WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **INSURANCE**

DATE: **JULY 27, 2006**

COMMITTEE MEMBERS PRESENT:	**OTHERS PRESENT:**
Supervisors Mason	Amy Clute, Self-Insurance Administrator
Kenny	John Weber, Capital Financial Group
Geraghty	Chairman Thomas
	Joan Parsons, Commissioner of Administrative and Fiscal Services
COMMITTEE MEMBERS ABSENT:	Joan Sady, Clerk
Supervisors Haskell	Amanda Allen, Legislative Office Specialist
Bentley	
Barody	
Gabriels	

Mr. Mason called the meeting of the Insurance Committee to order at 1:34 p.m. He noted the lack of quorum and the Committee proceeded with an informal discussion.

Privilege of the floor was extended to Amy Clute, Self-Insurance Administrator who distributed her agenda to the Committee members, a copy of which is on file with the minutes. She advised that John Weber, President of Capital Financial, was in attendance to address the first item of the agenda, an update on the state of health insurance.

Mr. Weber apprised that, as directed in a prior Committee meeting, he had drafted a letter to be forwarded to the New York State Insurance Department requesting the number of enrollments required to develop an experience rated health insurance pool be decreased from 2000 to 1500; a copy of the letter was distributed to each of the Committee members and is on file with the minutes. He said that the request to decrease the limitation had been made as a result of Warren County's inability to meet the requirement due to population constraints. If the required number were decreased Warren County could benefit from the same reduced health care costs that the larger Counties of New York State already received, Mr. Weber stated.

The cover letter, Mr. Weber advised, needed to be printed on Warren County letterhead, signed by Mr. Mason and forwarded to the Insurance Department along with a copy of Resolution No. 474 of 2006 which supported the request. He said he had already notified the Insurance Department that the request would be forthcoming, and once a finalized copy had been developed and signed he would contact Mike Tobin, of the Department of Council within the New York State Insurance Department, to ensure the quickest response to the correspondence.

Mr. Weber distributed a handout to each of the Committee members, a copy of which is on file with the minutes, that detailed the estimated increase of health insurance costs. He said that the figures listed were provided as per the request of the Committee for budget preparation. Based on current costs and the number of people in each group, Mr. Weber advised that he estimated the total percentage increase for the 2007 budget to be 12.7%. Mr. Weber noted that the figures were based on there not being any viable changes; the percentage increase given would be the

worst case scenario, he added.
Mr. Mason asked Mr. Weber if he felt that the request to decrease the required number of persons for an experience rated group would be approved. Mr. Weber responded that he would not have an answer for that question until after the New York State Insurance Department received the letter and gave their first reaction to it. He advised whatever the outcome, he was working on an alternate option.

In the event that the acceptable number could not be decreased, Mr. Weber apprised he was in the process of negotiating with other companies that would be willing to administer coverage for Warren County and the other municipalities whose coverage his firm represented, as one large group of eligibles. He said that the companies were willing to do this for six to seven percent less than the fees currently charged; Mr. Weber estimated the savings from lower administrative costs to be in the neighborhood of $350,000. He noted that although the municipalities could not legally merge to form an experience rated group, the savings would be akin to what would be saved if the option were available.

Mr. Weber advised that the only problem would be the smaller towns and villages with less than fifty employees, as New York State required that those groups be enrolled under an HMO program. He added that the statutes imposed by New York State seemed only to hurt the North Country as both the Western and Southern portions of the state were able to meet the required guidelines to develop experience rated groups, thereby benefitting from lower health care costs.

In closing, Mr. Weber updated the Committee on the work currently being done by his company, Capital Financial Group, Inc. He advised that other than the customer service, billing and claim work done on an everyday basis, all of the health coverage lines were being put out to bid in hopes of acquiring lower rates. He noted that although the process had begun earlier than necessary, it usually required a couple of months to complete. Mr. Weber added that they were also working on developing different finance plans to be implemented within Warren County to lower health care costs. He advised the Committee that because his group would be busy with the bidding process, they might not be able to attend the Committee meetings for prolonged periods as they had in the past.

Mrs. Parsons advised that the 2007 budget would be adopted in November and asked Mr. Weber if exact costs for health insurance would be available by that time for use in the budgeting process. Mr. Weber responded that he would have another, more definite, budget for health costs ready in approximately two months and would present it to the Committee at that time. He noted that because GHI had the highest estimated increase it was possible that their coverage would be replaced by that of another company with lower rates upon renewal. Mr. Weber suggested that if a fifteen percent increase were budgeted, the health care increase would certainly be lower than that amount, leaving a comfortable cushion, and the overage could be applied in other areas.

Mrs. Parsons said that there had been discussion within the Committee about possibly dropping the GHI coverage altogether if the persons currently enrolled under the plan could be persuaded to change to other carriers. Mr. Weber replied, stating that was a viable option especially if the GHI increase resulted in their coverage being replaced by a lower bidder. He noted that the Unions must be notified of the intent, however, so that the possibility of any grievances being filed would be avoided.

Mr. Mason asked if the payment issues had been worked out between Capital Financial and the Treasurer's Office, to which Mr. Weber replied that they had. He said that since a proper procedure for payment was devised, the bills had been paid in a much smoother and more timely manner.

Mr. Mason thanked Mr. Weber for his presentation and apologized for the lack of quorum.

Ms. Clute returned to her agenda and apprised the Committee that the self-insurance budget was presented at that time each year, as all of the Town and County departments relied on those figures to develop their own budgets. Ms. Clute advised that she was requesting $1,077,400.76 to fund the Self-Insurance program and stated that the total would be paid in by the assessments charged to the participating Towns and Departments of Warren County. She noted that the requested amount was approximately $72,000 higher than the total budgeted for 2006, but reminded the Committee that there had been decreases in the budget request for the past five years. Ms. Clute stated that the increased cost of Worker's Compensation coverage and the assessments paid to New York State made the increase necessary.

Included in her agenda, Ms. Clute advised, there was a description of the formula used to devise the assessments paid by each participant. She said that it was truly a mathematical formula in which she simply entered the budget numbers, payroll information and claim amounts to formulate each assessment. Ms. Clute apprised that if the municipality did not have many claims their assessment could be devised based solely on payroll figures.

Ms. Clute stated that she had prepared a summary which compared the 2006 budget to the one proposed for 2007, and showed how the budget would be apportioned to the various participants; a copy of the report was included in the agenda, she said. Ms. Clute advised that there were also printouts detailing the calculations used to devise the budget as well as an account of the claim amounts for each participant; she added that the claim totals were a big factor in the amount assessed for each municipality. Ms. Clute apprised that the last page of the budget portion of the agenda gave an account of the total gross payroll for each participant.

Mr. Geraghty noted that the budget reflected a $5,000 increase in salary for the Self-Insurance Department and asked if the figure was correct; he also asked how many people the payroll accounted for. Ms. Clute responded that the payroll figure was given to her by the Personnel Department and accounted for two people. She said that the increase, she believed, was three percent for her assistant and nothing for herself as department head. Mrs. Parsons confirmed Ms. Clute's statement and added that nothing was allotted for the department head until the Budget Officer made a recommendation for an increase.

Mr. Kenny estimated that if the increase of $5,000 listed on her budget were correct, her assistant would be receiving a salary of $150,000, which could not be correct. Ms. Clute responded that she had not devised this number, it was given to her by the Personnel Department and she could not explain how the number was developed. Mr. Geraghty stated that someone should revisit the calculation because the number was obviously wrong.

Mr. Geraghty asked what factors affected the Assessments of Insurance figure included in the budget to which Ms. Clute replied that assessments were paid to the New York State Special Funds Conservation Committee (SFCC), which was part of the Worker's Compensation Board, much like the various participants paid assessments to the Self-Insurance Fund. She said that when Warren County had second injury or stale workers compensation cases they were turned over to the SFCC, and in turn when the SFCC budget was developed they made assessments to all of the carriers in New York State. Ms. Clute advised that the figure was initially based on the individual carrier's claims but then increased based on the amount needed to pay all of the claims submitted to the SFCC. She noted that her handout reflected the SFCC assessments paid since 2002, and that they constantly fluctuated.

Mr. Geraghty noted that $85,000 had been estimated for the assessment to the SFCC and asked Ms. Clute if that was correct. Ms. Clute replied that $85,000 had been initially estimated but it now appeared as though the number would increase to $127,000. She advised that Warren County had no control over the figure, which changed constantly, and was continually estimated. Ms. Clute noted that the amount had fluctuated from $221,332 in 2002 to $157,013 in 2004 and was a common problem among municipalities she said, as the exact amount of the assessment was never known. Ms. Clute advised that the other figures noted in that portion of the report were for excess worker's compensation liability and employer's liability.

Mr. Mason reminded the Committee that in the past he had suggested that Warren County self-insure on the excess liability line as the cost of the coverage was very high. He said that if the amount of money paid in insurance fees were placed in an alternate fund, a reserve could be built to self-insure; Mr. Mason added that there would have to be a catastrophic loss to amount to the $4.3 million which was already in reserve. Ms. Clute noted that she had estimated the increase in the line of coverage at a conservative seven percent and she would not have the exact figures until later in the year; the increase totaled $204,990 for one excess liability policy, she said. Ms. Clute noted that was a huge chunk of the requested amount and self insuring may be a considerable option for decreasing the budget. Mr. Mason advised that the self-insurance avenue was not chosen in the prior year because there was not enough time to explore the other options available before the coverage had to be purchased. He suggested that the Committee investigate the pros and cons of self-insuring as a possible budget reduction option for 2007.

Mr. Mason apprised that past claims had been researched to determine if there had been any occurrences where the limits of liability had been met, and there were none. Ms. Clute added that the policy had been in place since 2001 with a $750,000 self insured retention for employees and $1million for volunteer firefighters; she said that a claim had never come close to meeting those limits. Ms Clute noted that when the policy was originally purchased the cost was approximately $100,000 but had more than doubled to $204,990 for 2007.

Ms. Clute cautioned the Committee, stating that she had spoken with a representative of the insurance industry and was apprised of the ramifications of a brain injury claim. She said that in the event that an employee suffered a irreparable brain injury and had to be placed in a nursing home, self-insured coverage would not be favorable. Ms. Clute noted that a doctor was paid on a schedule, but a nursing home was not and could cost as much as $1million per year.

Mr. W. Thomas entered the meeting at 1:53p.m.

Mr. Mason noted that Mr. W. Thomas had joined the meeting and a quorum of the Committee was present.

General discussion was held between Committee members with respect to the assessments assigned to the various participants of the Warren County Self-Insurance Program.

Mr. Geraghty asked if the statute had been changed on long term Worker's Compensation cases allowing them to be transferred to a special fund within New York State. Ms. Clute replied that Mr. Geraghty was referring to the SFCC fund, which she had referred to earlier in the meeting. She advised that if a case met the specified parameters it could be transferred to SFCC, and the process had been used primarily for two types of cases. The first type of case transferred to the SFCC, Ms. Clute explained, were stale cases in which an employee sustained an injury several years ago but had been able to return to work since; this type of injury was most frequently transferred to the SFCC, she added. Second injury claims accounted for the second type of case transferred to the SFCC, Ms. Clute apprised. She said that any injury which could be attributed to a disability sustained from a prior accident and thus increasing the severity of the second injury would fall under the category of the Second Injury Fund and could be transferred to the SFCC. Ms. Clute said that in those cases, Warren County administered the claim but was completely reimbursed by the SFCC every six months.

Ms. Clute noted that in 1996, during the Worker's Compensation Reform, the Section 32 Agreement was passed and allowed for the employer to develop an agreement with an injured employee to close a Worker's Compensation case. She said that the addition of the Section 32 Agreement had helped to save money on Worker's Compensation claims in the past and to rid their books of some cases.

Mr. Mason asked if the SFCC were required to take every case submitted, to which Ms. Clute replied that they were, if the case met the required parameters. She noted, however, that the SFCC used every angle to their advantage and that was why it was important that her department maintain a good working relationship with the attorney that assisted in negotiating those cases with the SFCC.

Mr. Mason related that contrary to some opinions, Ms. Clute's department was very busy on several different projects at all times. Ms. Clute noted that approximately 80% of her Departments work time was spent handling Worker's Compensation issues; Mr. Mason added that Ms. Clute's department was involved with the HMO health cases as well.

Ms. Clute said that, with the Committee's approval, she would proceed with the next step in the assessment process, which would be to forward the estimated assessment to each participant of the self-insurance program for use in preparing their budgets; she added that a formal invoice would follow in December. Ms. Clute noted that if it was determined by the Committee that the self-insurance route was preferable, the assessments could be changed prior to billing the participants in December.

Mr. Mason noted that the only question with respect to Ms. Clute's budget was Mr. Geraghty's inquiry about the salary increases. Mrs. Parsons stated that she found only approximately a $1,000 difference between the 2006 adopted budget and the 2007 request and asked Ms. Clute how she had formulated the estimate of actual costs for 2006. Ms. Clute responded that she had taken the accrued costs for the first six months of 2006 and doubled them to estimate the total costs for the year. Mrs. Parsons said that may have caused an incorrect figure for payroll if there was more at the beginning of the year than there would be at the end.

Returning to her agenda, Ms. Clute advised that KBM Compensation Consultants had visited her office in May to work on their audit and had requested additional information from her Department earlier in July. She added that KBM Compensation Consultants had estimated that a report of their findings would be available within three months of their first visit and Ms. Clute said she was hopeful that the report would be delivered by the end of August.

Ms. Clute proceeded to the next item of her agenda apprising the Committee that Bill A8713B, a copy of which is on file with the minutes, had been presented to the Governor of New York State to amend the Worker's Compensation Laws to increase the prior authorization amount on medical procedures. She said that the bill had made it through the Senate and Assembly, with a title that did not define its purpose, and would increase the prior authorization amount from $500 to $1200. The increase would allow for procedures to be performed without prior notice providing they were under $1200, she added. The increase raised concerns, she noted, because the majority of procedures requiring authorization were MRI (Magnetic Resonance Imaging) services which were currently performed by a local MRI company that only charged $350 for each procedure. Ms. Clute added that if the authorization limit were raised, the MRI would be ordered and completed without prior notice and the savings lost as there would be no notification to send the patient to the local company for the lower priced service. She advised that in the first half of 2006, eleven MRI procedures were ordered and by using the local affiliate, $3,700 was saved.

Ms. Clute apprised that NYSASIC (New York State Association of Self Insured Counties), of which she was President, opposed the bill and had written a letter to the Governor to that effect; a copy of the letter was included in the agenda, she added. Ms. Clute said that she had checked that morning to see if the bill had been signed by Governor Pataki, but was unable to obtain the status.

Mr. Mason noted that he felt it was important to maintain the $500 authorization limit and subsequently benefit from savings on the MRI services when performed by the local facility. The Committee was in agreement and Mr. Kenny suggested that the issue be referred to the Legislative Committee for action to oppose the Bill.

Motion was made by Mr. Kenny, seconded by Mr. Geraghty and carried unanimously to refer the issue to the Legislative Committee in opposition of Bill A8713B, as outlined above.

Ms. Clute gave a quick update on the Self-Insurance fund, stating that the format of the monthly report was changed from two pages to four, which made it much easier to read. She said that the report compared the figures from 2005 to those of 2006 and noted that the figures were relatively the same. Ms. Clute stated that approximately $129,000 had been recovered and returned to the fund; $42,000 was received from a third party suit and $68,000 was received from one SFCC claim, she added. The total saved or recovered by the Self-Insurance Department was $454,278.53 in the first six months of 2006, Ms. Clute advised.

The numbers were up substantially for the Disability Fund, which was also administered by the Self-Insurance Department, Ms. Clute stated. She said that the fund was for non-Workers Compensation related disability and that 30 claims had been reported in the first half of 2006, as opposed to 19 in 2005, and about $13,000 more was spent. Ms. Clute added that she did not have an explanation for the increase, but noted that there had been more serious illnesses in 2006 than 2005 and might have been part of the reason.

Mr. Mason asked Ms. Clute for the estimated annual increase to the workforce under the Workers Compensation coverage. Ms. Clute replied that the covered lives, including the Town employees, firefighters and such, increased from 2669 in 2005 to 3552 in 2006; an increase of almost 900 people, she noted. The majority of the increase was from Warren County, Ms. Clute said, and she thought that was due to the new statute of counting both part and full-time employees together. She added that the increase accounted for a portion of the inflated cost of insurance as the rates were based on the number of lives covered by the policy.

There was contention amongst the Committee Members with respect to the increase in employees and Ms. Clute advised that in the year 2005 Warren County had reported 786 full-time employees and 106 part-time; in 2006 they reported 1194 full-time and 126 part-time. Mrs. Parsons stated that these numbers were impossible and noted that she had intended to speak with Ms. Clute after the meeting with respect to the matter. Ms. Clute advised that she relied solely on the figures reported by each participant.

It was the consensus of the Committee that the numbers reported were incorrect and should be reviewed as possibly the budget request could be decreased based on corrected figures.

Mrs. Parsons noted that the assessment to Warren County General was almost as high as that of Warren County DPW and asked if that was correct. Ms. Clute replied that the numbers were correct and that the Warren County General assessment was high due to claims experience; she noted that the claim amounts had increased dramatically from $12,884 in 2000 to $34,544 in the first six months of 2006. Mrs. Clute stated that there were two very bad claims, one from the Warren County Clerk's Office and one from the Office for the Aging, but said that the claim from the Clerk's office had been transferred to SFCC which should help to decrease the number. The Office for the Aging claim, Ms. Clute advised, was for two broken arms and was being paid out over a scheduled loss of use term.

Mr. Mason asked Ms. Clute to research the number of employees reported by Warren County and return that information to the Committee, as the figures disclosed seemed to be in error. Ms. Clute agreed that she would do this, but noted that the number of employees did not necessarily affect the Worker's Compensation rate; payroll figures were submitted to the excess lines carrier to determine the rate of coverage, she said.

Mr. Weber asked Ms. Clute if the increase was apportioned to full time Warren County employees, to which she replied that the figures she was given indicated a significant increase in that area. Mr. Weber stated that he could also check the number of covered lives for health insurance as any person employed for more than six months should be included in the health programs administered by his group. He stated that he had not noticed an increase of such severity but added that if there were, it would be significant for both his operation and Warren County because a 1500 person pool could be developed for an experience rated insurance group. Ms. Clute reiterated that she had no way of knowing the exact number of employees working for Warren County, or the other participants of the program for that matter, and relied solely upon the information reported by each participant.

Mr. Geraghty commented that there should a checks and balance system in place to verify information before it was used in the budgeting process. He said that it should be obvious to everyone that there were not 400 additional employees in Warren County and the reported number should have been researched for accuracy. Mr. Geraghty stated that all employees should understand that they were paid by Warren County to do a job and although it was nice to report savings they should not lose sight of the fact that saving Warren County money is what they were paid to do. He suggested that when a figure, such as the one given for the number of employees, was questionable it should be researched rather than used with the excuse that it was the information given.

Mr. Mason stated that the purpose of the Committee was to review issues such as those and work out a system of checks and balances. Ms. Clute advised that she would certainly research the employee count but noted that the issue did not jump out at her as being a priority and she had no reason to doubt its accuracy. Mr. Geraghty said that the Committee needed to be more diligent in demanding accuracy in those areas.

Mr. Mason asked Ms. Clute to confirm that the assessment was not affected by Workmen's Compensation costs, to which Ms. Clute replied that was correct; the budget was assessed based on claims.

Mr. Mason summarized that the increase in the proposed 2007 budget as opposed to the 2006 adopted budget was due to an increase in the excess liability coverage and the assessments charged by New York State for the SFCC fund.

Ms. Clute advised that the Safety Committee had met to discuss the possibility of using the balance of their 2006 budget to send a Health Services employee to the National Safety Institute Driver Training Program. She said that after attending such program, the Health Services employee could train one employee from each department to teach driver safety to their colleagues. Ms. Clute noted that the 'Train the Trainer' program might be a four hour training program with a one to two hour refresher course each year.

Mr. Kenny asked if the service was provided by the National Safety Council, to which Ms. Clute responded that it was. She noted that when the options were researched, it was found to be more cost effective to pay $400 and send the employee to be trained and in turn train other employees than to hire the National Safety Council to administer a safety course each year. Ms. Clute stated that the Safety Committee had a $1,000 budget, which they had used very little of, and felt that the training course would be a great use for the remainder of those funds. She added that the Safety Committee was requesting a $1,000 budget for 2007 which would come from the Warren County budget and was completely separate from the Self-Insurance Department budget. She said that she was advising the Committee of the issue at that time because she typically would not have a meeting in September when the Board was busy with other budget requests.

Mr. Mason apprised that in conjunction with the Safety Committee, they were trying to establish a policy for new employees stating that each would have to be informed what was expected of them and a given a handbook detailing these expectations. He said that driver training was to be included; however, the process was still being worked on. Mr. Mason noted that driver training always seemed to lag behind, along with safety courses for all of the Towns within Warren County.

Ms. Clute advised that Mrs. Parsons had an update for the Committee with respect to the insurance coverage for Warren County vehicles. Mrs. Parsons said that she had met with Sheriff Cleveland and discussed the fact that his department does not carry comprehensive coverage for their vehicles. By only purchasing inter-changeable vehicles, Mrs. Parsons stated, the Sheriff's Department was able to replace damaged parts with portions of other irreparable vehicles. She noted that the process was not conducive to the Health Nurses Division because they had several different types of vehicles.

Mr. Kenny asked if the vehicles used by the Health Nurses should be standardized, to which Mrs. Parsons replied that she felt they should be. She stated the problem was that the New York State contracts authorized the purchase of a bottom line vehicle and each time the contract changed the brand of vehicle changed, resulting in the variation of vehicles purchased by the department. Mr. Kenny noted that in the future it would be worth the extra money to purchase a standardized vehicle rather than continue with the current practices. Mrs. Parsons agreed and said that she could certainly see the advantage of standardization.

Mr. Geraghty asked if self insuring the vehicles would allow for the ability to track accidents, to which Mrs. Parsons advised that an accident report must be filed each time a vehicle was damaged, so accidents could still be tracked.

Mrs. Parsons said another foreseeable problem was that full coverage was placed on certain vehicles and not on others. She noted that recently the department had sustained irreparable damages to four of their fleet and in none of those accidents was the driver liable. She noted that four new vehicles were to be delivered to replace them in the near future. Mrs. Parsons suggested that once the new vehicles were in place, a meeting should be scheduled to determine which vehicles required full coverage and which did not.

Mr. Kenny agreed with the suggestion and it was the consensus of the Committee that the determination as to level of coverage for each vehicle should be made based on value rather than age. Mrs. Parsons advised that she would research the matter to determine what the acceptable value for full insurance coverage should be and return to the Committee with a report of her findings.

Mr. Mason advised the Committee that the Safety Committee was researching the possibility of hiring a part-time Safety Officer in conjunction with the various Towns of Warren County. He said that he felt Warren County was now large enough to facilitate the need for the additional position and possibly in the Spring of 2007 a retired person, not requiring benefits and who already had the capacity for the position, could be hired. Mr. Mason advised that safety programs were needed and might help to decrease the growing number of workers compensation claims.

Mr. Kenny asked what the budget for the Safety Committee was and Mrs. Parsons advised that it was $1,000 within the General Fund. Ms. Clute advised that most Counties placed the salary of the Safety Officer under their worker's compensation budget.

Mr. Kenny stated that he thought it ridiculous to create a position to administer a $1,000 budget. Mr. Mason advised that Mr. Kenny should forget the budget amount and think about the problems and issues presented by the lack of safety programs within Warren County.

Mr. Geraghty asked what the purpose of the Safety Committee was, to which Mr. Mason replied that the Safety Committee was simply an informative body and not an enforcement body; they had no authority to authorize safety measures, he added. Mr. Geraghty asked if the Safety Committee adopted or developed safety policies and Mrs. Parsons advised that the Safety Committee could only make recommendations. She said that the Committee met with members of DPW, the Sheriff's Department, Westmount Health Facility, Health Services and other departments with safety divisions, to discuss safety measures each month. These were simply informative meetings, Mrs. Parsons stated, and she noted that the Safety Committee was given a $1,000 budget for safety materials. Mrs. Parsons suggested that if a Safety Officer position were adopted, a pro-active program could be instituted under the umbrella of workers compensation that would ensure the use of hard hats, steel toed boots and other safety measures as well as inform employees on how to avoid back and other bodily injuries.

Mr. Mason noted that the Safety Officer would also have some enforcement capabilities. He said that the position was necessary due to the increased number of employees, proposed renovations and new construction.

Mr. W. Thomas asked if savings were anticipated from the creation of the position to which Mr. Mason replied that they were. Mr. W. Thomas noted that the Town of Johnsburg, and he assumed other towns also, used Mine Safety Health Association (MSHA) representatives to advise their employees of safety measures that should be used; he asked if the Safety Officer would visit each Town to do what was already being done by MSHA. Mr. Mason responded that he thought a Safety Officer would be more pro-active than MSHA, and would visit construction sites prior to accidents in an attempt to avoid injuries, as well as after an accident to investigate and advise how it could have been avoided. Mr. W. Thomas said that MSHA used the same procedure and were very good. He stated that although Mr. Kenny made a good point in his opposition to hiring a person to head a department with such minuscule funding, maybe the budget should be increased to better suit the program, if safety results could be guaranteed.

Mr. Kenny said that typically in industry each department was assigned a safety captain who would deliver a standard speech on the proper procedures to remind employees about how to avoid injury each week; he said that the procedure could be used for Warren County also. Responsibility for these safety measures would be delegated to each department head who would either present the information or choose someone else from the department to so, Mr. Kenny advised. Mr. Mason said that he thought the procedure had been attempted and had not worked. Mr. W. Thomas noted that he did not think the measure would show many benefits at the Town level, but noted that both the Town of Johnsburg EMS and Fire Departments had officers of the same nature and they seemed to work fairly well. However, Mr. W. Thomas said, he wondered what the benefit would be to Warren County. Mr. Mason replied that the largest benefit would be reflected in the workers' compensation costs.

Mr. Geraghty suggested that if the position were created, an employee should be chosen based on how much they professed to save Warren County. Mr. Kenny agreed and added that they might be able to hire an individual who, much like a cost consultant, would be paid a percentage of what Warren County had saved based on their efforts. Mr. Geraghty noted that the person might also advise that they could bring Warren County up to the acceptable standards so that in the event of an accident they would not be fined by OSHA (Occupational Safety and Health Administration), due to a lack of safety policies.

Ms. Clute advised that in the agenda she had included information received from Schoharie

County which detailed the implementation of a Safety Officer within their Municipality and the results received. She apprised the Committee that Schoharie County paid their Safety Officer a salary of $33,900 per year and had saved $68,000 in workers compensation fees within the first year and had continued to see savings since. Ms. Clute said she was advised that the Safety Officer was available for use by Schoharie County as well as the Towns within and went to various departments giving a standard safety speech and teaching the property safety measures. She added that the Self-Insurance Department was working very hard to control claim costs once they reached their office, however, they did not have time to go to each department and instruct them on how to avoid the claims from occurring; that was where the most money would be saved, Ms. Clute noted.

Mr. Mason stated that another selling point of the position was that it would be part-time and dispensable if results were not visible after one year. Mr. Geraghty said that there were several benefits to hiring a Safety Officer because they covered several cost saving areas, but if the position started as part-time and dispensable, no impact would be made on the employees and the plan would not work. Also, Mr. Geraghty noted, someone working in that industry should be able to approach the Committee and give an indication of the amount of money they could save Warren County by their being hired for the position; they should be held to those estimates, he added. Mr. Mason agreed if the position were created that might be a very good standard for hiring the right person to fill it.

Mr. Mason advised that he had introduced the subject to be sure that the Committee was aware of the proposal to creation a Safety Officer position because it would be approached again in future meetings.

As there was no further business to come before the Insurance Committee, on motion made by Mr. Geraghty and seconded by Mr. Kenny, Mr. Mason adjourned the meeting at 2:34 p.m.

Respectfully Submitted,
Amanda Allen, Legislative Office Specialist