

**MINUTES OF THE
FINANCE & INSURANCE COMMITTEE MEETING
September 12, 2011**

MEMBERS PRESENT: Chairman Ted Cushing, Supervisors: David Hintz, John R Young, Peter Wolk and John Hoffman.

OTHERS PRESENT: Lisa Charbarneau (LRES); Margie Sorenson (Finance); Mary Bartelt (County Clerk); Kris Ostermann (Treasurer); Lynn Grube (ITS); Ken Kortenhof (Emergency Management); David Ness, Kelly Gostisha (M&I Bank); Kaye Juel, John Sweeney, Jeff Hoffman (Sheriff); John Frederick (Actuary); Bill Barnes.

CALL TO ORDER

Chairman Cushing called the meeting to order at 9:00 a.m. in Committee Room #2 of the Oneida County Courthouse. He noted that the meeting notice had been properly posted and mailed in accordance with the Wisconsin Open Meeting Law.

APPROVE AGENDA

Motion by Hoffman, second by Hintz to approve the September 12, 2011 agenda. Motion carried; all ayes.

APPROVE MINUTES

Motion by Hoffman, second by Young to approve the minutes of the August 1 and 16, 2011 meeting. Motion carried; all ayes.

M&I Investments Presentation

David Ness and Kelly Gostisha from M&I gave an overview of the County's investment portfolio. Ness indicated that Oneida County's performance has been strong overall. He also told the committee that the County's portfolio is well diversified.

Ness stated that they will work with Margie to come up with an income estimate for 2012.

Actuarial Report January 1, 2011

John Frederick talked to the committee about Health Insurance at Retirement benefits. He explained that from age 25 to 57 the benefit is being accrued and there is no cost to employer; however from age 57 to 65 is when the county incurs the cost. He continued that the cost of benefit should be realized over the time of employment. Frederick indicated that generally speaking cost of insurance claims go up with age. People between age 57 and 65 cost more per month than the average premium set by the insurance company.

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Hintz asked if the County is obligated to provide health insurance at retirement.

Frederick said he is not an attorney, however believes that employees will argue that this was bargained and owed to them. He continued that there are many cases in court, however never a clear cut answer based on circumstances of each situation. He stated that net OPEB obligation of 1.6 million dollars should be on the books as of January 1, 2011. He continued that limiting the cost of health care costs going forward would help to limit the liability. Oneida County has made attempts to lower or limit growth in health care costs with higher deductibles, HRA, etc. Frederick said that these have been temporary fixes as the claims costs continue to go up and are in the 10% range.

Early Intervention Program

Bill Barnes told the committee that the Worker's Compensation program is running very well. Currently the County has 18 claims for a total of \$18,000. Barnes continued that the claims are monitored very closely. He told the committee that two current claims worth \$5000 each should disappear in the next 30 days. Barnes told the group that if things hold through, the county should expect the full dividend of 40% at year end. He told the group that Secura intends to renew at the same level of dividend.

Also monitor past losses through Liberty to close out old claims. New experience mod came out at .97 and reduced to .88.

Hintz stated there is very little mention of safety in the County. He stated that the county doesn't seem to monitor safety as much as he's use to.

Barnes stated that the County has a Risk Management Committee and a Safety Committee now which it didn't use to have. He also stated that light duty and return to work programs are very important and were non existent in the nineties.

Hoffman stated that Highway is the highest risk group and safety is taken very seriously.

Barnes told the group that to keep performing at this level; the County should consider an Early Intervention Program. He continued that he is In the process of developing a program with Ministry for his clients. Barnes stated that it is a very proactive program, meeting with employees before there is an injury. He stated that it allows employees choices for treatment that will include the Industrial Rehab Department which is less cost than the ER. Barnes stated that with Industrial Rehab they want employees back to work at light or restricted duty, dealing with the right people and a lesser cost.

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Ambulance Service Update

Kortenhof stated that for 2012 he is requesting 1.1 million for the ambulance service and the increase is a direct result of subsidies. He told the group that the County owns the ambulance equipment, and we subsidize the hospital with the costs of employees. He stated that the hospitals do not make any money from the County. Kortenhof stated that Howard Young actually pays for one of the EMT positions and Ministry allows staff to log into Ministry for wages if they are not out on an ambulance call. He continued that this amount is based on the amount of ambulance calls from the County. When the City of Rhinelander went into the business, the County was able to save money by dropping the on-call staff. Kortenhof stated that the roving ambulance costs us \$429,000 but allows the County to have only one crew.

Margie asked if the number of runs verses the number of standbys is available.

Kortenhof indicated that those numbers were available, but were back in his office.

Sorenson stated that the ambulance is excluded from the levy limits. She continued that when Ken bills the towns, he includes 25% of his wages for them to pay. Sorenson suggested that if the County allocates 25% of Ken's salary to the ambulance budget, it would allow the County more room in the levy limits as this would be excluded.

Kortenhof stated it won't change his budget overall, however will look like a \$25,000 increase in my budget. He continued that he is taking a resolution to the County board to increase the mileage rate charged, which would increase revenues by \$39,000 for 2012.

Young asked Kortenhof to bring numbers to the budget hearings regarding number of calls per area of the county.

VOUCHERS, REPORTS and PURCHASE ORDERS

County Clerk

Motion by Hoffman, second by Hintz to approve the bills and vouchers of the County Clerk's Office as presented. Motion carried; all ayes.

Bartelt told the committee that the total costs for two recall elections for 40 counties was 2 million dollars. She indicated that this matter has been forwarded to Joint Finance Committee at the State level.

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Motion by Cushing, second by Wolk to approve the Clerk's 2012 budget and 2012 Insurance budget as presented and forward it on to the budget hearings. Motion carried; all ayes.

Treasurer

Motion by Hintz, second by Young to approve the bills and vouchers of the Treasurer's Office as presented. Motion carried; all ayes.

Motion by Young, second by Hoffman to approve the July and August Statement of Cash Account as presented. Motion carried; all ayes.

Motion by Hoffman, second by Wolk to approve the Treasurer's 2012 budget as presented and forward it on to the budget hearings. Motion carried; all ayes.

Information Technology Services

Motion by Hoffman, second by Wolk to approve the bills and vouchers for the ITS Department as presented. Motion carried; all ayes.

Grube explained that the items that she controls in her budget will go up 13% for 2012 due mostly to the Sheriff Department maintenance of software at about \$38,397 plus \$500 for call time. Grube explained that she manages maintenance agreements for the entire county. She continued that it is a good way to keep track of all ITS costs for the county.

Motion by Wolk, second by Hintz to approve the ITS 2012 budget as presented and forward it on to the budget hearings. Motion carried; all ayes.

Finance

Motion by Cushing, second by Young to approve the bills, vouchers and blanket purchase orders for the Finance Department as presented. Motion carried; all ayes.

Motion by Cushing, second by Wolk to accept the July 2011 Investments as presented. Motion carried; all ayes.

Motion by Cushing, second by Hoffman to approve the Finance Department 2012 budget as presented and forward on to budget hearings. Motion carried; all ayes.

2012 Levy Limit Worksheet presentation by Sorenson. Sorenson said that the exclusions for the levy limit are ambulance, bridge aid and libraries. She continued that by putting 25% of Korenhof's salary to the ambulance budget

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would create an additional exclusion under the ambulance budget. Sorenson told the committee that the rules allow a .5% carry forward for counties, if the county was under the levy limits from the previous year. She continued that the new rules state that if the county uses carry forward, it must decrease levy by debt service before July 2005 (HSC and economic development). Sorenson stated that this will penalize the county. She continued that she prepared the levy worksheet with carry forward and without carry forward. She continued that she would recommend not to use the carry forward. The consensus of the committee was not to use the carry forward provision.

Sorenson also stated that debt issued after 2005 is treated the same as old debt. The consensus of the committee was not to use the debt service after 7/1/2005.

2012 Sheriff Department Budget presentation. The Sheriff stated that the potential loss of the state inmates is what is causing the issues with the 2012 budget. He continued that in October 2010 when he was asked to increase his revenues, he did state that with a new governor in office there could be changes in state inmates. Hoffman stated that the jail was built as the County was housing inmates elsewhere. The Sheriff told the committee that the jail was up to 60 state inmates, however is currently down to 30 inmates from the state plus 11 from McNaughton. He told the committee that outside of state inmates the budget is flat.

Sorenson said that she suggested this meeting as the Sheriff's budget is a \$950,000 increase, and overall the County is \$900,000 over the tax levy increase for 2012. She stated that the County needs to consider serious cuts.

Young asked if we are losing inmates, wouldn't the costs go down.

Juel stated that the cost of meals goes up per meal with the decrease in number of inmates served. She continued that State inmates don't cost much for health costs as they are healthy when they arrive.

Hoffman explained there is a new classification of inmates. Juel continued that with objective classification you must take into consideration the crime, past behavior and criminal history to determine low, medium, and high classifications. She stated that it is more difficult to mix inmates together with the new classifications.

Hoffman stated that they operate the jail at the minimum number of staffing. He continued that regardless of the number of inmates, they are at the lowest

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number of staffing. The Sheriff said they could budget for 30 inmates, but he didn't want to make that decision on his own.

LINE ITEM TRANSFERS

Motion by Cushing, second by Hintz to approve the line item transfers as presented. Motion carried; all ayes.

PUBLIC COMMENT

None.

ADJOURNMENT

Motion by Hoffman, second by Cushing to adjourn. Motion carried; all ayes.

Meeting adjourned at 12:08 p.m.

Ted Cushing, Chairman

Lisa Charbarneau, Secretary