

BARTHOLOMEW COUNTY COUNCIL
Continuation of 2016 Budget Hearings
August 25, 2015

Name:	Representing:	Title:	Present:
Evelyn Strietelmeier Pence	At Large	President	Present
Bill Lentz	At Large	Pro-Tem	Present
Jim Reed	At Large		Present
Chris Ogle	District 1		Present
Laura DeDomenic	District 2		Present
Mark E Gorbett	District 3		Present
Jorge Morales	District 4		Present
Chris Monroe	- -	Attorney	Present
Barb Hackman	Auditor	Secretary	Present

The Bartholomew County Council met on August 25, 2015 at 5:30 p.m. in the County Council Chambers of the Governmental Office Building, 440 Third Street, Columbus, Indiana.

President Pence called the meeting to order.

The first item was a presentation by the APEX Group regarding insurance. Shana Schwagman, Bill Sylvester and Eric began their presentation. They are an employee benefit consultant brokers firm that deals with health and wellness only. They have 14 Indiana Counties and 35 public sector clients. They work with clients to find solutions to budget crisis. That is why they are here. Bill Sylvester stated that they get brought in at times when the money is at a critical situation. Health insurance is the elephant in the room. Laura DeDomenic stated that we cannot continue on the direction we are on with the health insurance. Bill Sylvester stated that they do not have claim reports and data to show specific savings, but briefly looking at what they are doing. With the plan that they

have to propose could save them \$1,000,000 with the benefits being the same. That plan would include changing your broker. It would require the change of the TPA that we have had for 30 years. It was clarified that the Commissioners control those functions. Mark Gorbett stated that even saving \$1,000,000 is not enough at this time. We need new revenue in addition to cuts. Bill Sylvester stated that \$1,000,000 does not solve the problem, but it makes the problem smaller. He believes they could save more than \$1,000,000. He contends that they put them on a different plan. Currently our TPA and Broker go out for quotes. Another County that changed 5 years ago, they dropped their amount by \$1,200,000 and their plan costs have only increased by 6.2%. Their solution puts you in control and those that have taken the step and moved to this do not want to come off of it. It will take you out of risk of being a Cadillac plan. The plan design could be the same as it is now and save money. The biggest cost savings is to put their own TPA in place. The other way is to keep our current TPA with their plan but you won't save as much money. They understand that the Council does not choose who they do business with. We would need to have the numbers by February 15 when the 1782 notice is sent out. With other Counties, they have been able to cut 25% to 30% off the cost. They are the Advisor/Broker Consultant. They are the only endorsed company by the AIC and have been since 2006. It works for people that have money issues and a tolerance for change. There is a managing of the process and you have to follow the procedures. This program addresses the claim process. They don't sit and watch what the hospital and the insurance is going to pay for a claim. Every entity has an

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administrator. Some companies function as insurance and administrators. If they had access to all the claim and script information, they could show you where they could save money. Time is a factor. They wanted to meet with the County in the past but were unable to get an appointment. The Cadillac tax is at 40%. APEX is stating they can save the 25% to 30% without changing any of the insurance benefits to the employees. That would be all APEX and would include their fee. The one change would be that the employees would be on a National Network. Looking at the prescription plans, they can look at the scripts that are being used and then are able to reduce costs for those. There would be no disruptions; they would just go to a different plan. Laura DeDomenic asked what the process would be to switch to this. Commissioner Flohr stated that they have Doug Cassman reviewing the insurance and presenting that information on September 2, 2015. They are only as good as the numbers they receive to review. They have had issues in other Counties where someone is concerned about losing the business so they have not received the information in a timely manner. If the Commissioners are at all interested, they would need to gather the information by the end of the week at the latest. Jim Reed asked if they had lost any Counties that they had taken over. They have not. There is some fear in the beginning. A couple of the Counties have saved so much money that they have paid their employees contribution portion for several pay periods. Laura DeDomenic asked if the Commissioners could have Dunn and Associates provide APEX the information they need so that we could have more options. Cass County has been with APEX for 5 years. Their Recorder was the Auditor when they went on. The

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City of Marion has been with APEX for 4 years and they saved \$1,500,000 in the first year and \$2,800,000 overall with other changes. Mark Gorbett stated that he would hope the Commissioners would look into this option. Attorney Chris Monroe stated that there are 2 questions. Who has the ability to look into the insurance? The Council can look into insurance as far as the money is involved. Who has the ability to contract for the insurance? The Commissioners are the body that contract for the insurance. Larry Kleinhenz stated that he would meet with APEX tomorrow and if they can show them a \$2,000,000 savings without changing the benefits to the employees they will sign up. Attorney Monroe suggested that APEX could submit in writing what information they need to prepare a proposal. This should be submitted to the Council, the Commissioners and copied to the Auditor. APEX will provide an itemized list of what they need first thing in the morning. There will be no charge for this service. Also, they will send the Auditor a list of the Counties they are currently serving.

Mike Ketron, in the audience, spoke about insurance. He is with a third party administrator. He has been a resident of Bartholomew County for 39 years and his wife has been an employee of the County. He is now with Medven as of last November. He is not going to state that he can save the County \$1,000,000. It is not the fixed costs that are out of control. It is the claims themselves that are out of control. They need to change that portion. If you look at self-insurance, 15% is fixed costs with the remaining 85% being your claims. They review the claims that are above normal. One individual was in intensive care for 4 days and the doctor had ordered potassium tests each day.

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When looking into it, there were 7 other tests ran each day that were not ordered. It saved the insurance and patient \$21,000 after this was found. He noticed the County has a cash reward benefit. If they employee tracks the information and a bogus claim is found, they pay the employee 50% of the savings. He recommends Dialysis language. It is marked up 400% to 700%. They recommend it state that they will pay Medicare rate plus 30%. As far as pharmacy, they do not use Express Scripts. For every script that is written, the pharmaceutical company pays Express Script a rebate that they are keeping. The County should be getting that money back. He had to go onto the County plan last year between jobs and was disappointed that the screening did not ask if he had had a colonoscopy. If they are doing the screenings, they should be asking about these screenings and should follow up with the patient. The early find costs are much cheaper than finding a terrible disease after it is full blown. He is discussing whether the claims are being reviewed as they should be to see that we are only paying for what should be paid for. This is how his company controls the cost. They had a hernia surgery for \$74,000. Of that figure \$63,000 was for use of the equipment. They went to the billing agency and stated they weren't paying for the equipment and saved the client that \$63,000. He has spoken with the Commissioners in his previous job, but not in his new role. He would like to meet with them and discuss things.

Judge Heimann spoke. He has worked on items that could help with the budget crisis. Is there a requirement that all employees be budgeted at the \$24,000 for family insurance? Auditor Hackman stated that they have changed the way they budget for

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insurance. Some departments reimburse the County based on figures from Dunn and Associates. As far as what they are instructed to budget, they were told to budget based on family. Then, they are using the Cobra rates. That money would include the money from General Fund, Grants and money that the employees contribute. Auditor Hackman stated that the contribution of the employee is not factored into the Cobra rate. Judge Heimann stated that is not what he is being told by someone that understands the insurance process very well. Auditor Hackman stated that is not correct. Judge Heimann the 2015 Cobra rate is \$1867.98 for family per month. He is told then that the provider quit receiving \$1,200,000 from the employees' contributions. Auditor Hackman stated that they were receiving a set amount per month. Prior to 2015, they were receiving what they collected based on estimates given to the County by Dunn and Associates. Judge Heimann stated that we are told the older employee base is our problem when we have re-insurance. Laura DeDomenic stated that the re-insurance does not kick in until a very high number. Judge Heimann stated that his understanding of the Laser is that most employees would have re-insurance kicking in at \$125,000 but a Lasered employee would not kick in until \$250,000. He stated that only 15% of the employees meet their deductible. Jim Reed stated that those 15% could be right up to the edge. Judge Heimann is not suggesting there are false claims, but after hearing Mr. Ketron he believes we need to be reviewing these claims closely. Laura DeDomenic wanted to know what his conclusion is. He is preaching to the choir. Judge Heimann stated that the CAGIT goes into a separate fund while the City places their CAGIT into the General Fund. The

law was changed for Counties only that CAGIT money had to go into a separate fund, not into the General Fund. Judge Heimann stated that he keeps asking questions because the fact that when the employees hear it would take 88 employees being laid off to balance the budget, it is incendiary. Bill Lentz liked his comments. He knows that Barb and Sandy do a great job as far as the insurance estimates. There are 15 departments that have to budget for insurance while the other departments do not have to. Highway is the largest one that has to budget. If the money is not spent, it remains in their fund. Judge Heimann stated that we have the insurance company talk to the Commissioners, the Commissioners talk to the Auditor, the Auditor talks to the department heads. Maybe the process needs to be looked at. The City budgets \$11,846 annually per employee for insurance. Jorge Morales also noted that BCSC pays less than we do also. That is why they are having Doug Cassman look at the insurance and is also why we have APEX and Mr. Ketron reviewing our information. Judge Heimann is here to present alternatives as he was asked to by President Pence. Auditor Hackman stated that the misinformation that is out there is also an issue. She will provide Judge Heimann with the calculations as to how the numbers are arrived at.

Clerk Jay Phelps had some update information. He had mentioned that another County had charged the City for a municipal election. He looked into this and found that we are one of the few Counties not charging for Municipal Elections. We can start charging for the fall election of 2015 but cannot go back to the primary. He listed what items could be reimbursed at 100% and what items could be reimbursed at 75%. They

had encumbered funds for updating the machines until their vendor was certified. He is going to see if they can charge the City for. A conservative effort of how much he can bill the City for everything is \$40,000 to \$45,000. If he can, he would be willing to put that money back into County General. He could also charge some small towns as well. He cannot charge the Federal Government for the Presidential Election. Mike Lovelace stated that they would be starting a war. The City residents pay the Election tax rate. The County kids do not pay more to attend Donner Pool than a City kid does. It is good to look at change, but this will just start a war with the City. Jorge Morales would be more in favor of negotiating with the City to wane themselves off the current process and do it more like the County. Chris Ogle wanted to thank Clerk Phelps that he appreciated it, but he isn't certain that they want to do that. Auditor Hackman stated that the CEDIT they enacted gave the County \$1,900,000 but the City receives more. It would be the same with the LOIT Public Safety.

- - BREAK - -

The Youth Services Center was the next item to discuss. Chief Probation Office Brad Barnes was present to answer questions the Council had. Jim Reed had a number of \$1,515,091. President Pence asked about the cooks in the Youth Services Center. She has called other Counties and they use the cooks at the Jail. Mark Gorbett asked about how they would transport the food and other issues as the two facilities are not side by side. She also asked about programs and most Counties do not have programs. Jackson County does have some programs. Judge Coriden stated that if we cut out Youth

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Services, then she believes it will cost the same or more money. If you send the kids off they may get better treatment but then they come home to the same household situation. President Pence was looking at saving by using the Jail cooks. Mark Gorbett stated that would need to be put into the Jail funds then. Logan Freck (*in the audience*) served with the Federal Government for 24 years. He now works with the Youth Services Center. He is required to serve the same requirements for breakfast and lunch that the schools have to. He is tasked with meeting everything for those meals and he maintains those requirements for supper. They contract with Gordon Foods and he reviews all the items to meet the nutritional standards. We also get a reimbursement from the State that does not cover the cost of the meals. Jorge Morales asked if he has a goal as to what each meal will cost. Mr. Freck stated he does not as he does not know how many he will be feeding until he walks in the door in the morning. He knows what his yearly budget is and what he will be purchasing from Gordon Foods or receiving from the Commodities. The numbers being fed can change up to the minute that they serve. They are averaging 21-35 for breakfast and lunch. They do try to reuse vegetables through soups or such. He works a fluctuating schedule of 5 days a week. He was promoted to head cook and lost a part-time cook. They average 6 employees per meal. Some of the employees are allowed to leave. Most of the employees bring their meals or order in. There is no reimbursement by the employees for meals they eat at the facility. There were no changes made to their budget.

Court Services was increased by \$500 due to employees as set by the State.

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Alcohol and Drug is user fees. There were no changes made.

Community Corrections again the employees are set by the State.

Adult Probation was reduced from the 2014 amount. They are not generating enough user fees to fund it and that is why it was reduced in 2014.

Alcohol and Drug has only brought in \$83,000. In 2014 he brought in \$103,000 but spent \$136,000. The fees are just not being paid.

Supplemental Juvenile Probation stayed the same.

Superior Court I is the same.

Superior Court II is the same.

Superior Court II Public Defender is the same.

There was a question about \$125 for hotspots for the on-call Judge. It allows them to use their computers wherever they are at. Why does Superior Court II have all the bailiffs and such. It was stated that they are just split out in the budget for Superior Court II where they are not in Superior Court I.

In County Highway, they have agreed to pay County Engineer Hollander and one crew chief's salary and benefits which will reduce their Highway Fund. They will not do the trucks or other options. This will generate about \$200,000. This would free up levy for County General, not dollars to be transferred. They would not add any more to the Cumulative Bridge Fund. Highway does not have a tax rate, it is all gas tax.

Local Roads and Streets is the same.

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Health Department is the same with the 2015 amounts. This is where Director Mayfield had asked to raise the Assistant Director of Health to the same as the Assistant Director of Nursing at \$2,000 per year. It was decided to look at this at the end of the hearings. This fund can have the levy reduced and added to the County General levy. Laura DeDomenic would like to have this reviewed to make certain that we are not duplicating services that are already being provided. Bill Lentz looked at the 200's and what they have spent year to date. Mark Gorbett stated that he held money until the end of the year to make sure he had the funding. Auditor Hackman stated that next year we will remove the year-to-date amounts and change the most current year to the actual spent amounts, not the appropriated amount. Chris Ogle asked if the new Assistant Director of Nursing was making the same amount as the former Director when she retired. It was stated that it does not seem correct to pay the new person with less experience the same amount as the retired person with years of experience in that position. Chief Deputy Beatty took everything back to 2015 figures. Auditor Hackman stated that their total budget is less than they received in 2015. Mr. Eggermann stated that they will move about \$400,000 from the Health levy to the General levy. Bill Lentz noticed that they had increased the fuel costs even with the lower actual costs. They wanted to reduce the operating supplies by \$3,500 from the \$17,000 amount it had already been reduced to. That will leave it at \$13,500. The 03-10 was cut to \$12,000 from \$15,500 for Professional Services. Mark Gorbett is getting frustrated. They are doing line by line. Every department has done this.

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Local Health Maintenance is grant so it is the same.

Local Health Trust is the tobacco settlement money that we get every year. It is strictly for tobacco awareness and stopping tobacco use. A lot of it has been used for dental issues. It was asked if they could use some for the DARE fund.

Solid Waste is the same. They follow the County regarding the wages.

Visitors Center is the same and President Pence suggests that they do not give raises. Bill Lentz asked if the County owns the Library and Visitors Center property. They will check into this.

Circuit Court is the same. No increase for the \$125 or the furniture. It was determined to move the funds back to 2015 level at \$560,000.

It was determined that the Bartholomew County Library and Visitors Center property is owned by the Bartholomew County Library.

Circuit Court 4-D was the same.

Veterans Service had requested changes in the personnel. It was stated that they should not add head count anywhere. It was determined to leave it at the 2015 figures.

The Commissioners budget was next. Mark Gorbett would rather discuss this tomorrow night when the Commissioners are here as it is a very large budget. Chris Ogle pointed out that the \$3,100,000 is CAGIT money that is back in County General. They have given us more of the CEDIT money. Bill Lentz asked about the 501C3 donations. Mark Gorbett doesn't see how they should be giving to Not-For-Profits. Laura

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DeDomenic noted that we are talking 3 employees or so. They need to be gone. We should not be generous at the expense of our employees.

Mr. Eggermann, the Auditor's Financial Consultant, had some new information and he is not able to attend tomorrow night. The information that is loaded to Gateway and then the State makes changes based on their estimates of what we will receive. He did find \$53,000 to our good in numbers they had entered incorrectly. Also, on the refunds that were given, the County is only 40% to 50% for our portion of the \$980,000. That led to other questions as to possible missing money. When they were talking about how much of the trust money was going to go into the General Fund. Because of not having that figure, this will change the operating fund balance at the end of the year from \$20,000 to \$820,000. That plus any money that is returned could get us close to \$1,000,000. That amount of \$800,000 was left off the 2015 receipts but is in the 2016 numbers. Some of that amount was taxes written off by the Treasurer's Office due to bankruptcies that were over 10 years old. Jim Reed asked if the County comes before other entities regarding money from the bankruptcy. Mark Gorbett stated that we are at \$1,000,000 roughly and we have stopped the Annex at \$2,600,000. Chris Ogle stated that the Annex money will only be back into the "savings" account that is called the Rainy Day Fund. President Pence had asked Mr. Eggermann about the letter from the City stating we would not be receiving any money from the City TIF Districts. She asked if they had to report to us what they are using the money for. Auditor Hackman does not believe that bill was passed. Abatements by the City are also hurting the assessed value

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by giving away abatements. We are also not receiving about \$130,000 in Inheritance Tax. Mark Gorbett does not believe that we should just shut off the Not-For-Profits. We need to look at backing it down slowly.

The 2016 Budget Hearings were recessed until August 26, 2015 at 5:30 p.m.

BARTHOLOMEW COUNTY COUNCIL

By: _____
Evelyn Strietelmeier Pence, President

By: _____
Bill Lentz, Pro-Tem

By: _____
Chris Ogle, Member

By: _____
Laura DeDomenic, Member

By: _____
Jorge Morales, Member

By: _____
Mark E. Gorbett, Member

By: _____
Jim Reed, Member

ATTEST: _____
Barbara J. Hackman, Auditor
Bartholomew County