

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: SUPPORT SERVICES (INSURANCE)

DATE: MAY 29, 2008

---

---

<b>COMMITTEE MEMBERS PRESENT:</b>	<b>OTHERS PRESENT:</b>
SUPERVISORS SHEEHAN	AMY CLUTE, SELF-INSURANCE ADMINISTRATOR
GIRARD	JOHN C. BIENIEK, VICE PRESIDENT OF COOL INSURING AGENCY, INC.
SIMMES	FREDERICK MONROE, CHAIRMAN OF THE BOARD
GOODSPEED	PAUL DUSEK, COUNTY ATTORNEY
STRAINER	HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
TAYLOR	JOAN SADY, CLERK OF THE BOARD
	SUPERVISORS GERAGHTY
<b>COMMITTEE MEMBER ABSENT:</b>	KENNY
SUPERVISOR VANNESS	SOKOL
	TODD LUNT, HUMAN RESOURCES DIRECTOR
	SARAH MCLENITHAN, LEGISLATIVE OFFICE SPECIALIST
	AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

---

---

Mr. Sheehan called the meeting of the Support Services Committee to order at 10:00 a.m.

Motion was made by Mr. Strainer, seconded by Mr. Girard and carried unanimously to approve the minutes from the April 2, 2008 Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Amy Clute, Self-Insurance Administrator, who distributed copies of the agenda to the Committee members, *a copy of which is on file with the minutes.*

Ms. Clute began a powerpoint presentation, *a copy of which is also on file with the minutes.* During the presentation she explained how, pursuant to direction by the Board of Supervisors for Department Heads to determine ways in which County funds could be saved, she had determined that increased employee safety measures would lead to a reduction in claim and Workers' Compensation costs for the County.

Paul Dusek, County Attorney, entered the meeting at 10:05 a.m.

Ms. Clute reminded the Committee members that the Self-Insurance Fund was not part of the County Budget and consisted of a pool of money contributed to by approximately 51 groups, including Warren County; the City of Glens Falls; ACC (Adirondack Community College); Crandall Library; the Towns of Warren County, *except for the Town of Queensbury*; and many Fire and EMS (Emergency Medical Services) Departments. She stated that in determining the financial impact of claims to the Self-Insurance Fund both direct and indirect costs had to be considered. Ms. Clute explained that direct costs were those attributed to claims payments, while indirect costs included lost workdays resultant from employee injuries. She noted that in both 2006 and 2007 an average of 1,700 workdays per year had been lost by participants of the Self-Insurance Fund due to employee injuries, which she equated to seven funded positions unmanned due to injury.

Approximately 300 claims were reported to the Self-Insurance Fund annually, Ms. Clute apprised. She added that about half of these claims were incident only, meaning that an accident happened but required

---

no medical attention. Ms. Clute said that 30% of the claims consisted of medical only claims, which meant that work was missed only for the remainder of the day following the injury in order to gain medical attention, while the remaining 20% was attributed to indemnity claims that incurred lost workdays and claims payments.

Ms. Clute stated that in order to reduce claims costs they needed to manage claims after their occurrence and stop them from occurring altogether. She noted that in the previous independent audit of the Self-Insurance Department it had been determined that the claims were being effectively managed after occurrence, which included case management, claims adjusting and investigation. Ms. Clute said through effective safety policies and programs, such as those concerning accident prevention, hazard identification, accident investigation, return to work efforts and employee training, the number of claims could be reduced as well as the resulting costs. For example, she cited, based on the claims reported in 2007, the average cost of the 70 indemnity claims reported was \$10,516 over the lifetime of the claim, while the average cost of the nine medical claims was \$405. Using a figure of 10% for claims reduction, Ms. Clute advised that \$77,257 could be saved by reducing claims; however, she said, she felt the claims could be reduced further than this conservative estimate. Ms. Clute added that when incorporating these savings into the total premiums paid by all participants of the Self-Insurance Fund, she had found that the County would save approximately \$38,000, simply through a 10% claim reduction.

Ms. Clute cautioned that immediate results would not be realized by the implementation of employee safety programs as industry figures showed that significant savings were typically reflected three to five years after the programs were implemented. She advised that although a safety program would eventually pay for itself, the initial costs could be funded by remaining monies in the Self-Insurance Fund, having no affect on the County Budget. Ms. Clute explained that the former Insurance Committee had made changes to the insurance coverages for 2008 which had saved approximately \$78,000 and those funds remained in the Self-Insurance Fund. She said that it was her belief that the funds had been retained with the intention of implementing a safety program.

Pursuant to the Committee's request at their prior meeting, Ms. Clute advised that she had compiled a listing of 33 other Counties with in-house safety personnel. She said that she had also inquired as to what Counties were out-sourcing safety programs and said that she had been unable to find any. With respect to the possibility of sharing the services of a Safety Officer with another County, Ms. Clute said that she had contacted surrounding Counties and had found that they all employed full-time Safety Officers and it did not appear that sharing this position would be feasible.

In order to give an example of savings attained through the addition of a Safety Officer, Ms. Clute presented the history of Schoharie County. She said that Schoharie County had hired a full time Safety Officer in 2003 for their approximately 600 employees; she added that their savings in 2005, two years subsequent to the addition of the position, was \$68,000, and the Safety Officer was also able to secure safety training grants for an additional \$78,000. However, Ms. Clute noted, Schoharie County differed from other Counties in that it utilized a fully insured Workers' Compensation Program which was purchased through an Insurance Broker and was not administered in-house as it was in Warren County.

Subsequent to her presentation, Ms. Clute stated that she looked to the Committee to determine the best way in which to reduce claims and make Warren County a safer place to work.

Mr. Strainer asked what the salary paid for the Safety Officer in Schoharie County was and Ms. Clute replied that it was in the range of \$30,000 to \$35,000 annually.

Todd Lunt, Human Resources Director and representative of the County's Safety Committee, suggested that the addition of the Safety Officer position would ensure a more proactive approach to claims management, which he felt was the best direction for the County. He commented that money spent now was money saved in the future and he reminded the Committee that the costs of this position would be funded throughout the Self-Insurance Fund, spreading the costs across the participants and having no direct impact on the County Budget.

Discussion ensued with respect to the Safety Officer position.

Because they were running short on time, it was the consensus of the Committee that another meeting should be scheduled solely to further discuss the addition of a Safety Officer and the responsibilities of the position, as well as any alternative options for out-sourcing these needs.

Mr. Goodspeed entered the meeting at 10:27 a.m.

Ms. Clute introduced John C. Bieniek, Vice President of Cool Insuring Agency, who was present to update the Committee on the insurance coverage purchased to cover the County's mobile radio and communications equipment. Mr. Bieniek advised that his firm's inventory of County radio equipment had derived a total \$600,000 in value, while the previous insurance coverage held a limit of only \$48,000.

In light of the lack of coverage, Mr. Bieniek relayed his advisement that the coverage be increased to appropriately cover the County's interests and he proposed a policy that would cover all equipment valued at \$1,000 or more for a cost of \$746 annually. By covering only equipment valued over this amount, they would reduce the total of the equipment covered by the policy to \$355,000, he advised. Mr. Bieniek added that the proposed policy would lend coverage for larger priced items such as transformers, microwaves and base stations in addition to any other equipment valued over \$1,000. He noted that in discussing the matter with the pertinent Department Heads, he had found that maintenance contracts were purchased for the majority of the radio equipment and that the communications equipment located in the Sheriff's vehicles were insured under the Department's automobile coverage.

Mr. Kenny asked what the history of losses in radio and communications equipment was and Ms. Clute replied that she had no specific information on such losses as they were presented directly to the County Attorney and were not reviewed by her Department. However, she noted, she had spoken with the Sheriff and the DPW Superintendent who felt that this coverage was valuable and should be considered.

Mr. Taylor suggested that prior to making a decision on the coverage they should consider the previous losses.

Subsequent to discussion, it was the consensus of the Committee that the coverage change as suggested by Mr. Bieniek should be discussed at their next meeting.

Mr. Bieniek stated that pursuant to a complete real property appraisal, a value of \$92 million had been

developed as the total replacement cost for all County property. He stated that the appraisal included measurements, schematic drawings and photographs of every County-owned building and he distributed copies to Mr. Sheehan and Mr. Dusek, as well as to Hal Payne, Commissioner of Administrative & Fiscal Services.

Proceeding to the final agenda item, Ms. Clute advised that she had been re-elected as NYSASIC (New York State Association of Self-Insured Counties) President for a second two-year term. She noted that the Board of Supervisors had previously approved Resolution No. 386 of 2006 which authorized her to serve as President during her previous term.

Motion was made by Mr. Girard, seconded by Mr. Strainer and carried unanimously to authorize Ms. Clute to serve as President of NYSASIC for a two year term and the necessary resolution was authorized for the June 20<sup>th</sup> Board meeting. *A copy of the request is on file with the minutes.*

As there was no further business to come before the Support Services Committee, on motion made by Mr. Strainer and seconded by Mr. Taylor, Mr. Sheehan adjourned the meeting at 10:39 a.m.

Respectfully submitted,  
Amanda Allen, Sr. Legislative Office Specialist