



5. Committee Reports

There were no written committee reports.

6a. Employee Health Benefits

As discussed during the last Board meeting, the cost of GHI's MAMSI health insurance premium came in 33% over last year's premium -- just as the budget was being distributed. As part of the Maryland small group, GHI's premiums are determined by our group's average age and location, rather than our individual group claims' experience. Staff arranged to work with a benefits consultant to explore additional ways to manage the cost of premiums and looked at various contingencies, including changes in providers, increased medical service co-pays, changes in prescription co-pays, and hospitalization co-pays. Additionally, we explored the impact of establishing Health Reimbursement Accounts, Health Savings Accounts, and Flexible Spending Accounts.

Recent staffing changes will result in a favorable premium adjustment for 2006, and thus forestall the need to redesign our plan at this time. However, the month of November is our open enrollment season, therefore we cannot be one hundred percent sure about adjustments until it closes, as enrollees are allowed to make changes during that period.

Management is maintaining a relationship with Gregory Mayer of Group Insurance Solutions, who will work with staff on options for 2006/2007. Some of the services they can provide include shopping around for greater savings, watching for market changes, advising of legal notifications, assisting with problematic claims and advising on plan changes.

General Manager Overdurff explained that GHI was able to remain in an age group that will keep rates down to a reasonable increase. President Eichhorst said that this will be an item to look at in the future.

6b. 2006 Proposed Operating Budget – 2<sup>nd</sup> Reading

Staff has worked closely with the Finance Committee and Board of Directors in developing the 2006 budget and believes the changes that have been made, following the last Board Meeting, reflect the Board's wish to bring down the proposed increase in members' charges for 2006. These include increasing fees from 100 resales to 105 resales, and budgeting for employee health insurance premiums proposed within our current age group. Staff is confident it can successfully operate our business, implementing the Board's goals, with the budget plan that has been established.

**MOTION: THE BOARD OF DIRECTORS ADOPTS FOR 2<sup>ND</sup> READING AND FINAL PASSAGE, THE OPERATING BUDGET FOR THE YEAR 2006 IN THE AMOUNT OF \$7,302,318 WITH ESTIMATED DEPRECIATION ON MEMBERS HOMES AT \$503,508.**

Moved: Lewis

Seconded: Hudson

Carried

President Eichhorst noted that the budget numbers did go down from first reading. Director Hudson questioned if projected interest income will be \$100,000 less in 2006 than in 2005 as he noticed that the projected interest income for year end 2005 is approximately \$338,000 while the proposed interest income in the 2006 budget is \$240,000. Director of Finance Ruckman explained that in the past, GHI had a practice of double counting interest. The interest generally received on the replacement reserves investments was being counted in operating income and also on the reserves. While the interest was being counted twice, this did not cause a problem because GHI has consistently been in a surplus situation. Ruckman stated that to generate a rational budget, GHI is no longer double counting this interest. Instead, he stated, GHI is reducing what is recognized as interest income as much of it is already accounted for in the replacement reserves schedule. This issue of double counting was brought to the attention of the Finance Committee when realized by staff. In response to a question from Treasurer Lewis, Ruckman explained that this would not have been detected by the auditors as they look at expenditures and income, not budget (which are planning documents).

Member David Morse, questioned Ruckman about the consequences of the double-counting in previous years. Ruckman responded that the consequences would only be felt in a situation where there was deficit (revenue down and expenses up) and GHI has continued to run surpluses at the end of the operating season. Ruckman continued that given a surplus situation, funds would be available to apply interest on the reserve balances as well as the money that was taken into operating income.

President Eichhorst noted that the increase in the budget has decreased from nearly 5% at first reading to 4.11%. Ruckman stated that this decrease was accomplished by maintaining the current age group in terms of the medical premiums and increasing the number of contract processing sales.

6c. Expenditure Authorization #1 – 1<sup>st</sup> Reading

Expenditure Authorization #1 for the 2006 budget was submitted for 1<sup>st</sup> reading. Approval of this authorization allows the year 2006 budget to be implemented.

**MOTION: THE BOARD OF DIRECTORS APPROVES FOR FIRST READING EXPENDITURE AUTHORIZATION #1 IN THE AMOUNT OF \$6,885,580.**

Moved: Lewis

Seconded: Alexanderwicz

Carried

9. President

President Eichhorst stated that the GHI office will be closed on Friday, November 11, in observance of Veteran's Day and that emergency maintenance will be available. She encouraged everyone to vote on Tuesday, November 7. She said she will be serving as a panelist at the upcoming PAHC conference in Washington, DC next weekend.

10. Board Members

Director Hudson stated that he has already voted and will be out of town next week.

Director Alpers reported on the lecture at the National Building Museum by the author of *The Not So Big House*. Member David Morse also attended.

Director Moore suggested that the lines for the parking area be repainted in front of the GHI offices.

11. General Manager

Director of Finance Ruckman encouraged all members to stop by the GHI office and pick up their bags. He said bag availability was publicized in the *Greenbelt News Review* and will also appear in the GHI newsletter. President Eichhorst noted that it was difficult for her to pick up bags during GHI office hours as she is working at that time. Member David Morse suggested having extended evening or weekend hours to enable members to pick up their bags. Member Elizabeth Shepard suggested handing out the bags individually to members' homes, however, Ruckman advised that while that was considered, such an undertaking would not be possible given the number of bags. Members may pick up bags for other members.

**MOTION: TO ADJOURN.**

Moved: Moore

Seconded: Alexanderwicz

Carried

The meeting adjourned at 7:46 p.m.

Dorothy Lauber  
Secretary