

OPERATIONS & PERSONNEL COMMITTEE MEETING
April 21, 2014
5:30 P.M.

MEMBERS PRESENT

Verzell Taylor, Vice Chair
Jerry Potts
Gary Minich
Verzell Taylor
Pat Dawson (Arrived @ 5:34 p.m.)
Bryan Smith
Susanna Zimmerman

COUNTY PERSONNEL PRESENT

Mike Baggett, State's Attorney's Office
Jay Dunn, Board Chairman
Kevin Greenfield, Board member
Mary Eaton, Recorder

Jeannie Durham, County Board Office

MEMBERS ABSENT

Patty Cox

The meeting was called to order by Vice Chair Verzell Taylor at the Macon County Office Building.

MINUTES

Motion to approve minutes of prior meeting, March 17, 2014 made by Jerry Potts, seconded by Bryan Smith, and motion carried 5-0.

APPROVAL OF PAYROLL AND CLAIMS

Motion to approve payroll as presented made by Gary Minich, seconded by Jerry Potts and motion carried 5-0.

Motion to approve the claims as presented was made by Bryan Smith, seconded by Susanna Zimmerman and motion carried 5-0.

REPORTS

Auditor's Office

Auditor Stockwell reported that she & Carol Reed had attended the IMRF session and had brought back some information for them, pointing out the example of a typical employee's calculation which showed a secretary retiring at age 63 after 24 years of service. Her final monthly rate of earnings was \$3,333.97 and her monthly pension was \$1,433.77. The example showed how the present value of the future payments is actually paid for through member contributions, earnings on member contributions, employer contributions & earnings on employer contributions. The biggest number in the calculation, by far, is investment earnings on employer contributions. IMRF is in great shape because they enforce the absolute first principle of pensions which is to put the money aside long before you need it so the money can be working for you while you are still

working. The IMRF Reserves Statement shows our reserves are credited with a huge amount. The investment reserves were up 20% last year.

Jerry Potts asked if IMRF is still being hammered for changes by the State. Amy replied that the whole pension issue is very much in discussion. IMRF is monitoring the situation. They don't appear to be super worried about it because IMRF's numbers are so good. On a market basis, they are almost 100% funded. They are in the 14th quartile of all public pension plans in the US. It is exceptionally well managed. Jerry asked about the 13th payment and talk about its elimination. Amy said they had gotten Linda Little involved in that legislation and while it came out of committee, it appears to be dead. Jerry said they should be wanting to copy the IMRF rather than messing with it. Amy said the point with the IMRF is that local government has to make their payments. When a new worker is hired, if they are 25 years old, they figure out how much that person is going to need when they retire and we start making that payment immediately so it can work while the person is working. It is well managed and a good program

Amy informed the committee that her office had just answered a large FOIA request from the Herald & Review. They wanted overtime details for both the Sheriff's Office and the Highway Department going back 5 years by individual. We have just provided that information and both the Sheriff and Bruce Bird are aware.

Macon County Board Resolution Approving Health Insurance Proposal from Gallagher Benefit Services

Amy Stockwell explained that the dental insurance will not come before the committee this year because a 2 year contract was signed last year.

There have been no changes except a slight improvement due to the ACA laws, which is that the doctor co-pay is now included in the out of pocket. The County is on a 4 tier system: single coverage, employee + spouse, employee + children, family. She said that the Insurance Committee has worked hard on this.

John Malakowski with Gallagher Benefit Services addressed the group explaining that he had been meeting with the Insurance Committee. Claims expenses over the course over the last year are higher than they have ever been in Macon County. The trend did go down a little bit in March, but Macon County is on pace for close to a \$5 million claim year. The prior highest was at \$4.6 million. With the work of the committee, a 5.9% increase this year has been negotiated even with this claim environment. A little over half of that increase is due to ACA (Affordable Care Act) fees & taxes. The net result is a relatively small increase. Blue Cross has continued to maintain a superior position in the marketplace and we believe this is a good and fair renewal. The members of the committee have informally surveyed employees and the employees have indicated that they would prefer to pay a little more in premium to keep the good level of benefits that they do have.

Amy added that, in addition to seeing the highest claims we've ever seen, we are also seeing the largest Blue Cross discounts that we've ever seen. The average discount is right at a 60% discount. John explained that sixty cents of every dollar is wiped away with discounts. He said that Blue Cross has an extremely competitive position in Macon County. Amy clarified that the \$5 million in claims is after the discounts.

Jerry Potts asked what the average increase for employees will be. John said it would be about a \$6 per paycheck increase to the employee.

Bryan Smith asked about the 5.9% increase in premiums and the ACA fees. John explained that a little over 3.25% are due to the ACA fees & taxes. There are multitudes of ACA fees & taxes. Some fees apply to certain sized plans while others apply to fully insured plans versus self funded plans. Some fees & taxes were set aside for union plans that were not set aside for government plans. The net result is that every dollar of fees and taxes that get assessed to your plan gets passed on to you and it goes to help pay for the Affordable Care Act. The fees & taxes will change each year for the next several years. Amy added that the fees and taxes need to be looked at in the context of what is happening to the total cost of health care. If health care inflation has gone up, we shouldn't care if the fees have gone up. If the fees have gone up and health care inflation continues at historic levels, then our net position is to be worse off. We only know one side of that equation. Josh said that in 2006, when the insurance committee was put into place, one of the things that has been looked at is where the committee has landed the renewal relative to average renewals and average health care increases. Over the 8 year period of time, the negotiated renewals with Blue Cross / Blue Shield amount to less than half of what the health care cost inflation rate is over the same 8 year period of time. The committee is working extremely hard. Amy said it is all driven by claims. John said the claims this year are a combination of large claimants plus the frequency of claims is up. One of the things we notice is that when the insurance squeezes the physicians, the physicians end up having you come back to the doctor more times so they can generate additional billings. You have to be careful where you squeeze. Blue Cross continues to squeeze doctors and hospitals on their reimbursements and they counter that with having additional visits and test. There has also been an addition in large claims which include 22 claims over \$30,000 and some of them were very large.

Motion to forward to Finance Committee for their consideration with recommendation to approve made by Gary Minich, seconded by Bryan Smith, and motion carried 6 -0.

Macon County Board Resolution Approving Contract Renewal for Employee Assistance Plan Services with Chestnut Global Partners

Sheri Wallace explained that the statistics for the use of the service by the county employees shows that in the last 4 years, they have been steadily used at a rate of 9% to 10%. This last quarter of 2013, there was a number of cases or people that called in. 22 different cases were called in and out of that 22, forty sessions were attended by therapy or counseling sessions. Those

are offered to employees at no additional costs. They can receive up to 6 sessions for each separate incident. One could be marital and one could be stress and they could get 6 sessions for each.

It has been shown that employee absenteeism, after these visits to EAP there is a 40% improvement.

Services are 100% confidential and names are not given to us, but reasons why people call in is very important. Highest percentages are in anxiety, depression and stress. The information is utilized in determining what wellness classes can be provided to help make them better.

Motion to forward to Finance Committee for their consideration with recommendation to approve made by Jerry Potts, seconded by Bryan Smith, and motion carried 6-0.

County Board

Jay Dunn reported on conferences and training that are coming up. These are provided by both the IACBMC & the UCCI organizations.

The 2nd quarter, 2014 employee of the quarter nomination forms have gone out.

The safety committee meetings are being well attended. Grants & the possibility of getting AED's for the County Buildings are being looked into. CPR training for employees is being researched as well.

County Clerk

Steve Bean announced that he had handed out last year's extension.

The Park District passed a resolution which would reduce their levy. We are in a hold pattern until we hear back from them. Our rate last year was .91349 and this year it is going up to a little over .94. This is in line with what the City's did because you had a drop in EAV. The Park District, even with trying to keep in line, found themselves going over the limit they placed. Theirs is only going to go up about 2 cents. Hopefully everything will be done this week and turned over to the Treasurer. The Treasurer is looking at having bills mailed out sometime around May 7.

One thing that has been noticed as the election was completed is that with the election equipment, which is all computers, is getting some age on it. The State of Missouri went into new equipment 2 years after Illinois and they are already mandating their counties to replace their equipment. He said he didn't know where Illinois stands, but this is something that needs to be looked at. Last time, roughly \$900,000 of equipment was paid for by Federal Grant money. We are just in the looking stage and won't come to the board until other things happen. If we went into the marketplace right now, it would cost us probably a half million dollars even with the reduction in precincts and clustering of polling places. We would probably have to look at further clustering.

All that is out there right now from the State is about \$55,000 in ADA purchases only. It won't pay for regular election equipment. The system we bought had the ADA program added on where they put the tape box on the side and it caused a lot of problems over the years. The new system's ADA device prints out a ballot that lists the names to see if they voted for the right people and it all feeds into one major machine. We would not have to buy ADA equipment for the office. On Election night, they could be transported somewhere else to be used. Since the ballot goes to one machine, you only have to keep one machine.

There have been 5 same sex marriages. One was out of state who had relatives in Macon County, two were paid for because one was out of state and one was a new one and the other three were conversions that we cannot charge for. A lot of couples are waiting until June 1 when the official kick off of the new program is. One couple came in the first day because it was going to save them \$700 a month in insurance.

Recorder

Mary Eaton was available to answer questions about the monthly report she distributed. There were no questions.

Workforce Investment Solutions

Macon County Board Resolution Approving Budget Amendment for Workforce Investment Solutions FY2014 Budget Incentive Grant

Robyn McCoy said that this is a new grant. These grants are awarded to Workforce areas who exceed their performance outcomes and we are set to receive \$8,769. The grant period is March 1, 2014 to June 30, 2015. Measures in Youth Activities, Adult Employment retentions, and Dislocated Worker were exceeded. We follow adults and dislocated workers who we exit for one year and if they are still employed. We exceeded in those rates so that means that once they get a job, they are keeping it for over a year. Dollars were also received in demand occupation training. That means those that are trained in a demand occupation in health care or manufacturing are getting employed in that occupation. The majority of the dollars are going to equipment. There are about 35 computers at Workforce. Most of them are for the public to use. 90% of them are still on XP operating system. The support is now gone so they must be upgraded. There are problems with job seekers not being able to file job applications on some of the companies' systems.

Jerry Potts asked if the computers could be upgraded to Windows 8. Robyn said they had looked at the cost of that, but it would be close to the same amount to upgrade, but then they would have to worry about maintenance of the CPUs. She said she has been working with Josh Tanner and Decatur Computers and they are recommending upgrading to new computers. Gary Minich stated that he agreed that maintaining and trying to work on old computers was not a good option.

Motion to forward to Finance Committee for their consideration with recommendation to approve made by Bryan Smith, seconded by Gary Minich, and motion carried 6-0.

Citizens' Remarks

None

Old Business

None

New Business

None

CLOSED SESSION

None needed

NEXT MEETING

Monday, May19, 2014

ADJOURNMENT

Motion to adjourn was made by Jerry Potts, seconded by Bryan Smith and motion carried 6-0. The meeting was adjourned at 6:03 p.m.

*Minutes submitted by Jeannie Durham
County Board Office*