

## Personnel and Insurance Committee Minutes

March 2, 2011 – 3:00 p.m.

Present: Chairman A. Johnson; Supervisors Peck, Collyer, Daly, Hargrave, Richardson, Thompson, Sausville, and Southworth; Spencer Hellwig, Administrator; D'Arcy Plummer, Treasurer; Marcy McNamara, Jack Kalinkewicz, Robert Hartman, Personnel; Press.

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

**On a motion made by Mr. Hargrave, seconded by Mr. Collyer the minutes of the February 3, 2011 meeting were approved unanimously.**

Mr. Kalinkewicz gave an overview of the monthly Self-Insurance report as follows:

The total new cases for the month were up five, and the total new cases for the year were up by one. The expenses for the month of February were down, and the to date total for 2011 is - \$170,792.55. We are still experiencing less medical and less claims, he said.

Mr. Johnson said last month Mr. Breslav gave a presentation to the committee with regard to possibly going to a third-party administrator to run the Workman's Comp Program. As part of the early retirement, Sue Lent who had been doing that retired. Part of the work of the subcommittee was to look at this third-party administrator as a way of having a more efficient reporting system and save money as well.

Mr. Kalinkewicz said it is our responsibility as a county to make sure that we are doing everything reasonable to mitigate the costs in worker's comp. We need to look at the costs associated with all of the claims that come about due to worker's comp, including the longevity of people who get worker's comp awards, how they get those awards and why they get those awards. It has come to the point where we need to look at what mechanisms we have in place to try to lower those costs. Many times it is turned over to attorneys, where we pay the legal expenses to get a result that ultimately the Worker's Comp Board might give them anyway. There are various ways of how we can mitigate all of those costs before we get there. What is being requested is the approval of a contract that would cost the county approximately \$23,000/mo.

Mr. Kalinkewicz said he is reducing staff in the Personnel Department by eliminating a Specialist and Account Clerk representing savings of approximately \$172,000, as much less staff will be needed when working with a third party. This year because of the early retirement incentive we will have some costs associated with the retirement of Sue Lent, but annually this is the type of savings you are looking at.

Mr. Breslav said their commitment to the county is to do everything that they can to lower the overall cost of risk. SRS will take a look at what the county has spent historically, and try to project out, based on their experience, historically what type of savings would you have if you were to come with us if you were the average client. From an incurred cost basis, based on the average client, and information from the county, there is a potential \$275,000 in annual savings. This is looking at what the third-party administrator, as a whole, adds from a value standpoint through expertise, litigation management, understanding of the claims environment in New York State, and what can be done to move the claims along. One of the things that SRS does best is to close claims quicker than the industry average. The longer a claim is open, the more opportunity that it has for additional expense. SRS has made a commitment to guarantee an overall savings of 50% or greater for the County of Saratoga. If we are not able to deliver that, then we will lower our fees for the medical review piece.

Mr. Breslav said SRS has a tool called, Bottom Line, which helps to manage and understand what is going on from a litigation standpoint. When all is said and done, based on the facts and figures SRS is estimating that they could save the county approximately \$400,000 annually. This is based on historical experience and looking at what the county has paid in the past.

Mr. Thompson asked for an explanation on reducing employee salaries and benefit liabilities. Mr. Kalinkewicz said they would not be filling two positions in the Personnel Department because of the involvement of the third party.

Mrs. Southworth asked when the personnel savings were done for the early retirement, was Mrs. Lent's salary included in the savings? Mr. Kalinkewicz said it might have been listed as one of the positions that were to potentially be abolished, but because this is fund 8, all of the savings that were talked about in the discussions were under the general account.

Mr. Peck asked Mr. Breslav how long it would take them to get started? Mr. Breslav said they would be targeting for April 1<sup>st</sup>.

Mr. Kalinkewicz said a contract has not been worked out as yet; however, he suggested a 15-month contract, which would go through the budget period for 2011 and up to the budget period for 2012. This would also give enough time to evaluate a full of year of programming under the third party.

Mr. Johnson said they would have the County Auditor audit the program to see if the savings were there. If they are not there, we can go back to what was done before, he said.

**A motion was made by Mr. Peck, seconded by Mr. Richardson to contract with SRS until August of 2012. Unanimous.**

Mr. Kalinkewicz outlined the following Compensation Plan Changes, which resulted in a savings of \$8,776.

<b>Purchasing</b> – Account Clerk Typist	Salary \$33,199
Changed to	
Stock Clerk pc	Salary \$28,962
	<b>Savings: \$4,237</b>
<b>Treasurer</b> - Sr. Account Clerk	Salary \$34,882
Changed to	
Special Clerk to Treasurer pc	Salary \$34,882
	<b>Savings: \$0</b>
<b>Mental Health</b> -Community Mental Health Nurse	Salary \$51,677
Changed to	
Staff Social Worker	Salary \$51,634
	<b>Savings: \$43</b>
<b>Sewer District</b> - WW Facilities & Maintenance Sup	Salary \$56,226
Changed to	
Senior Maintenance Mechanic	Salary \$51,730
	<b>Savings: \$4,496</b>

**Total Savings: \$8,776**

**A motion was made by Mr. Hargrave, seconded by Mr. Collyer to approve the above compensation plan changes. Unanimous.**

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

Respectfully submitted,  
Chris Sansom