

FINANCE COMMITTEE
December 16, 2010

Call to Order. Chair Mawhinney called the meeting of the Finance Committee to order at 7:30 A.M. on Thursday, December 16, 2010, in Conference Room N-1 on the fifth floor of the Rock County Courthouse-East.

Committee Members Present. Supervisors Mawhinney, Kraft, Beaver and Podzilni.

Committee Members Excused: Supervisor Diestler.

Staff Members Present. Jeff Smith, Finance Director; Craig Knutson, County Administrator; Sherry Oja, Senior Accountant/Assistant to the Finance Director; Diana Arneson, Assistant to Information Technology Director; Michelle Schultz, Real Property Lister; Diane Michaelis, Financial Office Manager, Sheriff's Office; Dave Sudmeier, Controller, Rock Haven; Dave O'Connell, Human Resources Director; Jeff Kuglitsch, Corporation Counsel (7:57 A.M.).

Others Present: Ryan Barbieri, Willis of WI; Dan Dodd, Retirement Plan Advisors.

Approval of Agenda. Mr. Smith said there was an addition to the agenda, item 5.E.2. Human Resources, and a replacement resolution of item 6.B. Approving Reinsurance Contract for Stop-Loss Coverage. Supervisor Podzilni moved approval of the agenda as amended, second by Supervisor Kraft. ADOPTED as amended.

Mr. Smith and Mr. O'Connell introduced Mr. Barbieri and Mr. Dodd.

Approval of Minutes. Supervisor Beaver moved approval of the minutes of November 18, 2010 and December 2, 2010 as presented, second by Supervisor Kraft. ADOPTED.

Citizen Participation, Communications, Announcements, Information. Mr. Smith handed out the County Sales Tax Receipt Report through November 2010 for the Committee's information.

Transfers and Appropriations.

Information Technology

FROM

<u>Account #</u>	<u>Amount</u>
00-0000-0001-46205	\$3,127.00
Insurance Proceeds	

TO

<u>Account #</u>	<u>Amount</u>
07-1430-0000-62400	\$3,127.00
Hardware Maintenance	

Sheriff's Office

FROM

<u>Account #</u>	<u>Amount</u>
21-2200-0000-62119	\$11,723
Other Contracted Svc.	

TO

<u>Account #</u>	<u>Amount</u>
21-2200-0000-62170	\$9,500
Physicians & Other Svc	
21-2200-0000-65103	\$2,223
Public Liability	

21-2200-0000-64200	2,950	21-2100-0000-67171	2,400
Training Exp. (Jail)		Capital Assets \$1,000+	
		21-2100-0000-67172	550
		Capital Assets \$500-\$999	
21-2100-0000-62109	27,282	21-2100-0000-63407	4,500
Personnel Services		Computer Supplies	
		21-2100-0000-63501	21,000
		Gas & Other Fuel	
		21-2100-0000-65103	1,782
		Public Liability	

Supervisor Podzilni moved approval of the above Transfers for the Finance Committee, second by Supervisor Beaver. ADOPTED.

2010

Bills/Encumbrances

Balance Sheet - Sungard	\$ 195.00
Finance Director	1,476.98
Elections	151.36
County Treasurer	80.00
Employee Related	399.26
Land Records	320.31
Information Technology	131,287.83
IT Capital Projects	9,223.91

2011

Encumbrances

Information Technology	\$ 554,524.54
Law Records	265,546.00
County Treasurer	4,600.00
Register of Deeds	3,274.76
Information Technology	57,512.50
Information Technology	362,470.21
Information Technology	250.00
Law Records	132,773.00

Supervisor Kraft moved approval of the above Bills and Encumbrances for the Finance Committee, second by Supervisor Podzilni. ADOPTED.

Bills Over \$10,000.

Advanced Correctional Healthcare	\$ 59,703.38
Blackhawk Technical College	12,560.17
CDW Government Inc.	11,958.00
CDW Government Inc.	47,301.18
CDW Government Inc.	14,639.17
CDW Government Inc.	24,717.46
CESA 2	17,698.67
CESA 2	16,344.91

Streichers Inc. 10,123.64

Supervisor Podzilni moved approval of the above Bills Over \$10,000 for the Finance Committee, second by Supervisor Beaver. ADOPTED.

Encumbrances Over \$10,000.

Alliant Energy	\$ 93,400.00
Aramark Correctional Services Inc.	77,654.00
Aramark Correctional Services Inc.	14,253.00
CESA 2	17,640.00
Community Action Inc. of Rock & Walworth Co	121,500.00
Health Net of Janesville, Inc.	57,867.00
Manpower Inc.	34,524.00
MPI Janesville Inc.	309,601.00
Pitney Bowes Inc.	69,886.00
Pro Tech Monitoring Inc.	45,443.00
Rock Valley Community Programs Inc.	306,435.00
Running Rebels Community Organization	154,718.00
Abilities Inc.	419,690.00
Alpha Homes of WI Inc.	348,508.00
Cardmember Services	38,300.00
Carevoyant Inc.	47,021.00
Catholic Charities Inc.	2,130,929.00
CESA 2	758,829.00
CESA 2 VOA	412,507.00
ComPsych	19,650.00
ComPsych	21,600.00
Core BTS Inc.	23,265.36
Creative Community Living Services Inc.	1,963,506.00
Dungarvin Wisconsin LLC	881,693.00
Enterprise Systems Group	69,813.00
Epilepsy Foundation of Southern Wisconsin	169,676.00
ESRI Inc.	37,300.00
Good Hope Manor Milwaukee Inc.	113,431.00
Group Living Home Inc.	144,518.00
Homes for Independent Living of Wisconsin	394,425.00
Improved Living Services LLC	126,948.00
Independent Disability Service	919,137.00
Infinite Ability Inc.	109,760.00
Interact Public Safety Systems	36,942.75
Kandu Industries Inc.	2,148,483.00
Lutheran Social Services	1,074,923.00
Manpower Inc.	26,000.00
Motorola	182,073.00
Pictometry International Corp.	43,822.50
Productive Living Systems Inc.	483,665.00
REM Wisconsin II Inc.	4,515,588.00
REM Wisconsin Inc.	372,995.00

Riverfront Inc.	2,994,053.00
Secured Living	524,089.00
Advanced Correctional Healthcare	737,934.00
Alcocare Inc.	66,000.00
Aramark Uniform Services Inc.	114,100.00
Centrad Healthcare	13,500.00
Country Quality Dairy	37,000.00
Gulf South Medical Supply	55,500.00
Ikon Office Solutions	34,950.48
Kalamber MD, Robert L.	40,000.00
M J Care Inc.	211,000.00
Medline Industries Inc.	14,000.00
Pinnacle Pharmacy	109,000.00
Professional Medical Inc.	113,750.00
Reinhart Foodservice Inc.	105,000.00
Sherman Sanitation Services LLC	12,500.00
Sysco Foods of Baraboo LLC	111,100.00
Tropic Juices Inc.	12,000.00
United States Postal Service	180,000.00
West MD, William	30,000.00
Wisconsin Department of Health and Social Services	265,200.00
Wisconsin Health Care Liability	40,000.00
Aramark Correctional Services Inc.	531,300.00
Attic Correctional Services Inc.	298,517.00
BI Inc.	467,200.00
Fleet Services	220,000.00
Haakenson, Michael A.	44,419.68
Joos, Atty Melissa Brooke	44,419.68
Kolpien, Atty Thomas	44,419.68
Madison United Healthcare Linen	94,500.00
Markley Investigations Inc.	34,200.00
Orchid Cellmark	35,150.00
Paul, Dr. Howard S.	30,400.00
Schultz, Lisa	44,419.68
Thomson West	27,500.00

Supervisor Podzilni moved approval of the above Bills Over \$10,000 for the Finance Committee, second by Supervisor Beaver. ADOPTED.

Pre-Approved Encumbrance Amendments.

Developmental Disabilities Board

Dungarvin \$ 119,698.00

Human Services

Energy Services \$ 60,000.00

Sheriff's Office

Fleet Services (Mobil) \$ 21,000.00

Supervisor Kraft moved approval of the above Pre-Approved Encumbrance Amendments for the Finance Committee, second by Supervisor Podzilni. ADOPTED.

Approval of Bills/Encumbrances for Other Departments.

Public Safety & Justice

2010

Sheriff's Office	\$	60,203.38
Sheriff		35,523.50
RECAP Operations		26,705.08
Correctional Facility		20,458.00
Circuit Courts		380.00
Mediation/Family Court Services		2,413.59
911 Project Operations		44.99
District Attorney		173.98
Coroner		6,061.75
Child Support		544.00
Project Lifesaver		641.49
Sheriff's Vehicles		652.24

2011

Sheriff		220,000.00
Correctional Facility		1,830,934.00
Circuit Courts		205,178.72
Child Support		71,850.00
Community RECAP/TAD		298,517.00
Drug Court Grant		96,400.00

Supervisor Beaver moved approval of the above Bills/Encumbrances for Other Departments for the Finance Committee, second by Supervisor Podzilni. ADOPTED.

County Board Staff

2011

Human Resources		8,700.00
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Supervisor Podzilni moved approval of the above Bills/Encumbrances for Other Departments for the Finance Committee, second by Supervisor Beaver. ADOPTED.

Resolution

Authorizing Health Contract for Health Plan Consulting Services with Willis of Wisconsin for 2011

“NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors in session this 16th day of December, 2010 that they hereby award the contract to Willis of Wisconsin for health plan consulting services for 2011 in the

amount of \$40,500 annually with an additional \$.50 prescription adjustment with the contract continuing until such time by agreement as terminated by one or both of the parties.”

Supervisor Kraft moved approval of the above resolution, second by Supervisor Podzilni.
ADOPTED.

Approving Reinsurance Contract for Stop-Loss Coverage

“NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010 hereby authorizes the execution of a contract with Standard Life for administration of the County’s Stop-Loss coverage, effective January 1, 2011, and that the initial deposit premium be remitted to Standard Life upon execution of the contract.”

Mr. Barbieri explained the County’s current medical excess coverage (Stop-Loss) and the three options for the County to consider (see attached). He explained that Laser Contingencies are the known risks and Named Aggregating Specific Deductible are the named individuals with anticipated high medical costs in 2011 and if either one of these individuals would reach the specified amount the County would pay out this amount on this person, but not above the specified amount. The County Administrator, Finance Director, Corporation Counsel and Human Resources Director met with Mr. Barbieri previously to discuss future risk, historic risk and best practices. The benchmark for an entity of Rock County’s size would be \$200,000 to bring the County’s risk level in line with others of our size. Mr. Barbieri recommended taking the Named Aggregating Specific Deductible at the \$175,000 level. Mr. Smith said they agreed with taking the Named Aggregating Specific Deductible at the \$175,000 level as this would be a 14.6% reduction in premium costs compared to the current year and the County would have to pay out on at least eleven people to be behind dollar-wise.

Supervisor Podzilni moved approval of the above resolution, second by Supervisor Beaver.
ADOPTED.

Awarding Contract for Investment Advisory Services for calendar Years 2011 – 2013 (with Options for 2014 – 2016)

“NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010 that the County board Chair and County Clerk be authorized and directed to execute an Investment Advisory Services contract with Cutwater Asset Management for calendar years 2011 – 2013 (with options for 2014 – 2016).

BE IT FURTHER RESOLVED, that the Finance Committee is delegated the authority to exercise the options for calendar years 2014 - 2016.”

Supervisor Beaver moved approval of the above resolution, second by Supervisor Kraft.
ADOPTED.

Providing for a New Deferred Compensation Plan Provider

“NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, authorizes Human Resources to take the necessary steps to add Security Benefit Group as a deferred compensation provider.”

Mr. Dodd explained that when the Deputies ratified their contract they wanted a different health plan provider. This would be at no cost to the County but would be added as a third provider. This would also add a 457 Deferred Comp Plan to be available to all County employees. He said his firm also offers investment advice to the employees. PEHP is for the Deputies only, but the deferred compensation would be available to all employees.

Supervisor Podzilni moved approval of the above resolution, second by Supervisor Beaver. ADOPTED.

Providing for a New Post Employment Health Plan Provider

“NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010 authorizes Human Resources and the Finance Department to take the necessary steps to add Security Benefit Group as a provider for the PEHP Plan for certain County employees and transfer their accounts from Nationwide to Security Benefit Group.”

Supervisor Kraft moved approval of the above resolution, second by Supervisor Podzilni. ADOPTED.

Review of Resolutions

Amending the 2010 Developmental Disabilities Board Budget to Accept American Recovery and Reinvestment Part C Funds (ARRA Birth to 3)

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010 amends the 2010 Rock County Developmental Disabilities Board Budget as follows:

...”

Supervisor Podzilni moved Finance Committee Endorsement of the above resolution, second by Supervisor Beaver. ADOPTED.

Acceptance of Alliant Energy Foundation Grant Funds and Amending the 2011 Budget

“NOW, THEREFORE, BE IT RESOLVED that the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, does hereby accept the Alliant Energy Foundation grant.

BE IT FURTHER RESOLVED, that the Rock County Parks Director be authorized to file all necessary documents for administration and reimbursement of this program.

BE IT FURTHER RESOLVED, that the Park's budget be amended as follows:

...”

Supervisor Kraft moved Finance Committee Endorsement of the above resolution, second by Supervisor Podzilni. ADOPTED.

Modifying the 2011 Rock County Human Services Department Budget to Accept Additional Funds to Increase the Masters Level Social Worker (Prevention Specialist) Position from a .75 FTE to a 1.0 FTE

“**NOW, THEREFORE, BE IT RESOLVED** by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, does hereby increase the Masters Level Social Worker (Provider Specialist) position from .75 FTE to 1.0 FTE effective 1/1/11; and,

BE IT FURTHER RESOLVED by the Rock County Board of Supervisors does hereby accept \$17,443 in additional funds and amends the 2011 Rock County Human Services Department budget as follows:

...”

Supervisor Podzilni moved Finance Committee Endorsement of the above resolution, second by Supervisor Kraft. ADOPTED.

Modifying the 2010 Rock County Human Services Department Budget to Accept Additional Funding for the Wisconsin Home Energy Assistance Program (WHEAP)

“**NOW, THEREFORE, BE IT RESOLVED** by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, does hereby accept \$60,000 in additional WHEAP funds and amend the 2010 Rock County Human Services Department budget as follows:

...”

Supervisor Kraft moved Finance Committee Endorsement of the above resolution, second by Supervisor Podzilni. ADOPTED.

Modifying the 2011 Rock County Human Services Department Budget to Accept Additional Funds and to Pilot Crisis Mobility by Utilizing 2.8 LTE Positions

“**NOW, THEREFORE, BE IT RESOLVED** by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2010, does hereby

modify the 2011 Human Services Department budget to pilot crisis mobility by utilizing 2.8 LTE positions; and,

BE IT FURTHER RESOLVED by the Rock County Board of Supervisors does hereby accept \$85,805 in additional funds and amends the 2011 Rock County Human Services Department budget as follows:

...”

Mr. Knutson said this will be a six-month trial and if they do find a need for the 2.8 or less positions to be added on a permanent basis the funding would be available due to a reduced number of people in facilities which cost from \$800 to \$1,000 per day. Supervisor Kraft added that the Criminal Justice Coordinating Council is very supportive of this.

Supervisor Beaver moved Finance Committee Endorsement of the above resolution, second by Supervisor Kraft. ADOPTED.

Report on Cash Balances and Investments. Mr. Smith updated the Committee on cash balances and investments as of November 30, 2010.

Adjournment. Supervisor Podzilni moved adjournment at 8:42 A.M., second by Supervisor Beaver. ADOPTED.

Respectfully submitted,

Marilyn Bondehagen
Secretary II

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

COUNTY OF ROCK
January 1, 2011
Summary of Stop Loss Renewal
12-13-10

- ❖ Chubb has paid out over \$146,000 through 11/30/10 on 4 claimants. Chubb will continue to cover claims incurred through 12/31/10 and paid through 6/30/11.
- ❖ Claim experience includes 15 claimants over 50% of the annual specific deductible, 11 of which is that are ongoing with fair to good prognosis. Four of the 15 claimants went over the specific deductible, three of these are ongoing. The lasers presented by the finalist carrier were a total of 6 with an expected liability of \$515,000.
- ❖ Chubb has decided to exit the stop loss market and therefore, would not be renewing the Rock County stop loss contract for 2011.
- ❖ Willis marketed the Rock County stop loss coverage to 9 carriers and received 6 declines due to either uncompetitive rates by three carriers or poor claims history and ongoing claims from three carriers. Standard Life and Lloyd's provided competitive quotes, R.E. Moulton provided a quote that was uncompetitive.
- ❖ Lloyd's and Standard, both through GlenCairn, came in with quotes at an estimated 20% increase. Lloyd's initial quote requested several lasers so Willis continued negotiations with Standard. Standard also came back with potential lasers as well as alternative funding options.
- ❖ Standard is offering two alternative options at a \$150,000 specific deductible and a \$175,000 specific deductible. Instead of accepting the individual lasers, Standard is offering a named aggregating specific deductible above the initial specific deductible of \$275,000 vs. 3 individual lasers and \$200,000 vs. 2 individual lasers for the options, respectively.
- ❖ Standard is offering a comparable contract for an increase of 21.9% over current rates for the current contract, 6.8% increase over current rates for the \$150,000 specific deductible option, and a 14.6% decrease over the \$175,000 specific deductible. However, all of these proposals included named aggregating specific deductibles. Including the maximum exposure for these additional risks, the increases are 53.6%, 30.0%, and 2.3% for the options respectively.
- ❖ Based on the savings to increase the specific deductible and based on Willis' calculation for similar sized groups, we recommend the County move to GlenCairn – Standard and move to the \$175,000 specific deductible with the named specific deductible of \$200,000.



Rock County
Self Funded Administration & Network Cost Analysis
For January 1, 2011 Renewal

Administrator		PBA - Current	\$135k Spec PBA - Renewal	\$150k Spec PBA - Renewal	\$175k Spec PBA - Renewal
Carrier		Chubb	Standard Life	Standard Life	Standard Life
MONTHLY FEES (Per EE/MO)					
<u>Administration Fees</u>					
1208	Medical/PEPM	\$12.50	\$12.50	\$12.50	\$12.50
<u>Utilization Review/PPO Access Fees</u>					
1208	UR Fee - PEPM (Quantum Fee Cap)	\$11.54	\$11.54	\$11.54	\$11.54
1208	PPO Interface Fee - PEPM	\$0.35	\$0.35	\$0.35	\$0.35
1208	Stop Loss Interface Fee	\$0.00	\$0.00	\$0.00	\$0.00
1208	PBM Interface Fee - PEPM	\$1.00	\$1.00	\$1.00	\$1.00
Monthly Administration Costs		\$30,672.12	\$30,672.12	\$30,672.12	\$30,672.12
Total Annual Administration Costs		\$368,065.44	\$368,065.44	\$368,065.44	\$368,065.44
Specific Stop Loss Deductible		\$135,000	\$135,000	\$150,000	\$175,000
Contract Type		12/18	12/18	12/18	12/18
<u>Specific Premium</u>					
204	Single	\$35.96	\$44.67	\$39.06	\$31.00
1004	Family	\$90.83	\$110.58	\$96.86	\$77.50
Monthly Specific Premium		\$98,529.16	\$120,135.00	\$105,215.68	\$84,134.00
Annual Specific Premium		\$1,182,349.92	\$1,441,620.00	\$1,262,588.16	\$1,009,608.00
Laser Contingencies			6 totaling \$515,000	3 totaling \$375,000	2 totaling \$275,000
Named Aggregating Specific Deductible			\$375,000.00	\$275,000.00	\$200,000.00
Total Annual Stop Loss Costs		\$1,182,349.92	\$1,816,620.00	\$1,537,588.16	\$1,209,608.00
A. Total Annual Fixed Costs		\$1,550,415.36	\$2,184,685.44	\$1,905,653.60	\$1,577,673.44
Claim Estimate based upon 2010 Ann. & Quantum Target		\$19,606,209	\$21,137,518	\$21,137,518	\$21,137,518
B. Expected Claims with Discount		\$19,606,209	\$21,137,518	\$21,137,518	\$21,137,518
Total Annualized Expected Costs (A+B)		\$21,156,624.36	\$23,322,203.44	\$23,043,171.60	\$22,715,191.44
Total Annualized Increase over Current			\$2,165,579.08	\$1,886,547.24	\$1,558,567.08
Total Annualized Increase (Percentage)			10.24%	8.92%	7.37%
AM Best Rating - Stop Loss		A++	A	A	A