

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: PERSONNEL

DATE: OCTOBER 9, 2013

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COMMITTEE MEMBERS PRESENT:

SUPERVISORS TAYLOR  
KENNY  
SOKOL  
MERLINO  
MONTESI  
STRAINER  
DICKINSON  
GIRARD  
MASON

OTHERS PRESENT:

KEVIN GERAGHTY, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
JOAN SADY, CLERK OF THE BOARD  
FRANK THOMAS, BUDGET OFFICER  
SUPERVISORS BENTLEY  
CONOVER  
MONROE  
WESTCOTT  
WOOD  
PAT AUER, DIRECTOR, PUBLIC HEALTH/PATIENT SERVICES  
DIANE DECESARE, SR. ACCOUNT CLERK, PUBLIC HEALTH  
KATHY BARRIE, PERSONNEL OFFICER  
MIKE SWAN, COUNTY TREASURER  
SUZANNE WHEELER, COMMISSIONER, DEPARTMENT OF SOCIAL SERVICES  
BUD YORK, WARREN COUNTY SHERIFF  
DEAN BOECHER, TOWN OF QUEENSBURY RESIDENT  
JOHN WEBER, PRESIDENT, CAPITAL FINANCIAL GROUP, INC.  
SAMANTHA HOGAN, LEGISLATIVE OFFICE SPECIALIST  
DON LEHMAN, *THE POST STAR*  
AMANDA ALLEN, DEPUTY CLERK OF THE BOARD

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Mr. Taylor called the meeting of the Personnel Committee to order at 9:00 a.m.

Motion was made by Mr. Montesi, seconded by Mr. Girard and carried unanimously to approve the minutes from the prior Committee meeting, subject to correction by the Clerk of the Board.

Copies of the meeting agenda were distributed to the Committee members and a copy is also on file with the meeting minutes.

Commencing the agenda review with Item 2, Mr. Taylor outlined a request from the Clerk of the Board to amend Resolution No. 354 of 2013 to identify a transfer from the contingent fund as the source of funding for arbitration services secured by the County Attorney in relation to PBA labor negotiations.

Mr. Montesi questioned the status of the PBA labor negotiations and Paul Dusek, County Administrator, advised they were currently awaiting a decision from the arbitrators.

Motion was made by Mr. Kenny, seconded by Mr. Sokol and carried unanimously to approve the request and the necessary resolution was authorized for the October 18<sup>th</sup> Board Meeting.

Mr. Taylor announced that Item 3 consisted of a referral from the Health Services Committee, Public Health, to fill the vacant position of Public Health Nurse #25 (*Grade 21, Annual Base Salary of \$43,905*) due to resignation. He noted this was a non-mandated, Union position which received a varying mix of Federal, State and private pay insurance reimbursements; he added that the filling of this position would have no budgetary impact as it was already included in the 2013 Budget.

Motion was made by Mr. Sokol, seconded by Mr. Montesi and carried unanimously to approve the request and the necessary resolution was authorized for the October 18<sup>th</sup> Board Meeting.

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Continuing to Item 4, Mr. Taylor addressed a referral from the Human Services Committee, Information Technology, requesting to amend Resolution No. 427 of 2013 to extend the term of the contract with Jacob Hume for web and software development consultant services for the Information Technology Department.

Motion was made by Mr. Strainer, seconded by Mr. Girard and carried unanimously to approve the aforementioned request and the necessary resolution was authorized for the October 18<sup>th</sup> Board meeting.

Mr. Taylor advised Agenda Item 5 included a referral from the Public Works Committee requesting to amend the Departmental Table of Organization to create a Temporary Help position within the Parks, Recreation and Railroad Division, effective retro-active to September 23, 2013, with the source of funding to be a transfer from the Part-Time Salaries Budget Code, as necessary.

Mr. Kenny questioned the need for this position and Mr. Dusek responded that temporary help had been hired for the Parks, Recreation & Railroad Division using funds already available in the Departmental Budget, and it was now necessary to create the Temporary Help position retroactive to the September 23<sup>rd</sup> start date in order to fund it from the proper position title and budget code.

Motion was made by Mr. Merlino, seconded by Mr. Strainer and carried unanimously to approve the request and the necessary resolution was authorized for the October 18<sup>th</sup> Board meeting.

Moving on to Agenda Item 6, Mr. Taylor addressed a referral from the Social Services Committee, Department of Social Services, requesting to fill the vacant position of Keyboard Specialist #6 (*Grade 3, Annual Base Salary of \$24,215*), due to retirement, as well as any vacancies created by promotion. He advised this was a mandated, Union position which received 50% Federal and 23% State reimbursement. Mr. Taylor pointed out that the filling of this position would result in a budgetary savings of \$6,639 due to a decrease in longevity pay.

Motion was made by Mr. Sokol, seconded by Mr. Girard and carried unanimously to approve the previously mentioned request and the necessary resolution was approved for the October 18<sup>th</sup> Board Meeting.

Mr. Taylor announced Items 7A - C consisted of Items to be Discussed by the County Administrator, which he asked Mr. Dusek to address.

With reference to Item 7A, Mr. Dusek apprised a proposal had been received from the CSEA suggesting an agreement with Tri-City Foods to allow the delivery of discounted wholesale foods to County employees. He noted that a similar program had recently been implemented by the Employee Wellness Committee in an effort to encourage employees to consume more natural products by offering the sale of farm grown fresh foods. Mr. Dusek advised the Wellness Committee had been approached for this program, but had pointed out that Tri-City Foods offered products other than fresh produce and therefore, did not fit their wellness program. He further said the CSEA had subsequently been approached and were amenable to the idea due to the success the program was having in Washington County. Mr. Dusek said he had spoken with Pat Auer, Director of Public Health/Patient Services, about testing the arrangement through her Division to see if it would be appropriate for Warren County. He commented that if the Committee was amenable to the idea, he would suggest that the agreement be implemented initially on a temporary basis to test the arrangement using a termination date of December 31, 2014 with the understanding that it could be renewed if the Board of Supervisors desired to do so. Mr. Dusek

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advised a resolution would be necessary to approve a supplementary agreement to the CSEA contract in order to authorize this program with Tri-City Foods.

Mr. Montesi questioned how refrigeration of the products would be handled and Mr. Dusek responded it would be the responsibility of the employee purchasing the items to ensure they were properly refrigerated. Diane DeCesare, Sr. Account Clerk for the Public Health Department, advised the monthly food deliveries would be scheduled for a set time after standard working hours, allowing employees to pick up their orders and take them home directly. Mrs. Auer interjected that this arrangement had been in place for employees of the Glens Falls Hospital for some time and seemed to be working very well. Ms. DeCesare noted that the products were typically sold in bulk, but individually packaged which made them convenient for both single people and families. Mr. Taylor questioned whether Tri-City Foods sold items directly from their delivery vehicles and Ms. DeCesare replied in the negative, advising that employees would receive an order sheet which they would fill out and submit to Tri-City Foods with payment prior to the delivery date.

Motion was made by Mr. Girard, seconded by Mr. Merlino and carried unanimously to approve a supplemental agreement to the CSEA contract authorizing Tri-City Foods to sell wholesale food products to County employees and the necessary resolution was authorized for the October 18<sup>th</sup> Board meeting.

Regarding Item 7B, Mr. Dusek apprised he had recently received notice that Rob Metthe, Director of Information Technology, intended to retire effective October 25, 2013. He noted that this would be the second vacancy within the Information Technology Department following the resignation of Jacob Hume who had previously served as the Web/Intranet Developer and was now providing services to the County by contract until the position was filled. Mr. Dusek recommended that the Director position be filled and that authorization be given to post the vacancy and begin accepting resumes.

Motion was made by Mr. Montesi and seconded by Mr. Kenny to advertise and fill the pending vacancy for the Information Technology Director position.

Mr. Strainer asked if current staff interested in the position would be required to apply and interview and Mr. Dusek replied affirmatively, noting that was the process currently being used to ensure the Committee was comfortable with the person selected for the position. Mr. Sokol asked if a salary had been determined and Mr. Dusek replied that it had not, but noted that a salary review would be performed and a range determined prior to the upcoming Board Meeting. Mr. Girard inquired whether they intended to research and discuss with staff the needs of the Department before identifying the qualifications required for the position and Mr. Dusek responded that he planned to meet with Mr. Metthe and the remaining Information Technology staff to discuss these issues.

There being no further discussion on the matter, Mr. Taylor called the question and the aforementioned motion was carried unanimously, thereby authorizing the necessary resolution for the October 18<sup>th</sup> Board Meeting.

Mr. Dusek advised Item 7C pertained to health and dental insurance renewals for 2013-2014. He explained that the current policies for employee health and dental insurance were set to expire on November 30, 2013, and as they did every year, a process had been undertaken to determine what the renewal terms would be. Mr. Dusek apprised that Capital Financial Group, Inc. served as the insurance broker for health and dental insurance, as identified by a separate resolution pursuant

to an RFP (*request for proposal*) process. He apprised that each year the County's broker issued an RFP to determine the best health and dental insurance options available, as well as to review the various coverage enhancements and changes available, in order for the County to achieve the best insurance value. Mr. Dusek apprised that Capital Financial Group, Inc. had performed this work for the 2013-2014 health insurance renewal, the results of which were included on a chart in the agenda packet. Referring to the Monthly Insurance Premiums chart included in the agenda packet, Mr. Dusek pointed out that although the rates provided by CDPHP were slightly lower than those offered by Blue Shield EPO, they had decided it would be best for the County to maintain the current Blue Shield EPO program in light of the coverage changes that would be experienced and the work associated with Union negotiations in order to switch insurance carriers. He continued that for the Medicare Advantage program provided to retirees age 65 and up, they had decided it would be best to maintain offerings through Blue Shield, but change the second option from MVP to CDPHP. Mr. Dusek commented that the change from MVP to CDPHP would incur a cost savings for both the County and the retirees, and retirees generally seemed to prefer CDPHP programs.

Regarding the costs associated with the health and dental insurance coverages, Mr. Dusek reported the total cost for the current 2012-2013 insurance policies to be approximately \$10.9 million and he advised the costs associated with the proposed 2013-2014 policies would be a 9.3% increase over this amount. Mr. Dusek pointed out that the projected increase accounted for both insurance increases and savings in some areas, as well as the "buffer" they hoped to create by introducing a new self-insured prescription program. He noted this would be the first time Warren County had entered into a prescription program of this nature, but he said he felt comfortable in recommending it due to the extensive research, review and calculations performed by Capital Financial. Mr. Dusek asserted that because Blue Shield would continue administration of the prescription program, there would be no change in identification cards or providers, and essentially, the County's employees would not be affected. He explained the County would pay an administrative fee to Blue Shield, as well as all of the prescription costs, and he noted that although they would be losing the insurance stop loss protections in place for the current prescription program, they would also be eliminating the associated costs. Mr. Dusek commented that while he would not have recommended a program such as this to the County in the past, he was comfortable doing so now in light of the information provided by Capital Financial which indicated the potential for the County to garner significant savings, as well as the fact that the County had built a considerable insurance reserve to rely on. He noted that Capital Financial had recently reviewed all of the research they had performed relative to the prescription benefits with the Budget Officer, Budget Team, Chairmen of the Finance and Personnel Committees and the Chairman of the Board.

Mr. Dusek reminded the Committee members that when they had made the decision to move to the Blue Shield program, at the recommendation of Capital Financial, it had been to a coverage option that was somewhere between a self-insured program and a fully insured plan which had required a minimum premium charge that would require the County to pay a \$1 million payout if they decided to move to another insurance carrier. He said that upon moving to the Blue Shield program, the County had used some of the insurance savings achieved to set aside \$550,000 as a reserve to fund a portion of the payout if it was needed. Mr. Dusek stated he was happy to report that this situation had worked out well as the County had decided to remain with Blue Shield and the initial \$550,000 reserve had grown to a little more than \$1 million, regardless of some bad claims experience. He continued that even with the new self-insured prescription coverage, they anticipated the reserve would be increased further by savings in insurance premiums. Mr. Dusek noted that if the self-insured prescription program did not work as planned, the reserve fund would be available to withdraw from to cover any losses, as well as to fund the \$1 million minimum

premium charge if they decided to move to another insurance carrier. He suggested that the County move to the self-insured prescription program for one year, and if they did not see a savings, they could always return to an insured option next year. Mr. Dusek advised the multi-year budgeting plan had incorporated a 10% increase for insurance costs, which was slightly more than the actual 9.3% projected, making this plan a good fit for the County.

Mr. Dusek apprised that Committee action would be necessary to authorize the continuation of insurance programs with Blue Shield EPO, as well as to proceed with the self-insured prescription drug program and to make a change in the Medicare Advantage programs to those offered by Blue Shield and CDPHP. Additionally, Mr. Dusek advised he would request authorization for the administration of final payouts for Employee Health Reimbursements to be transferred to Capital Financial at no cost the County; he explained that although the program was coming to an end for most employees, it would continue for PBA (*Police Benevolent Association*) members until the PBA contract was settled and if they were unable to finalize the program before December 31<sup>st</sup>, the company handling the reimbursements currently would require a full year contract for 2014. Finally, Mr. Dusek requested that the COBRA benefits for former County employees be managed by Capital Financial, as well, also at no additional cost to the County. He said that both the County and Capital Financial were currently tracking these benefits, but noted that Capital Financial was better prepared to do the work due to the enhanced computerization technology they had available. Mr. Dusek concluded that there would be no change in the dental benefits.

Mr. Mason entered the meeting at 9:25 a.m.

Mr. Montesi opined the only flaw with the proposal presented would be if the \$1 million reserve was used in connection with the self-insured prescription drug program, they would not have the funds readily available if they decided to leave the Blue Shield program. Mr. Dusek responded that he did not feel this should be of great concern because they were building a second reserve for the self-insured prescription drug program using the savings in premiums achieved through the change in coverage.

John Weber, President of Capital Financial Group, Inc., assured the Committee that his firm had closely reviewed the prescription benefits used over the past three years and noted there were savings to be achieved simply by switching coverages. He noted that approximately 5% of the insurance premium increases were attributed to the Affordable Health Care Plan (*a.k.a. ObamaCare*) which were passed on by the insurance carriers in response to a tax levied upon them by the Federal Government. Mr. Weber reported that by just by making the change in the prescription drug benefits the County stood to achieve a savings of \$275,000 and he anticipated an additional savings of \$500,000 for 2012-2013 because current premium costs were less than initially anticipated.

Mr. Taylor recalled that the estimates indicating the insurance reserve had reached a total of slightly more than \$1 million were revealed in August of 2013 and he questioned whether that reserve would grow larger by the end of the year. Mr. Weber responded affirmatively, advising the reserve was growing at a faster rate than anticipated and he said he expected the reserve to increase to a total somewhere between \$1.3 and \$1.5 million by January of 2014.

Mr. Kenny questioned whether there would be a change in the co-payments associated with the prescription drug coverage and Mr. Dusek replied in the negative. Mr. Weber noted there would be changes in the way the drug benefits were provided.

Mr. Dusek pointed out that over the past several years the County had constantly made changes to the health insurance policies, beginning with an HMO policy that had been very expensive and offered no control over rates, progressing on to the current programs currently proposed which would allow the County more choices and options to achieve savings. He stated that in the future, they would continue to review policies and options in furtherance of this trend. Mr. Dusek commented that the growing reserves told a positive story and would eventually provide a means for offsetting the insurance costs incurred by the County and its employees.

Motion was made by Mr. Montesi, seconded by Mr. Kenny and carried unanimously to A) authorize the continuation of insurance programs with Blue Shield EPO, as well as to proceed with the self-insured prescription drug program and to make a change in the Medicare Advantage programs to those offered by Blue Shield and CDPHP; B) authorize Capital Financial Group, Inc. to assume administration of final payouts for Employee Health Reimbursements at no additional cost the County; and C) authorize Capital Financial Group, Inc. to assume management of COBRA coverage for former County employees at no additional cost to the County, and the necessary resolutions were authorized for the October 18<sup>th</sup> Board meeting.

Concluding the agenda review, Mr. Taylor noted there were two Pending Items listed, as follows:

- 1) Committee approved preparation of RFP's for codification of all County laws/rules/policies and for consultant services relating to salary and wage studies.
- 2) Status of proposed Human Resources Manager position.

Mr. Dusek advised he had no new information to present on either item and he requested that both remaining on the Pending Items list for discussion at a future Committee meeting.

Mr. Montesi asked how many resumes had been received for the Human Resources Manager position and Mr. Dusek estimated he had received about 25 and, so far, he had narrowed those down to 11 qualified candidates. He explained that he would continue his review until he was able to determine the five or six best candidates which he would then share with the Committee to make their decision.

Returning to the health insurance cost issue, Mr. Merlino questioned whether a figure was available to represent an estimated cost per retiree and Mr. Dusek replied that he did not currently have that information available but could provide it after the meeting.

There being no further business to come before the Personnel Committee, on motion made by Mr. Montesi and seconded by Mr. Kenny, Mr. Taylor adjourned the meeting at 9:34 a.m.

Respectfully submitted,  
Amanda Allen, Deputy Clerk of the Board