

## Warren County Board of Supervisors

**Committee: Support Services**

**Date: July 30, 2012**

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**Committee Members Present:**

Supervisors Taylor  
Strainer  
Loeb  
Frasier  
Mason  
Vanselow

**Others Present:**

Mary Beth Casey, Commissioner, Board of Elections  
William Montfort, Commissioner, Board of Elections  
Amy Clute, Self-Insurance Administrator  
Paul Dusek, County Administrator  
Joan Sady, Clerk of the Board  
Kevin Geraghty, Budget Officer  
Supervisor Bentley  
Supervisor Dickinson  
Supervisor Thomas  
Supervisor Wood  
John Strough, Queensbury Town Councilman  
Don Lehman, *The Post Star*  
Thom Randall, *Adirondack Journal*  
Nicole Livingston, Second Deputy Clerk

**Committee Member Absent:**

Supervisor McDevitt

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Mr. Taylor called the meeting of the Support Services Committee to order at 10:30 a.m.

Motion was made by Mr. Strainer, seconded by Mr. Mason and carried unanimously to approve the minutes of the May 14, 2012 Committee meeting, subject to correction by the Clerk of the Board.

Mr. Taylor remarked the Commissioners of the Board of Elections were at the meeting to present a request and he extended privilege of the floor to Mary Beth Casey, Commissioner of the Board of Elections. Ms. Casey requested to amend the 2012 County budget to increase estimated revenues and appropriations in the amount of \$5,795 to reflect reimbursement from the HAVA (Help Americans Vote Act) grant.

Motion was made by Mr. Strainer, seconded by Mr. Mason and carried unanimously to approve the request to amend the 2012 County budget as outlined above, and to refer the same to the Finance Committee. A copy of the resolution request form is on file with the minutes.

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 the agenda is on file with the minutes.*

Commencing the Action Agenda review, Ms. Clute presented a request for a new contract with Tech Health to serve as the pharmacy network vendor for the Self-Insured Workers' Compensation Program. She noted Tech Health was the low bidder in response to an RFP (Request for Proposal) and the County had a successful relationship with them in the past. She added the contract would commence October 1, 2012 and terminate September 30, 2015, with an optional three year extension.

Motion was made by Mr. Mason and seconded by Mrs. Frasier to approve the request as presented.

In response to an inquiry relative to what the pharmacy network vendor did, Ms. Clute explained that approximately six years ago, the Workers' Compensation Board provided counties the ability to contract with pharmacy benefit managers for injured workers pharmaceuticals, which provided a large discount that vendors could obtain, but the County could not.

Following discussion, Mr. Taylor called the question and the motion was carried unanimously to approve the request for a new contract with Tech Health as outlined above, and the necessary resolution was authorized for the August 17, 2012 Board meeting. A copy of the resolution request form is on file with the minutes.

The next item on the Agenda, Ms. Clute stated, was a request to set the salary for the newly created position of Deputy Insurance Administrator at \$36,000. She noted the new employee would begin work on August 6, 2012. She reminded the Committee members that the salary range that had previously been approved was \$36,000 to \$40,000 and she had offered the position at \$36,000.

Motion was made by Mrs. Frasier, seconded by Mr. Strainer and carried unanimously to approve the request to set the salary for the Deputy Insurance Administrator position at \$36,000; thereby amending the Department's Table of Organization and Salary Schedule, and to refer the same to the Personnel Committee. A copy of the resolution request form is on file with the minutes.

Ms. Clute advised the next item on the Agenda was a request to authorize the Administrator of Self-Insurance to serve as a Director of the New York State Association of Self-Insured Counties for the term expiring December 31, 2014. She stated that she had been past President of the Association and had served on the Board of Directors for two prior years.

Motion was made by Mr. Strainer, seconded by Mrs. Frasier and carried unanimously to approve the request to authorize the Administrator of Self-Insurance to serve as a Director of the New York State Association of Self-Insured Counties as outlined above, and the necessary resolution was authorized for the August 17, 2012 Board meeting. A copy of the resolution request form is on file with the minutes.

Ms. Clute noted the last Action Item on the Agenda was a request to attend the New York State Association of Self-Insured Counties Conference on October 3-5, 2012 in Syracuse, New York. She remarked the cost for Conference was \$396 and that money was in the Self-Insurance Fund.

Motion was made by Mr. Strainer, seconded by Mr. Mason and carried unanimously to approve the request to attend the New York State Association of Self-Insured Counties Conference as outlined above. The Authorization to Attend Meeting or Convention form is on file with the minutes.

Ms. Clute directed the Committee members to the Topics for Discussion portion of the Agenda. The first item, she said, concerned the 2013 Self-Insurance Plan Budget and Participant Assessments. She informed that the numbers from the Self-Insurance budget went into all of the town budgets, as well as the County budget. She reviewed the following information on

the Self-Insurance budget that was included in the Agenda:

- the revenues in the Plan came from the Plan participants, such as the towns, fire companies and departments of the County;
- the Self-Insurance Plan was not a direct part of the County budget;
- the Contributed Reserve was increased or decreased at year end;
- the balance of revenues after expenses had traditionally fluctuated;
- to accurately budget she would need to know how many employees would be injured, what type of medical care they would require and how long they would be away from work; therefore, the budget was estimated based on historical figures;
- the monies were part of a pool and not appropriated into funds other than for budgeting;
- the budget revenue was appropriated based upon claims experience.

Ms. Clute highlighted the budget challenges that she faced as follows:

- Maximum Indemnity Rates had increased 98% since the 2007 "reform";
- medical visit rates had increased 30% since the 2007 "reform";
- cost savings portions of the 2007 "reform" had yet to be implemented;
- increasing loss adjustment expenses (medical fees and legal fees) primarily due to additional resources necessary for compliance with recent legislative and regulatory changes;
- Excess Workers' Compensation market tightened and the rate increased 15%;
- Workers' Compensation Board assessments estimated increase of 13%;
- decreasing interest rates on Reserve Fund and fund balance;
- 25% funding from Contributed Reserve for 2012 was no longer feasible.

Ms. Clute discussed the following components for the 2013 Policy rates and renewals:

- NYCIRB (New York Compensation Insurance Rating Board) had proposed a rate increase of 11.5%;
- Commercial Workers' Compensation renewals would increase 20% to 25%;
- the Self-Insurance budget would increase 5%.

Ms. Clute noted favorable trends, such as 15 less claims were filed from January to June 2012 than the same time in 2011; and 419 less lost work days from January to June 2012 than the same time in 2011. She reported the unfavorable trends (loss adjustment expenses) were increases in the utilization of IME's (Independent Medical Exams) and an increase in legal fees.

In response to an inquiry relative to utilizing in-house legal staff, Ms. Clute explained she contracted with a Workers' Compensation Attorney through the bidding process, and had been using the same attorney for approximately six to eight years.

Mr. Taylor asked what the current balance was in the Contributed Reserve Fund and Ms. Clute replied at the end of 2011, the actual balance was \$2,824,535.55 and the estimated balance as of July 1, 2012 was \$2,233,745.62. Mr. Taylor also wondered if the 419 less lost work days was a result of the implemented safety programs and Ms. Clute responded that Needham Risk Management had been aggressive in terms of safety and she believed it had assisted in the reduction of claims and lost work days.

Continuing the Agenda review, Ms. Clute reviewed in detail the proposed budget for Self-Insurance, including the 2013 estimates, the 2012 budget requests and the net changes,

pointing out increases in the legal fees and payroll codes. She noted the estimated total expenses for 2013 was \$1,315,142.72, less the interest revenue in the amount of \$11,000, for a total of \$1,304,142.72 for participant assessments.

Mr. Loeb questioned why there was a decrease in the Contributed Reserve Fund, when there had been less accidents and claims filed. Ms. Clute explained that there were significant claims from years ago that were resolved, and those figures were reflected in the outstanding liabilities which fluctuated regularly. Another major factor in the decrease in the Contributed Reserve Fund, she stated, was because in 2010, \$415,000 was removed from the Fund to offset the County's cost in premiums. She added that in 2011, \$524,000 was utilized and in 2012 approximately \$300,000 was taken from the Fund. She further noted that when there were more expenses than revenue, the Fund would decrease, as well.

Paul Dusek, County Administrator, recalled a resolution adopted in 2010 that set the Contributed Reserve Fund at \$5 million; however, he said, the 50% discount on premiums that was given that year was done because of the County's need for relief, as was the case in many other municipalities. He pointed out that as the difficult economic times continued, the County was able to continue utilizing the Reserve Fund, knowing that in time the Fund would have to be rebuilt. Mr. Dusek opined a \$2 million balance in the Fund was not sufficient and should ideally be \$3 million or more. He asserted that in the coming years, the County would need to gauge percentage increases with the desire to continue to rebuild the Reserve Fund.

Ms. Clute referenced page 26 in the Agenda, which outlined the breakdown of the 2013 estimated total of \$1,304,142.72 amongst the participants, which was calculated by a formula. Mr. Mason thanked Ms. Clute for providing such an informational and understandable presentation.

Ms. Clute apprised the next item was with regard to the NYMIR (New York Municipal Insurance Reciprocal) accounting statement which was included in the Agenda packets on pages 37 and 38 for the Committees review.

Ms. Clute noted the next item was regarding a Local Law to address the position of the Deputy Insurance Administrator. She stated she had met with the County Attorney and was advised that a local law was needed to provide the Deputy position the authority to act in the Administrators' absence. She added that the County Attorney was in the process of drafting said local law and she would present it to the Committee at a future date. A brief discussion ensued with regard to the Civil Service process of creating exempt positions for department heads and deputy positions.

Ms. Clute remarked the last item was for a revision to Local Law No. 4 of 1981, as previously amended by Local Law No. 7 of 2011, for the Self-Insurance Plan. She apprised that the revisions would address how withdrawals from the Plan would be handled. She further noted that the County Attorney was in the process of preparing the revisions for the Committees review at a later date.

As there was no further business to come before the Support Services Committee, on motion made by Mr. Mason and seconded by Mr. Strainer, Mr. Taylor adjourned the meeting at 11:26 a.m.

Respectfully Submitted,

Nicole Livingston, Second Deputy Clerk