

Southeast Service Cooperative Board of Directors
March 2017 Regular Board Meeting
5:00 PM, Wednesday, March 15, 2017

Present: Theresa Arrick-Kruger, Mary Blair-Hoeft, Mike Christensen, Carol Cravath, Lynn Gorski, Rob Mathias

Absent: Karla Bauer, Brian Grudem, Don Leathers, Bree Maki

Ex-Officio: Suzanne Riley

Staff: Amy Grover, Sarah Ness, Katie Schmitt, Dale Walston

Call to Order

Meeting called to order at 5:00 PM by Chair Carol Cravath, who declared a quorum and appointed Rob Matthias as Clerk Pro Tem.

Consent Agenda

MOTION: Mary Blair-Hoeft moved, Rob Mathias seconded to approve and accept the items on the consent agenda: Meeting agenda, meeting minutes, Internet data service contract with Jaguar effective July 1, 2017. Motion passed.

Meet and Learn. Sarah Ness presented information about her program management work in Cooperative Purchasing and Rochester Area Math Science Partnership. For tonight's Meet and Learn she focused on introducing the Cooperative Purchasing program. She introduced the Board members to www.purchasingconnection.org, which is the Minnesota Service Cooperative website that has vendor information, contract details, updated catalogs, and contact information. She also showed a brief demonstration of *Express*, the online purchasing portal where members can comparison shop, view pricing, request quotes, and place online orders for direct shipping.

Administrative Services

Cooperative Purchasing Connection (CPC) Report. Sarah also provided a written report on the most recent Cooperative Purchasing Connection (CPC) updates. The report included an overview on the Playground and Surfacing Material and Mulch RFQ. For the fifth year in a row, the RFQ has been awarded to Crescent Landscape Supply. Finally, she shared additional information on upcoming events and statewide marketing efforts.

Facilities Management Service Development Update. Dale Walston shared updates about our planning with CESA 10 and development of the Facilities Management Service for 2016-2017.

Health and Benefits Services

School Health Insurance Pool 2015-2016 Settlement. Bill Colopoulos shared that we continue to experience high utilization, including a significant number of high claims in several groups, and swiftly increasing pharmacy cost. All of the MN Healthcare Consortium (8 Service Cooperatives) school pools are experiencing increasing claims costs. The RSR was below required funding; pursuant to SSC policy, there will be no claims margin return distribution.

MOTION: Tess Arrick-Kruger moved, Mike Christensen seconded to accept and approve the settlement report and financial transactions for the 2015-2016 School Health Insurance Pool. Motion passed.

Medical Benefit Trend Update. Bill shared highlights from an article he wrote which provided a partial explanation for soaring healthcare costs and corresponding rising health insurance costs, including general market influences that affect trend, either up or down. Deflationary influences include the implementation of high deductible, consumer-directed health plans, high performance (narrow) provider networks, wellness programs, as well as the use of virtual care and cost transparency tools. Inflationary influences include rising drug costs and increasing costs for wide access networks.

School Health Pool 2016-2017 Plan Year Recommendations. Suzanne Riley explained that during the first HITA cycle in 2015-2016, we did not use our established formula committee process since it could be construed as inappropriate to reveal any renewal information prior to the issuance of proposals via the HITA sealed bid process. This year, we faced the same concern. Therefore, the renewal recommendation on group rates will be made by staff. However, a volunteer School Pool Renewal Advisory Committee reviewed and discussed several topics relating to overall pool management for 2017-2018 and made a recommendation regarding specific stop loss level.

MOTION: Mary Blair-Hoeft moved, Tess Arrick-Kruger seconded to 1) accept the recommendation of the Renewal Advisory Committee to maintain the specific stop loss level of \$125,000 per year per claimant, 2) accept the Committee's endorsement of the school health pool 2017-2018 pool management strategies as presented, 3) approve the staff recommendation for specific group rate adjustments and renewal process in compliance with HITA regulations, 4) authorize the Executive Director to make additional adjustments for groups as warranted by unique group circumstances, in the best interest of the pool, and 5) consider a recommendation from the Executive Director regarding local wellness program funding support upon analysis of reserve margin funds following group renewals. Motion passed. This action will be presented to group representatives at an annual renewal meeting April 11.

Operations

Accounting Software Recommendation. Dale Walston stated that following our accounting software bid and subsequent identification of Microsoft Great Plains as the most suitable of those on the MN Department of Education approved vendor list, we recognized that we needed assistance comparing the proposal with our needs. Accounting systems have become quite complex, as has our organization. We contracted with Heartland Business Systems to conduct a comprehensive analysis, and Dale reviewed the recommendation with the Board.

MOTION: Mary Blair-Hoeft moved, Lynn Gorski seconded to accept the recommendation of Heartland Business Systems for the configuration of Microsoft Great Plains (MGP) accounting systems to be implemented by SSC for a contract with MGP at a cost not to exceed \$194,786.50 over a three-year contract period. Motion passed.

Development and Innovation. Katie Schmitt offered highlights from her monthly report including her work with the MSC CCOGA Workgroup. She also shared details of her work with the Student Academic Program Managers to improve process for designing and providing programs, achieving improvements, and growing programs. She also shared a COSN video about education trends ([Video Link](#)).

Wood Lake Meeting Center Report. Amy Grover shared a report on the business development efforts and current WLMC usage statistics. She reported the YTD revenue of the meeting center is 85% toward the 2016-2017 annual revenue goal.

Information and Communications

Board Sharing. Board Member Tess Kruger shared information about Houston County's proposals for re-use of an old building.

Next Meeting and Adjournment

The March Finance Committee will meet by WebEx on **Wednesday, March 22 at 3:00 PM.**

The next regular Board Meeting is scheduled for **Wednesday, April 26, 2017 at 5:30 PM at SSC.** The April Finance Committee will meet **at 5:00 PM,** preceding Board meeting.

MOTION: Rob Mathias moved, Mike Christensen seconded to adjourn the meeting. Motion passed.

Rob Mathias, Clerk Pro Tem

CALENDAR

2017 Board Meeting Schedule – Meetings are located in the Wood Lake Meeting Center at Southeast Service cooperative and start at 5:30 PM unless otherwise noted.

Wednesday, January 25, 2017 – ANNUAL MEETING (Alt Date: Wednesday, January 30 Wednesday, February 22 Wednesday, March 15 Wednesday, April 26 Wednesday, May 24 Wednesday, June 28 NO REGULAR MEETING IN JULY	Wed – Fri, July 12 – 14, MSC Board Conference Wednesday, August 16 - THIRD WED to approve Local Govt Pool Wednesday, September 27 Wednesday, October 25 Wednesday, November 22 - Alternative Date: Tuesday, November 21 Wednesday, December 27
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MSC Board Meetings:

- Mike Christensen elected at the June 2014 Board meeting to a four-year term on the MSC Board July 1, 2014 through June 30, 2018.
- Mary Blair elected at the June 2015 Board meeting to a four-year term on the MSC Board July 10, 2015 through June 30, 2019.
- Next meeting to be scheduled for a time/place during the 2017 MSC Board conference. The Board also moved to hold a meeting in September at NJPA in Staples.

MN Service Cooperatives Board Conference 2017 – Breezy Point, Brainerd, July 12-13-14, 2017

Association of Education Service Agencies Conference – November 29 – December 2, 2017 in San Antonio.