes there is still time to have some options and feedback. He stated he just wants to make sure they are following guidelines with grants. Ms. Gray suggested that while we are looking into what other counties are doing, we need to make sure that they are following state and federal guidelines. Auditor/Accountant Travis Walker said that for the timeline urgency, this needs to be taken care of soon due to an audit. If it is not taken care of by June 30<sup>th</sup>, the audit will fail. The amount is too large to not be accounted for. Mr. Walker said that some other counties are not correctly handling their returns. Which is something we will need to consider when looking at options. Mr. Walker said the reason they gave the proposition for the March holiday was so that it would offset the difference that was charged to the departments and what was used. These amounts may have affects on the grants these departments are given. Mr. Pipe stated that he would prefer to stabilize health costs long term if possible, rather than give a month holiday for the employees. Mr. Walker said that with the estimated money coming back in 2022 for 2021, it could possibly be invested at which point the interest from this could cover the offset of the insurance increase. Mr. Walker stated that he doesn't feel like we can justify reserving the full million dollars refund this year, knowing that the County will likely get a refund next year. It is estimated that the County will have a bad year one time out of five. Commissioner Mark Higgins stated he would like some information from other counties on how they used the funds appropriately in accordance with the state and federal auditors. Ms. Gray suggested that she could speak with Susquehanna Account about this, that they may have some good ideas. Commissioner Steven Dershem said that he sees some advantage speaking with Susquehanna also. Mr. Dershem stated that while he thinks a holiday would be nice for the employees, it would also be beneficial to reserve the money for an offset. It is possible that the utilization will go up once through the Covid period. Human Resources Director Kristen Simkins mentioned that a lot of elective services, surgeries, were pushed back due to Covid and will probably increase this year. Mr. Higgins discussed that Ms. Gray and Ms. Simkins will check with PCHIP. Ms. Gray will speak with Susquehanna on ideas too. Mr. Moser and Mr. Walker will check with some of the other counties as to what they are doing with the returns. The Commissioners will also be reaching out to their contacts in other counties to see what their counties have done that benefits their county, staff, and that doesn't result in owing money back to the state. Mr. Walker informed the Board that we will need a policy made once we decide what we are going to do with the funds. Mr. Higgins instructed Ms. Simkins and her staff to work with the solicitor to start getting a policy made. This policy will give a general idea on where the funds are and how they should be used. Mr. Pipe recommended having another meeting in a week. Ms. Simkins and her staff will find a time for all members to meet-next week.

## VI. EXECUTIVE SESSION

## VII. NEXT MEETING

- a. March 11, 2021 at 11:00 a.m.

VIII. Motion by Controller Jason Moser to adjourn the Employee Benefits Trust Meeting at 12:00 p.m. The motion was seconded by County Administrator/Chief Clerk Margaret Gray and unanimously approved.

Submitted By:

Heather Bruss