

OPERATIONS & PERSONNEL COMMITTEE MEETING
MARCH 19, 2012
5:30 P.M.

MEMBERS PRESENT

Chair Kevin Meachum
Patty Cox
Merv Jacobs
Verzell Taylor
Mark Wicklund
Susanna Zimmerman

MEMBERS ABSENT

Melverta Wilkins

COUNTY PERSONNEL PRESENT

Robyn McCoy, Workforce Investment
Amy Stockwell, Auditor
Jay Dunn, County Board Chair
Gary Minich, County Board
Linda Koger, County Board Office

This meeting was called to order by Chair Meachum at the Macon County Office Building.

MINUTES

Motion to approve minutes of prior meeting made by Patty Cox, seconded by Merv Jacobs, and motion carried 5-0.

APPROVAL OF PAYROLL AND CLAIMS

Motion to approve the payrolls made by Merv Jacobs, seconded by Patty Cox, and motion carried 5-0.

Motion to approve the claims made by Patty Cox, seconded by Susanna Zimmerman, and motion carried 5-0.

REPORTS

Auditor

Resolution Approving Health Insurance Proposal from Gallagher Benefit Services

Amy Stockwell distributed copies of resolution and proposal, health insurance is on a July 1 plan year, and she is bringing the renewal ahead of schedule this month. (Verzell Taylor came into the meeting.) The insurance committee has been meeting regularly to review our claims experience, we have had claims which are flat, the number of people who are taking insurance seems to be a combination of things including the layoffs we have taken in some departments, and there has been a slight increase in the claims per employee. Medical insurance costs for the industry are projected in the 6% - 10%, the proposal she is presenting is a small increase in premiums of 1.5% with no change in the plan except that there is an improvement that last year for the first time we offered individuals a total of \$150 of wellness credits, and we are expanding that this year to include both employee and spouse if they take health insurance.

Amy said the employee can once again do their HRA anytime after July 1, get a physical anytime after July 1, earn their credits, their spouse can do the same thing, credits get applied to whatever family member has the next bill, so if the husband and wife do the credits and Junior has a doctor's visit those credits get applied to Junior. Chair Meachum asked if a family of four could save upward of \$500. Amy replied it is the employee and spouse, we are not changing the amount so it is \$300, and if both employees do that they have far outweighed the increase in premium. Chair Meachum requested that our next goal be to extend that to the kids. Amy replied one big issue is we want to get people participating, we are at 25% of employees who are eligible taking advantage of it, she wants to see us get that worked on, and they are trying a number of things to get the word out; the big departments are inviting John in to have special sessions, at staff meetings, at supervisors' quarterly sessions, and another health fair in June. She asked John Malachowski to talk about Blue Cross discounts since he estimates for Macon County those discounts are worth a million dollars, and if we weren't with Blue Cross our claims would be a million dollars higher with premiums and cost to employees being a million dollars higher.

John Malachowski, Gallagher Benefit Services

John distributed a handout which speaks to the discount issue, and he discussed the market position for Blue Cross in the state of IL. The chart shows percentage of Blue Cross business in IL compared to the other insurance carriers, and right now Blue Cross has 54% of the lives insured in IL so 1 out of 2 people insured right now in IL are carrying a Blue Cross card. The next closest carrier is United Healthcare with 9%, and the category of 17% makes up about 1000+ other carriers; the market share enable Blue Cross to negotiate discounts that nobody else can negotiate. Examples of discounts are shown on the second page including a three day hospital stay charged at \$48,000, the Blue Cross discount was \$28,464, so the net claim cost to the Macon County plan is about \$19,536; most other networks in this area, the discount is about \$23,000 leaving about a \$25,000 claim cost; the difference to Macon County by having Blue Cross versus somebody else is about \$5000 which is multiplied by the number of people and the number of claims. Outpatient surgery discounts are right at 60%, and office visit discount example shows billed at \$185 to the insurance company but allowable amount is in the 90s or even less. Last page shows a graph, and there are two things you can do to maximize your network in the medical plan; increase your network utilization, but Macon County can't do much more because 99.6% of claims are in network; for the discount percentage, if you take the differential of \$14.38 per employee per month times the number of employees times 12 months in a year is where we generate this million dollar savings so for every \$1 of claims or every percentage that you move and you have about a 15% discount differential, that is about a million dollar difference. We have a 1.5% increase this year on top of a 1% last year, and there has not been two years in a row like that where the numbers have been that good.

Chair Meachum called for a motion on the resolution for the 1.5% increase on the health care; Merv Jacobs said so moved, seconded by Patty Cox, and motion carried 6-0.

Resolution Approving Delta Dental Insurance Proposal from Gallagher Benefit Services

Copies of resolution and proposal were distributed. Amy said the county switched from Blue Cross to Delta Dental four years ago because Delta Dental offered the opportunity to get some discounts with dentists; it is not as huge a thing as for Blue Cross, but it is significant. About 60% of the dentists our employees use offer discounts through Delta, so we weren't getting any discounts before. John Malachowski added those discounts are approximately on the dental plan about 20% overall on claims and while the percentage is smaller, the dollar amounts smaller, and in the medical side there is only one doctor in Macon County that is not in the Blue Cross network; as the auditor indicated, in the Delta Dental network, it is about 60% of the dentists that are in the network for Delta, and the next closest company for discounts have three dentists in their network; Delta is the premier insurer for dental plans in Macon County.

Chair Meachum sees that it has increased by 5%, and asked for an explanation. Amy replied it is the same thing, claims are up, we did cost out a number of options which were presented to the insurance committee, they felt they were a bad deal, and it was worth the tiny increase, 16 cents a paycheck, to be able to get good coverage in case you needed a root canal or dental surgery. The only angle Chair Meachum is looking at is Macon County employees are getting very little raises, but we are increasing it 5%; 5% sounds like a lot, it is not on what they are paying, but he still has to present that it is 5%; here is the deal, we are not giving raises, and he wants everybody to be aware of this. Amy Stockwell said absolutely and while some employees only take dental, the vast majority of those who take our insurance take both medical and dental; she discussed the \$300 credit mentioned previously again, and if you do the \$300 credit, that not only covers the increase in the medical but also covers the increase in dental even though it doesn't apply to dental. John said again they looked at a number of procedures to move from 80% coverage to 50% coverage, they could have eliminated the increase, but when you look at hitting the least able to afford root canal where their root canal might cost an extra \$300 out of pocket if they moved one procedure from 80% to 50%, the committee felt it was better to take the 16 cent per paycheck increase and that way you don't have the \$300 hit on root canals, etc.; the ability to earn the credits on the medical will more than offset the increases in medical and dental; the person with family and dental is going to have a 48 cents per paycheck increase, and it is minimal to be able to keep a top of the line dental plan. Amy said she is pleased with both vendors for the emphasis they are putting on wellness, the number of materials they have available, and their big investment in more user friendly materials.

Motion to approve the dental resolution made by Patty Cox, seconded by Mark Wicklund, and motion carried 6-0.

Resolution Approving Contract for Employee Assistance Plan Services With Chestnut Global Partners

Copies of resolution were distributed. When looking for the prior resolution, Amy said she had to go back to 1983 to find it, and that is when the county board created the EAP.

EAP has come to be a suite of services, when talking about wellness we are talking about health, and are also talking about emotional and financial health, helping people deal with stress so it doesn't turn into health problems. We have had the same vendor since 1999, it has run the same way with an office here and an 800 number, either the employee can call with a problem to see them, or a supervisor can refer an employee if they are having a performance issue. EAP provider has been with us for lunch and learns, benefits fair, supervisors' training, and they were on site last summer after we had the tragedy. It had been a while since we did this, they went through an RFP process, three excellent proposals were received, and evaluation committee vote was unanimous that we should stay with current provider. It is a fixed cost contract, one of the ways these vendors make money is they get the contract and then discourage you from using it, we know our vendor is our partner in making sure it is available and that they are encouraged to use it, and she wants to get usage up since that is how it becomes better for us. Contract attached to resolution is the same contract we have been running with, she doesn't think you have ever seen it before, she took over management of it 18 months ago, there is no price change and there hasn't been for five years, and the committee felt pleased with the services offered. Amy recommends signing the contract with Chestnut Global Partners.

Chair Meachum asked if our legal counsel has looked this over. Amy replied yes, he made some minor changes all of which she has incorporated, the one thing she doesn't have yet is we are going to put in here specific mention of their Decatur office, and she will have a revised version.

Chair Meachum commented he has no problem with that as long as that language is implemented in the resolution to go to the full county board, and he called for a motion on that. Mark Wicklund said so moved, seconded by Patty Cox, and motion carried 6-0. Chair Meachum asked again that language be in the resolution before it goes to the full county board, and Amy replied will do.

County Board

Board Chair Dunn had no report.

Workforce Investment

Robyn McCoy gave an update on what they have been doing the last couple of months with closings in the community. StarTek is laying off 358 individuals, they are closing their company in Decatur, they have already laid off 100, WIS did two rapid response workshops for them, they have six more scheduled, and what she hears is their last day is April 6.

ADM has laid off 207 individuals from this area/plant, majority came from the corporate area, 48% out of Human Resources, IT, Accounting, and there was a commercial business department also that got hit. They did nine rapid response workshops, are assisting their outplacement firm with resumes, job search techniques, and interviewing, they have a facility in Park 101 that is open to their employees for access to computers and job fairs or workshops. They are starting their job club at the facility tomorrow afternoon, that will be held every Tuesday from 2:00 – 3:30, they have 20 individuals signed up.

The job search workshop they call their boot camp which is a two day intensive job search which includes how to do a job search, interview techniques, that will be on the 21st and 22nd of this week, and they will have another the following week. Robyn is applying for additional funds to serve the individuals who may be continuing their education or accessing on-the-job training program from StarTek and ADM.

Robyn thinks it was in the paper several months ago that Tate & Lyle's accounting department would be moving to Poland, and the auditor received a letter stating that as of April 1 any accounts payable questions, she should contact staff in Poland. She has been trying to reach someone from Tate & Lyle to offer a job search or rapid response workshop, put in several calls, but has not had a return call. She is not sure but initially it was 30 people, she assumes some have retired, but doesn't know who would be accessing services; they would be a trade event, trade adjustment assistance event because that department would be going to a foreign country, and she will continue to contact their HR to be able to get in there and let employees know about the services available to them.

Chair Meachum said he called Robyn's general number today, was on hold for ten minutes, and he thinks that is unacceptable. He feels she needs to look at their answering service procedures to get that corrected immediately. Robyn asked the number he called, 875-8750, and you receive an automated attendant. Chair Meachum replied yeah, he doesn't like it, and it is a poor system. Robyn said that is being changed, that is the Department of Employment Security's system, they share offices and pay rent, and it is being changed to a centrex system so hopefully they will get a better return. Chair Meachum wants her to know it is a poor system, the number was 872-5870 their main line, he was on hold for ten minutes, he doesn't know if she has control of it, but it needs to be changed. Robyn said absolutely, and she will check into it. If Chair Meachum has trouble getting hold of them, can you imagine an unemployed person having patience to wait 15 minutes for it. Robyn said they have had issues since there are not enough lines that get to the building, everyone has a phone on their desk, that person has to wait until a line is open to get to a phone, and the centrex system is going to change that. He knows that is not her building and her thing, but if he needs to talk to someone that is at the state, or we do, we are in a customer relations business and she is also; when people are unemployed they need to be able to talk to a human being instead of sitting on the line for ten minutes trying to get through, when they are out of unemployment or out of money and hard on their luck, and we need to be more customer friendly over there; if that remains, tell the state we are scrapping their phone system, we are going to buy our own, and maybe we need to. Robyn agreed that causes a lot of frustration, appreciates his comments, and will definitely look into it.

Mark Wicklund asked no summer jobs program this year. Robyn replied no, not that she has heard of.

NEW BUSINESS

Board Chair Dunn said he will be going to Finance with a resolution asking for money to potentially do some appraisals. We have two we are talking about doing as far as what has come through the Board of Review, one is going to be fairly expensive, and right now the Board of Review, we haven't been putting any money in their account to do that. He thinks it should be in the County Board account because the County Board can make a decision to get appraisals or not, fight an appeal, whether the Board of Review wants to or not.

Chair Meachum asked the definition of somewhat expensive. Board Chair Dunn replied he is trying to get prices now, but it could be between \$20,000 and \$40,000.

Merv Jacobs commented obviously this is an industrial appraisal. Board Chair Dunn said yes, what we do with that particular complex is going to affect other complexes, they have got an appraisal and are going to PTAB, and all PTAB does is base the decision based on the information they have there so more than likely we will need an appraisal; he thinks we are talking the property was appraised close to 20 million, got dropped to 15, and their appraisal came in around 8. Merv Jacobs asked if our Board of Review made the drop and based upon what information. Board Chair Dunn replied they made the initial drop from close to 20 to down to 15, based on what information he does not know, and the company came in with an appraisal somewhere a little over 8. Chair Meachum commented sounds like this is going to be a fight.

Mark Wicklund asked if money is going to be set aside for more than one appraisal. Board Chair Dunn said yes, we have two different, one going to PTAB we are looking at now, and the other one will be quite a bit cheaper around \$3000 or \$4000 or \$5000; he is trying to get prices, we have plenty of time to shop around, but we need to have money there at the end of the day; he thinks it should be there every day because the BOR we have not set up any kind of revenue funding for this, and that makes their decision not to get appraisals which he thinks once in a while we need to get appraisals since not only does it show what the actual property should be appraised at but also gives an indication if the Supervisor of Assessments is appraising it right to start with.

NEXT MEETING

April 16, 2012

ADJOURNMENT

Motion to adjourn made by Verzell Taylor, seconded by Patty Cox, motion carried 6-0, and meeting adjourned at 6:05 p.m.

Minutes submitted by Linda Koger
Macon County Board Office