



**MINUTES  
BUDGET/PERSONNEL COMMITTEE  
ARK-TEX COUNCIL OF GOVERNMENTS  
SEPTEMBER 26, 2022, 1:00 p.m.**

The Budget/Personnel Committee of the Ark-Tex Council of Governments (ATCOG) met at 1:00 p.m. on Monday, September 26, 2022, via teleconference/webinar.

Item 1. L.D. Williamson, Judge, Red River County, called the meeting to order.

Item 2. The next order of business was to approve the minutes as submitted at the Budget/Personnel Committee meeting held on June 28, 2022.

Motion to approve was made by Brian Lee, Judge, Titus County, and seconded by Mr. Stan Wyatt, NETX Municipal Water District/Board of Directors. It was approved.

Item 3. Chris Brown, Executive Director, presented for review and consideration recommendation of ATCOG's Strategic Work Program and Financial Plan for fiscal year ending September 30, 2023, to be adopted by the ATCOG Board of Directors.

Mr. Brown stated the Plan includes 14 Managed Programs with over 60 Projects/Contracts that make up ATCOG's revenue sources. Mr. Brown noted the following:

- Housing will see an increase with additional vouchers being awarded.
- Transportation will see a decrease, but still ahead of normal funding levels, and opportunities for additional capital improvements will continue.
- 9-1-1 will have a majority of costs in contract services and equipment.
- Homeland Security will receive additional grants.
- Special projects/premium support programs to add Corpus Christi's \$800,000 program.
- Indirect cost is 1.3 million, which is 4 to 5% of the total ATCOG Budget.

Mr. Brown shared that the premiums for the basic medical plan increased again this year. ATCOG will increase its defined contribution amount from \$789.82 per month for each employee's basic medical coverage to \$845.12, which is 100% of the employee premium. Employees can buy up to a medical plan with a lower deductible and/or out-of-pocket costs and make extra contributions to their HSA. Employee dental insurance premiums will remain at \$28.44 per month. Rates for life and AD&D did not change.

The Indirect rate is estimated to be 22.51% based on Total Direct Personnel Cost (5.54% based on the Modified Total Direct Cost). ATCOG had an Over Allocation FY2021. When utilizing the FY2021 Over allocation, the rate is 17.39%.

The Benefit rate is estimated to increase to 49.6%. When utilizing the FY2021 Over allocation, the rate is 45.64%.

Mr. Brown added that ATCOG will request to utilize \$80,000 of ATCOG Unrestricted Funds for Aging match and dues payment.

Mr. Brown stated ATCOG program revenues will trend back down due to the utilization of

CARES and ARPA Funding. Revenues and Expenses are very preliminary and do not take all carryover and other adjustments into account.

Mr. Brown stated ATCOG's current retirement plan is under the Texas County & District Retirement System (TCDRS). ATCOG is currently at a 150% employer-to-employee match with an employee contribution rate of 4%. An increase to 165% employer-to-employee match would have no budgetary impact, and the contribution rate would remain at 4%. Mr. Brown provided data to show the impact of the employer contribution at 200%, with the elected rate at 5%. The overall retirement cost would increase by 46.77% totaling a \$42,000 increase. He assured the committee ATCOG could manage the employer contribution rate of 200%.

Mr. Brown shared that the plan includes various merit step increases for staff along with a 5% COLA for all positions. Funding is provided for the Salary Schedule effective October 1, 2022. The total COLA increases for the past 10 years add up to 16%, while the SSI COLA increased a total of 17% prior to 2023.

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

Item 4. There were no other items. Motion to adjourn was made by Judge Lee and seconded by Mr. Wyatt. The meeting was adjourned.

BUDGET/PERSONNEL COMMITTEE MEMBERS PRESENT

Brian Lee, Judge, Titus County  
Robert Newsom, Judge, Hopkins County  
Ann Rushing, Mayor, City of Clarksville  
L.D. Williamson, Judge, Red River County  
Mr. Stan Wyatt, NETX Municipal Water District/Board of Director

STAFF MEMBERS PRESENT

Chris Brown, Executive Director  
Mary Beth Rudel, Deputy Director  
Melinda Tickle, Finance Director  
Marla Matthews, Executive Assistant

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Bobby Howell, President  
Board of Directors  
Ark-Tex Council of Governments

ATTEST:

  
  

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## **BRIEFING PAPER**

### **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 and the title later revised to ATCOG Finance Director in June 2019. These are the only amendments 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:**

Staff recommends approval.

# **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 Director 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.

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Bobby Howell, President  
Board of Directors  
Ark-Tex Council of Governments

ATTEST:

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## BRIEFING PAPER

### **ITEM 4:**

Review and consider approval of the proposed Salary Schedule for Ark-Tex Council of Governments (ATCOG) for fiscal year ending September 30, 2024.

### **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 is to be approved by the full Board of Directors. The State will not allow the 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.

### **RECOMMENDATION:**

Staff recommends approval.



## BRIEFING PAPER

### **ITEM 5:**

Review and consider approval authorizing the Executive Director 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 for Plan Year 2023-2024.

### **BACKGROUND:**

TML Health has provided health, dental, and life insurance benefits to ATCOG for several years, and it is once again time for the renewal of those benefits for FY 2024. The signed Rerate Notice and Benefit Verification Form is due to TML Health by July 1, 2023.

### **DISCUSSION:**

The Rerate Notice for FY 2024 includes an increase for health premiums and dental; however, life insurance rates are the same as FY 2023.

#### **Medical**

**Current Defined Contribution:** \$845.12/Month

**Defined Contribution Effective 10/01/2023:** \$946.54/Month

(12% Increase, or \$101.42 increase per month)

**Employees with coverage as of June 1, 2023:** 71 Staff Members

#### **Dental**

Current Dental Rates:

Rates Effective 10/01/2023:

Employee Only: \$28.44  
Employee + Spouse: \$66.82  
Employee + Children: \$61.10  
Employee + Family: \$85.24

Employee Only: \$30.72  
Employee + Spouse: \$72.18  
Employee + Children: \$66.00  
Employee + Family: \$92.06

Life Rates:

Life: \$0.194  
AD&D: \$0.040

ATCOG will be offering four plan options to staff. We are proposing to make a defined contribution of \$946.54 to each employee per month. This will pay for the basic PPO health plan rate of \$946.54. Staff that wish to "buy up" to a more expensive plan may do so at their own expense. There is also a high deductible plan at a rate of \$834.16 per month that would allow staff to contribute the remaining defined contribution to a health savings account.

### **RECOMMENDATION**

Staff recommends approval.



# Renewal Notice and Benefit Verification Form

## Ark Tex COG

Original

Plan Year 10/01/2023 - 09/30/2024 (12 Months)

**IMPORTANT NOTICE:** A signed renewal is required by the due date in your cover letter. If TX Health Benefits Pool does not receive the fully executed renewal notice by the indicated due date, you will no longer have an option to change benefits which will result in renewal of the benefit plans listed below at the new rates and the current employer contributions.

### Medical

#### Collective Plans

Plan	Benefit Percent	In Net Ded	Out Net Ded	In Net OOP	Office Visit	Rates	Current	New
Collective III Copay-1K-3K ER-DAW1&2	80/50	\$1000	\$2000	\$3000	\$30	EE Only:	\$1,078.98	\$1,208.46
						EE + Spouse:	\$2,190.30	\$2,453.14
						EE + Child(ren):	\$1,899.02	\$2,126.90
						EE + Family:	\$3,182.92	\$3,564.88
Collective III HSA-3K E-DAW1&2	100/70	\$3000	\$6000	\$3000	N/A	EE Only:	\$914.98	\$1,024.78
						EE + Spouse:	\$1,857.40	\$2,080.30
						EE + Child(ren):	\$1,610.38	\$1,803.64
						EE + Family:	\$2,699.12	\$3,023.02
Collective III Copay-3K-6K ER-DAW1&2	80/50	\$3000	\$6000	\$6000	\$30	EE Only:	\$845.12	\$946.54
						EE + Spouse:	\$1,715.60	\$1,921.48
						EE + Child(ren):	\$1,487.42	\$1,665.92
						EE + Family:	\$2,493.06	\$2,792.24
Collective III HSA-4K-6K E-DAW1&2	80/50	\$4000	\$8000	\$6000	N/A	EE Only:	\$744.78	\$834.16
						EE + Spouse:	\$1,511.92	\$1,693.36
						EE + Child(ren):	\$1,310.82	\$1,468.12
						EE + Family:	\$2,197.08	\$2,460.74

In Network Deductible applies towards In Network OOP.

Medical and Dental Plan Accumulators will be based on Calendar Year.

### Defined Contribution

TX Health Benefits Pool requires 60% employer contribution toward employee medical – Minimum employer contribution is \$500.50.

**Note:** All Defined Contributions will be allocated as follows (if offered): Medical, Dental, Vision, & all Employee Paid Voluntary Products (ex: voluntary life, voluntary spouse life, voluntary AD&D...). Any left-over contribution dollars will then be applied to an employee's HRA or HSA (as applicable) depending on medical plan election.

Please enter your defined contribution amounts for active employees here:

- Employer's **MONTHLY** Defined Contribution of \$ \_\_\_\_\_ equal to a full **ANNUAL** Defined Contribution of \$ \_\_\_\_\_ (monthly contribution x12).
- Will employees receive this Defined Contribution if medical coverage is waived? No  Yes  (if yes, see 2a).
  - Will employee's receive the full monthly Defined Contribution or a partial amount? Full  Partial  \$ \_\_\_\_\_
- Are there different contributions based on other factors (ex: hourly vs salary, department, location...)? If so please explain here: \_\_\_\_\_

### Dental

Rates	Current (Dental IV)	New (Dental IV)
EE Only:	\$28.44	\$30.72
EE + Spouse:	\$66.82	\$72.18
EE + Child(ren):	\$61.10	\$66.00
EE + Family:	\$85.24	\$92.06

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

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

**Note: Plan requires 100% Participation and is 100% EMPLOYER paid.**

**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	0.041	0.041
30 - 34	0.052	0.052
35 - 39	0.091	0.091
40 - 44	0.129	0.129
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

**Note: Plan is EMPLOYEE paid.**

**COBRA Eligibility and Administration (Continuation of Coverage)**

COBRA Eligible? Yes

COBRA Administration through TX Health Benefits Pool? Yes

**NOTE: Employer will be charged a flat monthly fee of \$80 regardless of how many members are utilizing COBRA.**

**Benefit Waiting Period**

1st of mo after date of hire

**Consumer-Driven Health Plans**

<u>FSA Admin</u>	<u>DCA Admin</u>	<u>HRA Admin</u>	<u>HSA Admin</u>	<u>RRA Admin</u>
No	No	No	Yes	No

**Note: If employer accesses FSA and/or HRA, HSA, or RRA, one charge of \$3.70 per participant per month will be incurred and paid by EMPLOYER.**

**HSA Administration**

Defined Contribution (amount will vary).

Employer/Applicant acknowledges that TX Health Benefits Pool is not a Bank and cannot operate as a Bank Custodian. Because an HSA is a tax-exempt trust or custodial account set up with a qualified HSA trustee/custodian to pay or reimburse certain medical expenses incurred by a participating employee, TX Health Benefits Pool has no responsibility or liability for HSA trustee/custodian services. Employer Applicant further acknowledges that TX Health Benefits Pool can only assist with accessing the HSA vendor by assisting with enrollment, billing, and import of HSA contributions for deposit with the HSA vendor and only associated with Employer Applicant's qualifying High Deductible Health Plans (HDHP Plans). Employer/Applicant assumes the liability and responsibility of complying with any IRS or other federal regulations related to HSAs.

**Required Annual Eligibility and Enrollment Information**

Please provide the following information:

1. Will you allow Employee Self Service (ESS) via TXHB Online for Open Enrollment and Qualifying Life Events? No  Yes

**Signature Section**

The undersigned employer hereby acknowledges that for an employee to receive coverage, TX Health Benefits Pool must receive enrollment information within thirty-one (31) days of the date of hire or within thirty-one (31) days of the coverage effective date, whichever is later, regardless of whether the Employer has a waiting period or a waiting and orientation period. If an enrollment is not submitted within this timeline, the employee cannot be added to the Plan until the next Open Enrollment period or a qualifying event occurs.

**Employer Member Additional Acknowledgements and Agreements**

1. Employer Member acknowledges and agrees that its signature on this Renewal Notice and Benefit Verification Form indicates its binding selections for renewal services through TX Health Benefits Pool.
2. Employer Member acknowledges that certain benefit service selections require completion and execution of additional forms and agreements and agrees that it will work with all due diligence and in good faith to complete, execute, and return all necessary forms and agreements to TX Health Benefits Pool prior to the beginning of the Group's open enrollment.
3. Employer Member acknowledges that TX Health Benefits Pool will only allow open enrollment for renewal services in good faith and without receiving all necessary signed benefit service forms and agreements if:
  - A. A signed Renewal Notice and Benefit Verification Form with all necessary Employer Member selections and information has been received; and
  - B. Employer Member has in good faith attempted but failed to approve and return the applicable benefit service forms and agreements timely.
4. Employer certifies that it has adopted an Employee Flexible Benefits Plan under Section 125 of the Internal Revenue Code. This Plan is offered to all eligible employees who are qualified by employment status.
5. Employer certifies that it will provide notice of the creditable status of the coverage it offers to new enrollees prior to the effective date of their coverage, as required by the Medicare Modernization Act.

**Please sign by the due date** and return this completed form via email to your Account Executive/Account Manager or TMLHealthMarketing@tmlhb.org.

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\_\_\_\_\_  
Tax ID Number

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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

Rates are subject to change due to intervening events such as action taken by the TX Health Benefits Pool Board of Trustees, legislation passed during the plan year, or other events affecting benefits.

Supplemental benefits cannot be accessed without accessing the TX Health Benefits Pool Medical Benefit Plan.

**YOUR RENEWAL QUOTE INCLUDES PROPRIETARY INFORMATION THAT SHOULD NOT BE SHARED WITH OTHER COMPETITORS OR USED TO CIRCUMVENT THE REQUIREMENTS OF TEXAS COMPETITIVE BIDDING LAWS. IN THE EVENT YOU RECEIVE A RENEWAL QUOTE AND LATER DECIDE TO ISSUE AN RFP, THE RENEWAL QUOTE MAY NOT BE SHARED WITH ANY OTHER COMPETITORS AS DOING SO WOULD DISADVANTAGE TX HEALTH BENEFITS POOL IN THE COMPETITIVE PROCESS. TX HEALTH BENEFITS POOL ALSO RESERVES THE RIGHT TO REVISE PREVIOUSLY ISSUED RATES IN RESPONSE TO YOUR RFP.**