

PERSONNEL & INSURANCE COMMITTEE MEETING

July 7, 2010 – 2:30 P.M.

PRESENT: Chairman A. Johnson; Supervisors Daly, Lucia, Hargrave, Wood, Rowland, Peck; Sausville, Southworth; David Wickerham, Co. Administrator; Sue Lent, Self-Insurance; Jack Kalinkewicz, Personnel; Sam Pitcherale, Treasurer; Mark Rider, Co. Attorney; Press

Chairman Johnson called the meeting to order.

Mr. Lucia moved to approve the minutes of the June 2nd meeting. Mr. Hargrave seconded. Unanimous.

Mrs. Lent distributed copies of the Self-Insurance Pool Report for the period 1/1/10 to 6/30/10 and the report for the same period as last year as a comparison. She reported cases for the month are down by 7; cases for the year down by 81; expenses through May down by \$144,230.76; expenses through June down by \$80,695; year-to-date expenses down by \$224,925. She said cases are down, but the weekly rate is going up.

Mr. Kalinkewicz distributed copies of the 2011 Tentative Self-Insurance Budget that will need to be approved next month as a report. He said it is the same as last year; \$200,000 goes into the Contributory Reserve as well as \$1 million at the end of the year goes into the Contributory Reserve when available. He said it will be looked at carefully during the course of the year. He requested anyone who has questions on this to give him a call.

Chairman Johnson said at our last meeting, we asked Jack Kalinkewicz and Sam Pitcherale to look at the potential eligibility and what the costs are associated with the County opting into the Early Retirement Incentive. He said Jack and Sam have done a lot of work, and it looks like the numbers are fairly attractive. It may give this Committee the opportunity to look at certain positions and do some restructuring to save the County money, he said.

Mr. Kalinkewicz stated the Legislature passed this Early Retirement Incentive and made it available to municipalities like ourselves. We looked at the program overall, and there are two parts:

PART A ELIGIBILITY

- ❖ Must be 50 years old and have 10 years of NYS ERS retirement service credit
- ❖ Adds one month of service credit for each year of service up to 3 years of additional credit
- ❖ Employees between ages of 50-62 may still incur penalties

PART B ELIGIBILITY

- ❖ Must be 55 years old; must have 25 years of NYS ERS retirement service
- ❖ 55-62 years of age may retire without early retirement penalties

Mr. Kalinkewicz stated there are 413 Part A and Part B eligibles. This includes service in other places they may have had, he said. He stated in June, they conducted a survey which showed 149 employees were not interested; 92 no response; 172 expressed interest and possibly seeking more information. Basically, 12% of the eligibles are based on a trend, he said. We looked at who is likely to go, he said. He mentioned in 2002, we had a similar program, and out of 381 eligibles, 46 employees retired. He said people we felt had less than 10 years of County service did not have interest because they would not get the health insurance when they walked out the door. We removed people who are 55 years old who would incur penalties by leaving which leaves the same trend of 12% or about 50 employees to take the incentive, he stated.

Mr. Pitcherelle distributed copies of a sheet on Summary of Early Retirement Option Costs and Potential Savings, and he reviewed its contents. From an independent analysis done in the Treasurer's office, they expect between 50 and 70 eligible employees to seriously consider the early retirement option if offered this year. Further, we calculated that 14 positions are likely to be eliminated completely and have compared his list of such possible positions with the position listing prepared independently by the Personnel Department.

Mr. Kalinkewicz stated anybody less than 55 years old who leaves and has 10 years can carry the health insurance. We expect 50 – 70 employees to seriously consider this option if offered this year. Tier 1 and 2 – 20 people seriously considering; Tier 3 and 4 – 40 people seriously considering, he said. Chairman Johnson said the cost is a one shot deal, and the savings will occur over many years. Mr. Pitcherelle said the estimate the State has given is, if we do not pay lump sum, we pay for amortization over five years. I would rather pay up front, he said.

Ms. Daly asked about the timeline for this. Chairman Johnson said if we move forward with this, the Board would have to approve it at this month's Board Meeting. Mr. Rider said it has to be passed by a Local Law, and we could set the public hearing in August. You have to set an open period for employees to make a decision, and it has to be completed by December 31st, he said. The Local Law has to be enacted by August 31st, he said.

Chairman Johnson said if we opt in, he would like this Committee involved to see what positions may be eliminated or restructured. Board Chairman Peck said a real savings to him is a possible restructuring. We need to do diligent work of restructuring, so keep that in mind, he stated.

Ms. Daly said she is concerned about the management of the County and what the impact would be.

Mr. Rowland moved to adjourn to executive session to discuss personnel. Mr. Lucia seconded. Unanimous.

Mr. Rowland moved to return to open session. Mr. Lucia seconded. Unanimous.

Mr. Rowland moved to authorize the County to opt into the State's Early Retirement Incentive Program and setting the date of August 11, 2010 for a public hearing. Ms. Daly seconded. Unanimous.

On a motion by Mr. Lucia, seconded by Mr. Wood, the meeting was adjourned.

Respectfully submitted,

Elaine M. Sodemann