

PERSONNEL AND INSURANCE COMMITTEE MINUTES
FEBRUARY 3, 2011 – 4:00 P.M.

Present: Chairman A. Johnson; Supervisors Peck, Collyer, Daly, Hargrave, Richardson, Rowland, Jenkins, Wright, Wood and Southworth; Rich Kupferman, Steve Dorsey, County Attorney; Robert Hartman, Safety Officer; John Adams, Probation; Marcy McNamara, Personnel; John Adams, Probation.

Chairman A. Johnson called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Hargrave, seconded by Mr. Rowland the minutes of the January 5, 2011 meeting were approved unanimously.

Mr. Kalinkewicz gave the following outline from the monthly self-insurance report. Cases were down by 4 compared to past January's. In terms of billing the money is down approximately \$24,000, he said.

Mr. Johnson said as part of when the early retirement was ongoing, Sue Lent left and options were explored about filling that position regarding workers' comp. Last years Personnel Committee authorized Mr. Kalinkewicz to go to third party RFP's that may be able to handle this.

Mr. Kalinkewicz said that the RFP process, which was not mandatory, was suggested and done by the Personnel Office to make sure that we canvassed the landscape to see who else was out there in terms of third parties. There were six responses, and that number has been reduced through interviews using a number of factors as to who could best serve the county.

Mr. Breslav said the difference for SRS is that they are very consultative in their approach, in that, they have a complete portfolio of services, whether it is pre loss, at loss or post loss. We are there to work with you to find the deficiencies in the system, as well as to lower the overall costs. Whether it is claims management, bill review, or medical management we are always looking at how to lower those costs and provide better outcomes. This is done by using a number of different tools.

- **RMIS Tool** – Risk Management Information System - One of the key functions of a TPA is to gather the information together for you. To let you know what we are doing on each of the claims in a real time basis so that you know what is exactly going on with the claims and the activities that are being taken on your behalf. The ability to have information at your fingertips to notice trends initially, spot them and take action on them, is one significant way of lowering overall costs.
- **Benchmarking** - Time is spent not only looking at your information, but the overall book of business of what is going on in the trends in workers compensation, so those trends can be passed along, and take corrective action in a proactive manner rather

than in a reactive manner. We also offer a full suite of medical management. One of the big concerns in the workers' comp world today is the inflation of medical costs, so making sure that you are monitoring what is going on with your medical expenses, figuring out ways to reduce utilization, making sure that utilization is appropriate and that the drugs that are being prescribed are appropriate and in line with what should be recommended for those injures. All of those things are different ways and different tools that are offered to help lower the cost of risk. In the event that something goes to litigation we have tools that are available to help monitor what is going on from a expense standpoint in litigation, as well as to ensure that you are getting the best outcomes.

Mr. Breslav said that clients that have gone with SRS have seen an 11% to 14% decrease in their overall expenses. This is accomplished by having an integrated process. Every step in the process is an opportunity for leakage, whether it be leakage in time and productivity or leakage in dollars. Having that integrated program put together and the processes that we have in place allows us to really help save our clients money over time.

Mr. Breslav said in looking at the overall medical expenses, a program of this size is going to have somewhere in the neighborhood of \$775,000 in medical bills on an annual basis. We have demonstrated through our experience that we can save up to 50% of those costs by utilizing our medical bill review process. This is one of the things that is being offered as part of this medical bill review, and also a commitment to you that we will achieve the 50%. If we don't achieve the 50%, we will decrease the amount of fees that are collected. This is really in the interest of partnership and partnering with Saratoga County for the things that are being offered.

Mr. Breslav said SRS is looking forward to partnering with Saratoga County. Our commitment is to provide you with the data, analytics and information that is needed to make informed decisions about improving your program. We offer the innovative solutions that you are looking for, and constantly working on our own, on behalf of our clients, to improve their overall loss experience and reduce their cost of risk. We have shown you that we do have the positive outcomes that we are looking for, and we are very transparent in our business operations, and look forward to the opportunity to partner with you.

Mr. Peck asked what the counties commitment would be, is it on a percentage basis or a flat fee? Mr. Breslav said there are two aspects of the program. The first aspect is the actual claims administration. What has been developed through the claims administration standpoint is a staffing base model, which is really based on consumption. The number of claims that you have is going to require a certain amount of effort on our part. We have estimated what that amount is and will charge you for the amount of adjuster that is used. It has been forecasted out to be about a single adjuster. If the claims volume comes in below that number, than you will not be charged the full amount that was agreed too. Some of the details and language are still being worked out.

Mr. Kalinkewicz said the reason that we want to hold on this is that because in 2009 we had an extraordinary amount of claims and an extraordinary amount of expense, so it wouldn't be fair for SRS to bid on that particular model. During 2010 everything changed. We came down in the number of claims and expenses. We want them to be able to look at how they would forecast a typical year for us, and then bid on that amount rather than bid on any particular year because it wouldn't be fair.

Mr. Kalinkewicz said keep in mind that SRS is projecting in our medical side, a 50% savings overall. What we will do is engage the entire cost and come back to the committee, with what the program is going to experience in terms of cost, but we are telling you it is going to be savings.

Mr. Rowland asked if the contract would be for two years? Mr. Kalinkewicz said it could be a one-year contract where we will have them come back at the end of the year to report on how well it is going, and then contract for another year.

Mr. Rowland asked if he was looking at a two-year experience rate? Mr. Kalinkewicz said we are giving them everything we have, but we have, up to this point told them, this is generally the amount, sharing the year end costs with them, so they have a good idea of what a typical year is.

Mr. Breslav said they have a number of municipalities that they work with locally, with over 150 clients that have exposures. He said they have provided a number of references in the RFP and he said he would expand that and provide it to the committee.

Mr. Richardson asked if references had been checked? Mr. Kalinkewicz said they have done extensive work, not only with SRS, but other bidders that came close, and came to this recommendation.

Mr. Johnson said the services and report that is provided by the third-party are well beyond what we currently provide.

Mrs. Johnson asked if any employees would be affected by having it go out of bounds? Mr. Kalinkewicz said, no, that they have been talking to SRS as with each company. It was said that we have obligations with certain employees and we want to keep that portion here and ongoing until we have the opportunity to come back and say, well, because SRS can do this, we may not want to bill that position currently. The current employees would still remain because there are still many old claims that they would be handling.

Mrs. Southworth asked what the 50% savings covered? Mr. Breslav said the big driver in New York is the fee schedule. A lot of times there are billing errors such as duplicate bills and a lot of things that a manual process is not going to be able to catch over time. This is a gross savings number and that is in all of the different tools that are available from a medical savings standpoint.

Mr. Kalinkewicz said he would come back to the committee next month with a specific number for the committee to consider.

Mr. Johnson said in August of 2010 the Board of Supervisors approved the county's participation in the early retirement incentive program offered by the State. There were two parts offered and the county opted to choose both those parts. The Personnel Committee at that time saw that as an opportunity to save the county money and also to look at various departments and hopefully improve efficiency, both to the Supervisors and also to the public. In total 91 applications were received, which was far exceeding what was estimated. Early estimates were between 50 – 70. In October a subcommittee was appointed including Supervisors Daly, Rowland and A. Johnson. The subcommittee had the charge of reviewing all the applications and evaluating the positions, working closely with the Personnel Department. The subcommittee met on many occasions during October, November, December and January. There were several options that were considered, filling the vacancy immediately, holding off indefinitely filling the position based on need within the department and delayed filling for several months, both capturing savings. In many instances positions were abolished entirely, reclassified and several departments were reorganized, which resulted in abolishing positions and/or replacing a position with a lower grade position. In the reorganization part of this we did consult with department heads on all of these, and, in fact, some of the reorganizations were offered by or suggested by the department head. They were interviewed at length to make sure that the reorganization was good for the department and good for the county and not in any way to hinder the service that those departments render for the public. All of the committee's recommendations to date have been approved by the Board of Supervisors.

Mr. Johnson said that the overall savings from the subcommittee review is approximately \$1 million. The \$1 million is comprised with two major factors; \$500,000 was from abolishing positions. There were 13 positions abolished. These savings will be year end and year out, not just based on the early retirement. The remaining \$500,000 included filling positions at a lower grade. All of the positions that were filled were hired at base pay. Other savings were seen through positions that were not filled, on hold or delayed filling, reduced retirement employees coming in at tier five, reduced FICA costs, certain grade levels were reduced, primarily due to department downsizing or responsibilities changed, health insurance savings with higher co-pays being paid by incoming employees.

Mr. Johnson said the program didn't come free, it came at a cost. The county was required to pay a lump sum for the 91 retirees at a cost of \$3.9 million.

Mr. Kalinkewicz reviewed the following changes to the Comp plan:

Public Works:

Abolish: Two Deputy Commissioners and Recycling Coordinator
Created: One Engineering Technician

Created: Moved a Deputy Commissioner up to Deputy Commissioner of Public Works solely

Treasurer:

Abolish: Tax Collection Supervisor and County Supervisor on the finance side and Lowered the grade of the Deputy Treasurer
Created: Deputy Treasurer

Emergency Services:

Abolish: Telephone Operator

Employment and Training:

Abolish: Assistant Director and re-titled the fiscal manager to an Accounting Supervisor and reclassified an Account Clerk

The new organization of Employment and Training will now become WIA(Workforce Investment Act)

General Services:

Lowering of the title of Director to Director Purchasing. If the buyer, which is in the next position down is appointed that position would be abolished and create a new title of Director of Data Processing. Contract Administration will be moved to the County Attorney's office.

Maplewood Manor:

Abolish: Senior Clerk in Administration
Stores Clerk
Assistant Dietetic Supervisor
Dietetic Technician

Utility workers and cleaners were swapped because it was more effective to use utility workers and cleaners

Mental Health:

Change of Grade of the Director of Mental Health
Change of Grade of the Deputy Director of Mental Health
Reduced a Supervisor Social Worker to a Senior Staff Social Worker

Planning:

Planning:

The Environmental Services Director retired and the duties of that position have been moved to the Planning Department.

Probation:

Abolish: Typist

Personnel:

If a TPA is awarded then the Self Insurance Specialist would be abolished.

Real Property:

Reduced the grade of the Director. As there was an elevation from Real Property Information Specialist that position was absorbed through early retirement

Mr. Johnson said although these are savings that are directly related to the early retirement, this is something that the Personnel Committee could continue looking at as vacancies occur to help reduce costs and improve efficiency.

Mr. Johnson thanked those who helped him on the subcommittee, Anita Daly and Dick Rowland, and the Personnel Department.

Mr. Rowland thanked Mr. Kalinkewicz for the flow charts. It was important to visualize it. He said he looks forward to a few other departments coming forth.

Ms. Daly said there were changes in the Sewer District as well. She asked that they be included in the charts as well.

Mr. Johnson asked that a copy of the amendments to the Comp Plan be put in each Supervisors mailbox.

Mrs. Johnson asked if there was a person that was going to be in charge of recommendations that come from the new Technology Committee?

Mr. Johnson said if it involves Personnel changes they will be brought to the Personnel Committee.

Mrs. Daly said there has only been one meeting of the Technology Committee. At the meeting Chairman Veitch went around the room and offered the opportunity for any of the Supervisors to talk about where they see the needs. From there a short list was compiled. The Chairman is about to begin scheduling meetings to go through each department, and will report back at the next committee meeting.

One line of importance that was mentioned was communication and the availability of all staffing to use email, so training on Microsoft Outlook was one item, in particular, that might be a starting point.

Mr. Johnson said at last months Board of Supervisors meeting there was a lot of confusion during the Public Hearing regarding the Local Law that was to increase the salary of certain appointed and elected officials and also authorizing the \$600 bonus to other specific people as well.

Mr. Johnson said in December the Personnel Committee moved a couple of resolutions through Law and Finance. The intent was that after the CSEA contract was approved, which authorized a \$600 one time bonus in 2010 and 2% cost of living raise for 2011, the Personnel Committee had approved giving the same compensation package to non bargaining unit employees which included everyone else. There were several resolutions that approved the compensation schedule with the 2% increase. A certain group of people were mid term and could not be approved by resolution, which brought us to the point of having that authorization through a Public Hearing.

Mr. Peck asked to have clarified who are the people who have terms? Mr. Dorsey said when you see a resolution that appoints someone to a position it will say that they have a term that expires on a certain date, and it depends on the position. These are people that are coming in the middle of someone else's term or their own term, therefore, they need a separate local law. There was a resolution passed back in December, which gave a list of people who had to be given their raises by way of a resolution. These people because of the requirements of County Law 201, couldn't receive a pay raise in their term unless it was done by local law. He said by doing this it keeps everyone on the same administrative matrix for 2011.

Mr. Johnson said at the last Board of Supervisors meeting, it was decided that the local law should be re-introduced from the Personnel and Insurance Committee.

A motion was made by Mr. Peck, seconded by Ms. Daly to re-introduce a Local Law and to amend the Saratoga County Compensation Schedule by increasing compensation for County official who are term officials, and setting a Public Hearing on March 9, 2011 at 4:50 p.m. in the Board meeting room. Ayes – Johnson, Peck, Collyer, Daly, Richardson, and Rowland Naye – Hargrave. Motion passed.

Mr. Johnson said last month Supervisor Rowland introduced a draft policy for ID badges that was circulated to all Supervisors for comment.

Mr. Rowland said there was one response received from the draft policy concerning a typographical error in the document. All other comments have been in support of the idea. The possibility of the implementation is being looked at using the Technology Committee. The ID blank system that we currently have supplies the materials, which includes a magnetic strip similar to a credit card. The Technology Committee will need

to find out how to program the magnetic strip, and how to then take the information back off in a timely and appropriate manner.

Ms. Daly asked what the policy would be with regard to loss of a badge? Mr. Kalinkewicz said they would be notifying the Union that the badges are going to be distributed, and if it is lost, another one will be made at the individual's expense.

Mr. Rowland said the cost to reproduce the ID badges would be approximately \$1-\$2.

Mr. Hargrave asked if people were to wear the badges in plain site? Mr. Rowland said the recommendation would be for some departments to wear them, but it would be up to department heads as to how they are worn, whether it is with a clip, or breakaway lanyard, or to carry them in a wallet. Mr. Rowland said, as a Supervisor, he would like to walk into a county office and see an employee and know that he can refer to that person by their first name.

Mrs. Southworth suggested checking with Department Heads to see to what extent the name should be displayed.

A motion was made by Mr. Rowland, seconded by Mr. Hargrave to approve the Employee Identification Card Program policy as presented. Unanimous.

Mr. Johnson said there were some Supervisors that have questioned why Supervisors were not included in the compensation package with the 2% raise. Mr. Dorsey said that the supervisors salary compensation is determined by a county law that states that they will receive whatever is set as the maximum salary as advertised in the notice of Public Hearing for the tentative 2011 budget. In this case, that was published on November 22, 2010, and their salary was locked once that was published.

On a motion made by Mr. Hargrave, seconded by Mr. Rowland the committee adjourned to Executive Session. Unanimous.

On a motion made by Mr. Lucia, seconded by Mr. Hargrave the meeting returned to regular session.

Mr. Johnson requested a resolution to appoint Katherine Shrome as Director of Purchasing, Grade 16, Base Salary \$66,631 due to the retirement of Mr. Pratt. This will result in a payroll savings of \$47,000.

A motion was made by Mr. Hargrave, seconded by Mr. Rowland to approve the appointment of Katherine Shrome, as Director of Purchasing at a Grade 16, with a base salary of \$66,631. Unanimous.

Mr. Johnson requested a resolution to appoint Hans Lehr as Director of Community Mental Health Services; Grade 21, Step 7 and a salary of \$111, 952 due to the vacancy created by the retirement of Dale Angstadt. This resulted in a pay savings of \$30,000.

A motion was made by Mr. Peck, seconded by Mr. Richardson to approve the appointment of Hans Lehr as Director of Community Mental Health Services, at a Grade 21, Step 7 with a salary of \$111,952. Unanimous.

Mr. Johnson requested a resolution to appoint Lisa Scaccia as Training and Employment Director, II, at a grade 16, with a base salary of \$66,631, due to the vacancy retirement of Anthony Scavone. This resulted in a pay savings of \$26,000.

A motion was made by Mr. Rowland, seconded by Mr. Collyer to approve the appointment of Lisa Scaccia as Training and Employment Director, II at a grade 16, with a base salary of \$66,631. Unanimous.

On a motion made by Mr. Hargrave, seconded by Mr. Rowland the meeting was adjourned.

Respectfully submitted,
Chris Sansom