MINUTES OF THE REGULAR MEETING OF THE WASHINGTON COUNTY QUORUM COURT

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Thursday, October 15, 2015 6:00 p.m. Washington County Quorum Court Room

660.1	The Washington County Quorum Court met in regular session on Thursday, October 15, 2015. The meeting was called to order by County Judge Marilyn Edwards.
660.2	R. Dennis led the Quorum Court in prayer and in the Pledge of Allegiance.
660.3	MEMBERS PRESENT: Daniel Balls, Harvey Bowman, Rick Cochran, Robert Dennis, Ann Harbison, Sharon Lloyd, Tom Lundstrum, Eva Madison, Sue Madison, Joel Maxwell, Gary McHenry, Joe Patterson, Butch Pond, and Bill Ussery.
660.4	MEMBER ABSENT: Lisa Ecke.
660.5	OTHERS PRESENT: County Judge Marilyn Edwards, County Comptroller Cheryl Bolinger; Interested Citizens; and Members of the Press.
660.6	ADOPTION OF THE AGENDA: Judge Edwards asked if there were any additions or deletions to the agenda.
660.7	R. Cochran made a motion to adopt the agenda as presented. The motion was seconded. The motion passed unanimously by those present by voice vote. The agenda was adopted as presented.
660.8	APPROVAL OF MINUTES: Judge Edwards asked if there were any corrections to the minutes of the July 16 regular meeting and July 23 and August 10 special meetings of the Quorum Court.
660.9	S. Madison stated she did not realize that the minutes were available until earlier this afternoon, so she will be abstaining from the vote to approve them because she is very uncomfortable voting to approve something that she has no knowledge of.
660.10	R. Cochran made a motion to approve the minutes of the July 16

regular meeting and July 23 and August 10 special meetings of the Quorum Court. A. Harbison seconded. The motion passed with twelve members voting in favor of the motion and two members abstaining from the vote by voice vote. The minutes were approved

as presented.

- 661.1 <u>COUNTY JUDGE'S REPORT:</u> Judge Edwards recognized Jeff Hatley from Ozark Regional Transit (ORT) who would be giving his quarterly report.
- Jeff Hatley, Public Information Officer with Ozark Regional Transit, addressed the Quorum Court stating that ORT has been extremely busy in Washington County, having spent the last six months working with some of the larger employers in Springdale to help reduce the turnover rate by helping transport employees back and forth to work and meeting those employees' shift schedules. He noted this has resulted in two new routes, one in Springdale and Ozark Mountain Poultry in Rogers got wind of it and asked for a new route as well that is ran with Rogers Technical High School.
- J. Hatley stated that ORT has grown in ridership by 4% total since this time last year, and the demand response has grown another 10% without adding a single vehicle to the fleet, but just squeezing more out of what ORT has through scheduling software. He reported that route 620, which was approved, funded by the Quorum Court in 2014, and started on June 2nd, 2014 runs from Lincoln, through Prairie Grove, Farmington, Fayetteville, Greenland, and West Fork and to date has carried almost 4,000 riders. He noted that this is allowing students to get to classes, especially students at Northwest Arkansas Community College (NWACC), who ride for free; allowing people to get to doctor appointments and to Walmart. He reported that ORT had a record year in 2014 with 320,976 riders and are on pace to have another record year this year.
- R. Dennis stated as ORT is transporting people from Washington County to NWACC in Benton County, does Washington County get anything out of it; to which J. Hatley responded the students of Washington County are getting an education out of it; since NWACC does not have its own transportation system like the University of Arkansas, NWACC gives ORT a line item budget to allow its NWACC students to ride the ORT bus for free and it is acting as NWACC's transit system. He further noted that route 620 allows NWACC students in Lincoln, West Fork, and the other cities mentioned to go to the NWACC in Farmington, Washington County, and Bentonville as well as the Jones Center. J. Hatley stated that ORT has commercials on its closed circuit TVs and route maps available, plus he has done student orientations and attends Senior Day every year for high school to get the word out about ORT.
- R. Dennis asked how it works for private business like Ozark Mountain Poultry; to which J. Hatley responded that Ozark Mountain Poultry also gives a line item budget to ORT and has funded it through the end of the year; Ozark Mountain Poultry understands that ORT is a public transit

system that is available for everybody. He stated Ozark Mountain Poultry has worked with ORT to make sure the buses come right by the plant on Easy and 8th Street so its employees can get to their shifts on time by running a route early in the morning and then again from midnight until 2:30 a.m. to take care of the evening shift. He stated that ORT also receives some funding from Rogers Technical High School, who wants to get some of its high school students taking NWACC classes.

- H. Bowman stated he has heard that ORT offers a ridership where there is no charge for students or those who state that they cannot afford to pay the charge. J. Hatley responded that there is a voucher system through the four big cities in Northwest Arkansas and those people have to go through the cities to get the passes that ORT provides; however, there is a contingency that if it gets to the point where the cities are giving out a whole lot of passes, then ORT may have to charge something for the passes, at least half price. J. Hatley reported that he has spoken to Kelly Johnston at the City of Rogers, which has a detailed process that someone who wants to obtain these free passes and has a real need must go through; and it is offered through a program with the Housing and Urban Development, who audits the files once a year.
- County Attorney Steve Zega addressed the Quorum Court stating that 662.2 Tuesday night when the Court had a point of order appealed to the chair, the vote was 7-7 and he sustained the appeal, having it backwards. He stated that the appeal has to carry by a majority and the chair gets the benefit of the doubt in the event of a tie vote. He stated that fortunately it was a no foul, no harm situation and the court carried on the debate, but he wanted to advise the court for future reference. He stated there are nuances to Robert's Rules that he is still learning and he appreciates the court's patience while he does this as its Parliamentarian. Secondly, S. Zega stated that it is not a nuance because the entire purpose of Robert's Rules is to have an orderly and civil debate in an orderly and civil process decorum, which not only applies to how the court treats each other, it applies to how the court treats the people in the chair, the people in the public, and the chair; and decorum should pervade through the entire process. He asked that the court keep this in mind as it proceeds through the sometimes emotional and heated budget debates.
- Judge Edwards announced that the Washington County Spring Clean-up started today and is being held October 15th, 16th and 17th from 8 a.m. until 3 p.m. where materials are being accepted at the Boston Mountain Solid Waste Center and Waste Management in Tontitown.

- 663.1 <u>COMMITTEE REPORTS:</u> Judge Edwards reported the only committee that met this month was Public Works.
- H. Bowman, Chair of the Public Works Committee, reported that this 663.2 committee met and took a road tour wherein the attendees learned a lot about what is going on in the county. He addressed the discussion and differences of opinion about the lake that was built on the property and from what he understood about the economics, it seems to him that it made really good sense to collect that dirt close to the application point without so much hauling, even though it may look like something is being done special for someone out there. He stated that the court is aware that there are a lot of road issues in the county and he spoke to Assistant Road Superintendent Shawn Shrum last week about the huge issue with water crossing gravel roads under the tiles and going onto other properties. He suggested that there should be someone at the Road Department who is primarily responsible for trying to negotiate with property owners with positive input to try to persuade some of these people who are reluctant. He is aware that the power company has one individual who does all negotiations about right-of-way and even though this is a permit issue, he believes it would be helpful to have someone who is qualified and knows how to explain the benefits of getting that water from uphill downhill without all the damage to roads.
- PRESENTATION FROM INSURANCE CONSULTANT NELSON DRIVER
 ON THE TOTAL COUNTY INSURANCE PACKAGE FOR 2016: Nelson
 Driver, Insurance Consultant, addressed the Quorum Court addressing a
 spread sheet stating that some of the figures are preliminary especially with
 respect to property because the County is in the middle of the bid process
 county property, buildings and contents, vehicles and heavy equipment.
 He explained that the Employee Insurance Fund is a self-funded health
 plan established close to 15 years ago, noting that the County chose this
 over a fully-insured plan for an annual savings to the County between
 \$400,000 to \$800,000 a year.
- N. Driver noted in 2014 actual expenditures for health insurance claims was \$2.6 million and at mid-point for 2015 was \$1.6 million and are on target now to eclipse claims payments higher than last year. He stated that the County has had a lot of large claims this year that exceed \$15,000 and have had numerous claims well over \$50,000 up to \$100,000. He stated the County has a claim that will be coming through the latter part of this year and into next year that in all likelihood is going to exceed \$500,000. He explained that the County has two stop-losses on its self-funded plan; a stop-loss on a per-claim basis of \$175,000, and then it goes to its excess of loss insurance carrier. Then the County has an annual aggregate

stop-loss, which means that once claims hit a certain point in any calendar year, anything over that goes to excess of loss and the annual aggregate is at \$1.85 million. He stated that these are negotiated rates and the County uses Blue Advantage Administrators, which is a Blue Cross Blue Shield subsidiary that functions as the third-party administrator; it manages the claims, writes the checks, and functions on a flat-fee-per-claim basis.

- N. Driver stated that the actual expenditures for 2014 Dental insurance were \$178,000. Through the first six months of 2015, the County paid out \$105,000. He stated that the County will note a large hit for prescription drug claims, which were \$662,000 in 2014 and through mid-point of 2015 the County was already at \$346,000. He explained that the County does have a 4-tier co-pay system for prescription drugs; generic, preferred, non-preferred, and bio-tech which are drugs chemically engineered to treat specific symptoms that are expensive to the tune of \$2,000 per dose; and on those particular types of medications, the employee pays 30% of the actual cost of medication. He reported for Washington County, the leading medications are cholesterol-type, anti-depressants, stomach acid reduction, and high blood pressure medications; and the County has a very high usage of generic medications.
- N. Driver noted that the County is actually the one that sets the bar for the 664.2 rest of Blue Cross Blue Shield customers through education, information, and manipulation of co-pays. He noted that during open enrollment, vendors try to inform the County's employees of their health plan and offer the different alternatives available. The employees need to learn to ask questions and to manage their own healthcare by taking personal responsibility for their own wellness. He stated that the County's Employee Assistance Program (EAP) is a counseling program available to its employees having mental health type issues through Ozark Guidance Center and in some situations, can be a mandatory plan. He noted that the Affordable Care Act (ACA) tax in 2014 was \$57,807; the approved budget for 2015 is \$68,000; and it is budgeted for 2016 at \$68,000, but from information he just received from the County's third-party administrator, that cost will probably be closer to \$46,000 or \$44 per reinsured participant in the health plan.
- N. Driver referred to the 2016 budget request which shows the service contract renewal figures that were just received from the County's third-party administrator that show \$191,550 for medical and \$32,000 for dental that is based on 1,005 participants in the plan. The excess of loss insurance premium or the stop-loss protection is going to increase to approximately \$351,000 for 2016 because of the losses and the trend industry wide an excess of loss right now is hitting around 30%. He noted

that the County dodged a bullet on this due to the \$500,000 that was put into the Fund this summer, which showed that the County was solvent and could pay its bills when the audit was performed.

- In response to a question from R. Dennis, N. Driver noted that he has come before the court on several occasions in the last 5-7 years with wellness proposals, which have been voted down. He explained the reasoning, for lack of a better description, was some JPs who served on the court in years past felt it was discriminatory. He noted that he works for the University and its employees do get discounts for participating in Wellness Plans and employers all over the country discriminate on rates for health insurance based on life style, blood chemistry profile, high blood pressure, tobacco cessation programs, etc. He stated that he highly recommends this and when he returns on November 12th, these are some issues and options on the table that the court really needs to talk about.
- J. Maxwell asked if N. Driver had an estimate on how much of the increases in insurance premiums are due to just adding employees to the roster versus costs going up; to which he responded probably 10% or less is from an increase in employees and the vast majority is carryover. J. Maxwell referred to the ACA tax and asked if he expects a similar type drop for 2016; to which N. Driver responded that the ACA is in such a state of flux that nobody really knows, but he would guess it is doubtful to decrease.
- J. Maxwell noted it looks like the County started using the excess loss insurance premium in 2014 and asked if N. Driver knew how much that saved the County in 2015; to which N. Driver responded it depends on the year noting when the County first started the employee funded program, the County went 4-5 years without a claim and then experienced a couple years with 4-5 claims hit the cap. He stated right now the County is in a hard market and if things settle out and it can get through 2016 with fewer than 2-3 claims hitting the cap, he would expect that that premium would start to move in a downward fashion.
- J. Maxwell referred to personal responsibility and asked what other innovative ideas that the Court could be thinking about before N. Driver returns in November. N. Driver responded stating that he would like to see the court members each get a copy of the plan document to read so they can see exactly what is in the plan. He explained that some of this is required by ACA that there is not a thing that can be done about it, but as he has said on numerous occasions over the years, Washington County has a benefits-rich health plan and the reason for this is employee retention. He stated that there is a fine line on benefit realignment and he will be looking at what needs to be changed or done away with and a realignment of the

plan will be necessary in conjunction with changes in deductibles, co-pays, possibly premium charges for dependents or employees, and an increase on the County's side of funding out of general into the health fund. He noted that there has been resistance to this in the past, but the County is still leaking out of the fund to the tune of \$50,000 to \$60,000 a month on average. N. Driver noted that there has been a great deal of success in plugging a lot of the disastrous leaks out of this fund in the last 5-6 years, but the County still have a long way to go. Being aware of the funding issues with the County budget, he stated that the Court will have to come up with some creative ways to manage it. He stated that the total budget represents close to an \$822,000 increase over 2014 and the vast majority of this cost increase is claims, both health and pharmaceutical, and he cannot predict when the County will have a catastrophic health situation.

- A. Harbison asked if not having to pay a co-pay has increased their use of the IMWell Clinic; to which N. Driver responded it waxes and wanes. A. Harbison stated that this being the case, the Court needs to look at some incentives. N. Driver responded even with waiving the co-pay, it is very difficult to get someone to move from his or her present primary care physician. He concurred that the Court needs to come up with creative incentives so people will take responsibility for their own health and do preventative care. He noted that traditional medical plans had no emphasis whatsoever on wellness, not paying for flu shots or routine annual physical examinations. A. Harbison stated that in order to afford this insurance budget, unless the Court raises taxes, the Court may have to cut some benefits because the County cannot afford this and the court has already said it is not willing to raise taxes.
- N. Driver next addressed the property insurance stating since the County is currently in the middle of bids, this is his closest figures that he can get right now, but this is where he is reasonably sure the pricing will come in; and with negotiations the price may drop a little bit. He noted that about ten years ago, the county buildings were grossly underinsured and the County put the insurance out for bids with each carrier submitting a completed replacement cost calculation for every building the County owns to get the insurance values up to where they needed to be. He stated that the court passed an ordinance 7-8 years ago so now the County goes out for bids every other year and even if you do not end up changing carriers, it keeps the current insurance company on its toes if it knows there are competitors out there that want the business. However, he stated the flip side of that is there are very few insurance companies willing to look at public property.
- N. Driver stated that for buildings and contents, there are two coverages since he has to go into the different markets to get county property insured,

the first \$10,000,000 and then anything over \$10,000,000 and right now county property is at about \$96,000,000. He stated that the boiler and machinery is all of the heating and air conditioning systems, and the pressure water vessels. He explained that anyone who is a notary public has to carry a bond with the state and notary public errors and omissions is the cost of that. He stated that crime coverage - fiduciary liability and what the Court sees in the proposed budget has already been paid. He explained when the County buys fiduciary liability, it is a 3-year policy paid in advance and this will go out again in 2016, which will take effect for 2017, 2018, and 2019. He stated this gives the total budget request on commercial property of \$178,979.89.

- 667.1 N. Driver explained that Worker's Compensation is a self-funded plan that is paid through the Association of Arkansas Counties (AAC) and the County puts it out for bids every other year and the only bid the County received back this year was from AAC, noting that traditional workers compensation companies run from this due to the Road and Sheriff Departments. He stated that AAC has done a tremendous job for the counties in the State of Arkansas through this self-funded program by keeping the costs down and because Washington County was one of the initial establishment counties of AAC's risk management pool, it gets a 5% discount of AAC's already low workers compensation rates. He noted that the County's AAC risk management fund contribution shows a decrease this year over 2014, but this number can change because these premiums are based on payroll and if the County gives pay raises, this premium will increase. He stated that workers compensation is also experience-rated which means the County is held accountable for a multiplier for losses and every time it turns in a claim is one frequency and it is graded on severity of how much dollar value the claim represents by the time it is closed which creates a multiplier called an experience modifier, which runs on a three year rolling loss history. N. Driver stated he was surprised that the County's modifier dropped for 2016 which equals a lower premium for 2016.
- R. Dennis stated that the County buys vehicles on a state bid and do not buy insurance collectively with the other counties; to which N. Driver responded that AAC actually bids on the County's property insurance as well, but were not competitive. In response to an inquiry from R. Dennis, N. Driver reported that he retired from the insurance business and sold his agency in 2000 because it is a direct conflict of interest to put himself out there as a consultant if he is still in sales.
- With respect to the AAC Risk Management Fund Contribution, N. Driver explained that this is not insurance, but a risk management pool excludes all claims for which immunity is provided by state or federal law. He stated

> if the County buys a general liability policy for Washington County, then it would have waived its tort immunity, which is the reason the County is in this risk fund. He noted that all 75 counties in Arkansas are members of this fund that provides defense if needed. He stated that the County's particular assessment this year for Risk Management Contribution Fund is \$192,912, up about \$10,000 from last year. The AAC Risk Management Fund Auto Contribution of \$212,852 is for all commercial vehicles owned by the County, and this pricing also includes heavy equipment. He noted if broken down among the number of vehicles Washington County has and the charge AAC puts on for participation in this fund with a \$501,000 deductible, is about \$100 per vehicle. He noted that the other carriers declined to submit a bid because they cannot compete against AAC. He added that the liability for the county vehicles also extends to non-county employees if they are in one of the County's vehicles and gets hurt. N. Driver stated that the County's total contribution to AAC for all heavy equipment, vehicles and liability is \$649,183, a little less than what was paid last year. He stated that the total property insurance premium/contribution for buildings, contents, and vehicles is \$828,109.47, which is up from \$813.434.30 in 2015.

- In response to a question R. Dennis; N. Driver stated that county employees are covered when a vehicle is taken home. He stated for county liability protection, he would recommend that the County require any employee of Washington County that has a county-owned vehicle to carry "drive other vehicle" endorsement on his or her personal automobile insurance. He stated that the cost is nominal and the State Police require this as its employees are on emergency call back.
- B. Ussery asked about employee contribution and N. Driver responded that he does not have those figures with him. However, C. Bolinger stated that those figures were shown in the budget book on page 47 under insurance premium. N. Driver explained that the County puts in a certain amount per position budgeted and whether there is anybody in that position or not, that is funded into the health plan. Then there is the employee contribution with several layers including employee, employee spouse, employee family, employee dependent, which the employee pays 100% of the cost of dependents; and then retirees of the County still on the County's health plan fund their entire portion, both the County's contribution as well as their own contribution into the fund.
- N. Driver urged anyone who had additional questions to give him a call at 479-856-4337.

- REQUEST TO ADD CENTRAL EMS PARAMEDIC AMBULANCE 669.1 MEMBERSHIP PLAN (PAMP) AS A BENEFIT FOR FULL-TIME WASHINGTON COUNTY EMPLOYEES: B. Pond noted that Washington County Employee's Handbook state, "Voluntary deductions are limited to those programs endorsed and approved by Washington County." Huffaker stated that this is a way to offer a voluntary product to the County's employees that is 100% employee-funded and allows the employee to buy a certain amount into a plan. That cost per plan gives employees access to ambulance services in Washington County, if necessary, throughout a calendar year. The yearly membership dues range from \$30 for a single person household; \$40 for a multi-person household; \$60 for a single uninsured; and \$75 for a multi-person uninsured. She stated if the employees purchase into this plan and are required to be transported because of medical necessity; this plan will pay in full anything that the insurance does not cover for that ambulance service. She stated this is nothing that the County funds, but the Human Resources Department administers it and wants to set it up on a payroll deduction basis, which is why she is bringing it to the court at this time.
- 669.2 A. Harbison made a motion to add PAMP to the personnel package. The motion was seconded.
- R. Cochran noted that the contract seems to indicate that the employee pays the annual amount; to which L. Huffaker responded that the employees do pay the first year and thereafter bi-weekly. She stated that they can either wait a year to have benefits because it would take a year to pay the first-year membership or they can pay the yearly membership upfront and then have the next year completely paid for. That way their biweekly premiums would be paying towards the next year's services.
- In response to a question from J. Patterson, Becky Stewart with Central Emergency Medical Services (CEMS) explained if you have an emergency and dial 911 and live in the city limits of Springdale, it will be a Springdale Fire Department ambulance that comes for you, but outside the city limits it would be CEMS that responds.
- L. Huffaker added that there have been many people transported from Washington Regional Medical Center (WRMC) to other facilities and some of the costs for these transports have been astronomical. Washington County's plan currently pays \$500 on an ambulance transport which typically does not make a dent in an ambulance transport, so something like this plan does provide some assurance.

- H. Bowman noted that Springdale residents who work for Washington County and have an in-home emergency would not be covered by this. He asked if there was any possibility of some type of cooperative plan to work with Springdale in this type of situation; to which B. Stewart responded that she has gone through the office of the Inspector General on the helicopter level and she is sure on the ambulance level it is not something that can be shared, but something that the City of Springdale would have to address very specifically and decide whether it was something it wanted to implement.
- In response to a question from B. Pond, B. Stewart stated that if someone in Springdale needs a non-emergency transport, he or she would have to hire a private company. She stated if a member of the PAMP program would like to CEMS to come for his or her non-emergency transport probably anywhere within reason of his or her region, then CEMS would do that, but the patient would have to request CEMS specifically because each regional hospital has its own policy.
- 670.3 County Attorney Steve Zega added that you have much more choice in non-emergency ambulance transport, including CEMS, than you do in an emergency transport.
- H. Bowman asked if Medicare regulates these ambulance services like it does in medical situations; to which B. Stewart responded that Medicare regulates what will be paid for an ambulance transport. She stated that Medicare sets the pace for other insurance companies as far as what will be paid, but Medicare does not come near to covering the cost of providing service and if anything probably bumps the price up some because so much has to be written off for Medicare. She stated that an individual who has Medicare and a supplement does not benefit from this benefit plan because Medicare does not allow for charging residuals; there is just a 20% copay.
- 670.5 With no further discussion, Judge Edwards called for a voice vote on the motion to add PAMP to the personnel package. The motion passed unanimously by voice vote by those present.
- 670.6 OTHER BUSINESS: Judge Edwards reminded the court that its next Special Meeting would be on Monday, October 19th at 5:30 p.m.
- R. Dennis stated that everyone was discussing the IMWell Health Clinic and questioned how many employees knew that it was offered, to which L. Huffaker responded that awareness is not a concern that her office has because the Clinic has been brought in for speaking events and each year the Courthouse has a very large Health Fair where chances to win door

prizes are offered in exchange for various health screenings. She further stated that a lot of employees do not feel comfortable stepping away from a doctor who has treated them for a special condition for many years to a physician who does not know their medical history.

- R. Dennis stated that the County's employees need to understand what kind of benefit they are really getting and suggested providing education to them through their check stubs. L. Huffaker stated that part of the reason that her department has not done that is because most of the employees are on direct deposit and never even open the check stub. She stated that the Health Fair has expanded dramatically and the groups bring awareness to some of these issues. She further reported last year her department started a 12-month Wellness Program, where each month a vendor came in and provided lunch for those who signed up while covering a different wellness topic with employees including smoking cessation and weight management; and it has been very successful.
- J. Maxwell stated that since it seems that people are not quite willing to go to IMWell Health Clinic on their own, would it be possible to do the screenings like the clinic does at the Health Fair and make it so easy that the employees do take the benefit of the health screening. L. Huffaker stated that the Clinic has done that at the Road Department as most of these employees do not see a regular doctor, so at least quarterly the Human Resources Department brings IMWell Clinic in to do some sort of speaking and awareness training with the employees and her department has seen a huge utilization increase amongst the County's Road Department employees at the IMWell Clinic. She stated that IMWell has also done some things with the County's Sheriff Office, which is one of the groups that can do a lunch and learn once a month and there is a wealth of benefits available there.
- A. Harbison reported that the Woolsey Bridge is going to be saved and has been awarded to the City of West Fork to be moved by train to West Fork for a foot and bicycle bridge.
- 671.4 CITIZEN COMMENTS: There were no citizen comments made.
- 671.5 ADJOURNMENT: The meeting adjourned at 7:24 p.m.

Respectfully submitted,

Carly Sandidge

Quorum Court Coordinator/Reporter