

Menominee County Finance Committee  
Minutes of Meeting  
August 17, 2010

**APPROVED 9.16.2010**

The Finance committee of the Menominee County Board met on August 17, 2010 at 8:30 a.m. in the Menominee County Law Library. Present at the meeting were Com. Charlie Meintz, Com. Garry Anderson, & Brian R. Bousley, Administrator.

**Also present:** Bernie Lang, James Furlong, Mike Holmes

**Agenda** was approved by Meintz supported by Anderson 2-0

**Previous Meeting minutes: June 15, 2010 & July 22, 2010** ~ approved by Meintz supported by Anderson 2-0

**Public Comment:** None

**Business:** a. Presentation by Bruce Caley – Superior State Administrators, Inc.

Have been administering the Section 125 for the county for the last decade. Goal to show all options with Blue Cross Blue Shield (BCBS) of MI. Proposal to be named agent of record. Analysis offers 10 different plans. Recommend the county utilize max 105 (health reimbursement arrangement) option 7, most cost effective. With the max 105 claims maximums...if every single person and their dependent hit the maximum claims level, the county would be liable to pay out \$288,000 (sample option 1). Option 7 will change the deductible from \$250 to \$2,000. Anderson: Who pays the deductible? The county will still pay this. Anderson: Does the county pay this now (to Brian)? Bousley: Yes, the county pays this. We pay the deductible just for the employee. Furlong: So starting Jan. 2011 we would have to pay \$755,692 for the core premiums. But then we would also have to budget the deductible amount? Caley: Yes, I would budget \$112,000. Meintz: Do we have any idea what the 2011 projections would be at? Caley: If the insurance increases, so would the projections. You have options to allow the employee choose what option they would like to be under, though with a union, this may be complicated. Superior State recommends you adopt option 7, Max 105 and choose us to be named the agent of record. Bousley: Will there be any additional administrative fees? Caley: Yes. There is a \$100 annual fee and for each employee on the Max 105 there is a \$3.50 per month charge and if the employee has both the Section 125 and the Max 105, the fee is an additional \$1.50 per month. Bousley: Will there be support for the Clerk's office. Caley: suggests that Superior State handle all of the administration of both the Section 125 and the max 105. Reasons: Double dipping, continuity of claims administration and no HIPPA Concern. Anderson: What other ways that the county can save by going to a different insurance, other than BCBS. Caley: This can happen, but employees are not happy with change. I don't recommend it. This may be a short fall savings if any at all. Furlong: Has our agent of record brought any cost savings options to the

county? Bousley: Yes. Lang: You said the guaranteed savings is \$180,000. Do the other guys (Babcock & Stage) have the ability to propose the same thing you are proposing? Caley: Yes Lang: Where is Jan Stage? Bousley: Jan has asked to present when we're ready to have him present. Furlong: So far all agents have presented with BCBS, so we're comparing apples to apples. Caley: Not really, you have to understand there's two ingredients: third party administrator, that administer the claims and there's the insurance company. We are both; we are the agent and the administrator. Vince is the agent; he'd have to hire an administrator separate from him. Furlong: So more cost? Caley: More cost, as with us, but we quoted less. Furlong: I understand that indiv. plans (flex spending), the employee pays the administrative fee. Does the county pay an administrative fee also? Bousley: I think the employee gets charged for that, I'm not sure though. Furlong: We currently have a courthouse employee in charge of the deductibles and reimbursing employees. I didn't realize the cost savings to the employer having an administrator. BCBS pays a commission to the agent? And we also have to pay fees per employee? Caley: Yes, that's for us to do the administrative work. Meintz: How many millions of \$ per year does your business do in Insurance? I know there are different commissions which you can pass on to bring rates down. Caley: If it's allowed. I can't legally rebate a commission. If the Insurance Company allows a reduction of the commission, it's not considered a rebate. Anderson: Are we offering the same insurance so we're not short changing the employee? Are we saving money? That's what the commission needs to look at. Caley: You're slightly improving the plan for the employee; so you're not shortchanging. You are changing the process of how the claims are being paid. That becomes a negotiation issue for the unions. Anderson: Is that a problem? Bousley: When you're dealing with health insurance, things get a little touchy. Anderson: Is this a drastic change for the claims processing? Meintz: So this would relieve some pressure on our staff in the clerk's office. Furlong: When do we have to make a decision? Anderson: When's our insurance due, the first of the year? Bousley: The first of the year, but we have to renew before that. Caley: Approx. sixty days ahead of the renewal, you'll know what your premiums will be for the upcoming year. Furlong: We are in negotiations now... Bousley: We're setting up dates now.

- b. Discussion of 2010/11 Budget – Bousley: Biggest thing here is a 15% increase in health insurance. Also employees pay 10% of their insurance. There's a 1% increase in salaries. All the flat rates for MERS is in there for the administrator, buildings and grounds and the sheriff dept. That's roughly \$70,000. With Judge Hupy having Marty at the annex, it's a \$44,000 position but we only pay half. It saved us a lot of money. And allowed us to cut \$20,000 out of Judge Hupy's acct. for institutional and foster care. There's a lot of projects that the board is going to want to do, so we'll have to look at that and adjust the budget to that. If you look at the "Other legislative" that has the hospital ins. (health ins.) but if you go down to the bottom, Capital outlay...this is for projects that the commission wants to add, this is where we put that. Right now we have a little left of the Contractual services to get some of the District court started. I put \$15,000 in for the renovations. We want to drop the ceiling in courtroom A and put the fans in like in courtroom B. Furlong: Did we fix the leak in the roof? Bousley: It hasn't leaked so I guess it's been fixed. Anderson: Al

figures he found it. Did we ever check out the law library? Do we need to have this? Bousley: I talked to Judge Barstow. We need to keep that. I put in \$10,000 for the fire door of the jail. We'll need plans to do this. Anderson: What about the cell doors that are not operating? Bousley: We just had an inspection, so we'll have to wait to see what the report says. We do have the building fund, the treasurer's office has the PA123 money that we can use. Meintz: What did you do with the interest on the building fund, is that still in the general fund? Did you change that? Bousley: No, if that's what you want to do, we'll have to address that. Anderson: These are decisions that the county board is going to have to make. Bousley: I kept the building inspector at part time. We'll have to look at that too. Meintz: We were talking about working with the City of Menominee. Anderson: I think that is a dead issue. Furlong: That is something we talked about before hiring a building inspector. Bousley: Dan is able to do it within the hours assigned right now. If we have an increase we'll have to re-look at this position. Furlong: I spoke with Dan, he is keeping up with his inspections and all, but on the administrative side, other than the day to day stuff, this is best to do during the winter time when he's not so busy. If he's laid off during the winter, that won't get done. Anderson: I think he should stay part time during the winter. He's learning a lot of things that weren't visible before. Consensus is to keep the building inspector part time for now. We can readdress this at a later date if the demand is there for full time. Bousley: What do we do next? Anderson: I think we should have our county board meeting first and hash over some of the things we need to look at. Charlie and I don't have any direction. What priorities does the county board have? That's what we need to know. Anderson: I'm tired of looking at these numbers. Bousley: Should we schedule a whole day to go over the budget? Anderson: At the county board meeting we should make a decision on where to go. Holmes: I'll contact the DMC to see what we need for the fire door, Get the guidelines. Bousley: When I spoke with Al, he said that Steve had to get plans a while ago. Meintz: Do you feel there will be other problems with the report? Holmes: Well, the cell doors. Meintz: How many times has that been on the safety report? Meintz: Why aren't we getting into trouble for stuff on the safety report? Anderson: It's government dealing with government. Lang: If it's mandated, then the state has to pay for it. Bousley: I do have one thing, it's over my spending authority. It's a renewal for the county computer systems, Symantec, anti virus and Cisco networking. UES administers this for us. Anderson: That's something that the finance committee can't approve. It'll have to go before the board. Meintz: Yes, I move that we forward this to the board for approval. All concur.

**Correspondence:** None

**Any Other items Members may wish to present:** None.

**Public Comment:** Ruby Ivens: Consider paying mileage to the committee members that are on the volunteer committees. Some committees do pay for per diem and mileage.

The committee adjourned at 9:50 A.M. moved by Meintz, seconded by Anderson