



# Finance Committee Meeting Minutes

Glynn County Board of Commissioners

4:00 p.m., Tuesday, August 12, 2008

Third Floor Conference Room

W. Harold Pate Courthouse Annex

Brunswick, Georgia

**Present:**

**Committee Members:** C. Johnson, U. Keller and T. Thaw

**Other Commissioners:** D. Hogan

**Staff:** D. Chunn, R. Coolidge, P. McNicoll, A. Mumford, B. Rowell, A. Sapp, T. Small, C. Stewart

**Press:** M. Permar

**Others:**

1. Consider approval of the consent agenda.
  - a) Approve of the July 29, 2008 Finance Committee Minutes. (P. McNicoll)
  - b) Recommend that the Board of Commissioners deny a request from Mrs. Jill Reeves that \$386.31 paid in penalties and interest on 2007 property taxes for parcel #01-07031 be refunded. (F. Dees)
  - c) Recommend that the Board of Commissioners approve the attached list of FY08 Budgeted items be carried forward to FY09. (D. Chunn)

The following motion made by Commissioner Keller and seconded by Commissioner Johnson passed unanimously.

**Recommend approval of the consent agenda items. (Vote: 3-0)**

2. Consider recommending that the Board of Commissioners amend the FY '08 budget for the health claims budget in the amount of \$725,254 and the workers' compensation claims budget in the amount of \$ 211,179 with funding to be provided as follows:

<u>Fund</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
General Fund	\$637,470	\$171,798	\$809,269
Administrative Services Fund	8,225	339	8,564
Emergency 911 Fund	7,955	415	8,370
Fire Fund	63,096	32,399	95,495
Sea Island Fund	2,127	918	3,045
Solid Waste Fund	6,381	5,310	11,691
	<u>\$725,254</u>	<u>\$211,179</u>	<u>\$936,433</u>

(O. Reed)

Mr. Charles Stewart, County Administrator, introduced this item by stated that the May 2008 financial statements indicated that the Health Plan was in relatively good shape and an overage of only \$150 thousand was predicted. He stated that claims paid in June were significantly higher than any other month and the overage in the plan increased to \$725 thousand. Ms. Orah Reed, Human Resources Director, then gave a presentation in which she stated that the number and cost of claims increased by 968 and \$1,264,646, or 8% and 34.6%, respectively, over the previous fiscal year. Prescription costs increase by \$202,942, or 20.8%, from fiscal year 2007 to fiscal year 2008 and claims incurred but not reports by June 30 increased by \$434 thousand. Ms. Reed stated that medical inflation was 11% nationally and that the County had the same experience. Ms. Reed discussed the demographics of the plan and stated that covered lives had increased by 102 during the year. She

commented that an older workforce typically has higher claims and that the average age of County employees is 43 with 58% of the employees over 40 years old and 30% over 50 years old.

Commissioner Thaw questioned why staff wasn't aware of the overage sooner and Mr. Stewart stated that June was an unusual and unpredictable month. Ms. McNicoll stated that there were three claims paid in June that were incurred in January and February that amounted to approximately \$250 thousand. She stated that according to the Claims Lag report, the majority of claims are paid in less than four months. She stated that staff was not aware of those three claims until they were paid in June. Ms. Reed stated that she would contact the plan administrators and request that they contact the County in those types of situations.

Commissioner Thaw questioned the funding for the adjustment and Ms. McNicoll stated that all funds except the Fire Fund had sufficient FY08 funding to absorb the increases. The Fire Fund increase would need to come from the Fire Fund fund balance.

Commissioner Thaw questioned the amount of funding required for the Wellness Plan and Ms. McNicoll stated that approximately \$46 thousand had been spent on the Wellness Program and \$30 thousand on physician fees for the County provided physicals. Staff stated that the Wellness Program was created to affect the long-term health of employees and was not a quick fix. Ms. Becky Rowell, Assistant County Administrator, stated that there have been several employees who have lost significant amounts of weight and others who have stopped using tobacco products. She stated that we have no way of knowing the costs that have been avoided due to participation in the Program.

Commissioner Johnson discussed the Workers Compensation overage and stated that the Department Directors need to be made aware of the costs of accidents and make sure their employees work with safety in mind. Mr. Stewart stated that most of the workers compensation claims were related to prior year incidents and staff is working to settle some of the old claims.

The following motion made by Commissioner Keller and seconded by Commissioner Johnson passed unanimously.

**Recommend that the Board of Commissioners amend the FY '08 budget for the health claims in the amount of \$725,254 and the workers' compensation claims in the amount of \$ 211,179 with funding to be provided by the FY08 budget in each fund except the Fire Fund which would be provided by the Fire fund balance as follows:**

<u>Fund</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
General Fund	\$637,470	\$171,798	\$809,269
Administrative Services Fund	8,225	339	8,564
Emergency 911 Fund	7,955	415	8,370
Fire Fund	63,096	32,399	95,495
Sea Island Fund	2,127	918	3,045
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	<u>\$725,254</u>	<u>\$211,179</u>	<u>\$936,433</u>

**(Vote: 3-0)**

3. *Request that Chairman Thaw identify the Finance Committee items which should be included as consent items in the Commission's Meeting Agenda.*

**Commissioner Thaw identified all items as consent.**