

**FRANKLIN COUNTY
BOARD OF COMMISSIONERS
WORK SESSION
May 26, 2015
6:00 P.M.**

Present: Commission Chairman Thomas Bridges
District 1 Commissioner Robert Franklin
District 2 Commissioner David Strickland
District 3 Commissioner Jeff Jacques
District 4 Commissioner Eddie Wester

Media: Denise Matthews, Franklin County Citizen

Staff: County Manager, Beth Thomas
County Clerk, Elaine Evans

Item 1 & 2: Invocation and Pledge of Allegiance – Chairman Bridges called the meeting to order and welcomed everyone to the work session. He then asked Commissioner Franklin to lead the invocation and pledge to the American flag.

Item 3: Items to Be Discussed:

Chairman Bridges said that Commissioner Jacques asked to **amend the agenda**. Commissioner Jacques made the motion to add Atkinson Bridge Road water system improvements as Item G. Commissioner Franklin seconded the motion. There was no discussion. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Wester; Commissioner Jacques; Chairman Bridges; Commissioner Strickland; and Commissioner Franklin.

A. Public Comment – Chairman Bridges asked if anyone had anything for public comment. There was no one with anything for public comment.

B. Board of Health representative – Chairman Bridges said that he represents the Commission Board on the Board of Health. He said that there is a vacant position on the Board of Health. Chairman Bridges said that at the last meeting of the Board of Health, he asked when the position would be filled. He said that the Board of Health had planned to fill this position around December of last year but it had slipped through the cracks. Chairman Bridges said that it was requested of Shirley Carpenter, office manager for the Franklin County Health Department to send their recommendation to the Commission Board. Ms. Carpenter sent the request to Beth Thomas, Franklin County manager, recommending Dr. James Bauerband of Lavonia. Chairman Bridges said that Dr. Bauerband has the appropriate credentials and is willing to serve on the Board of Health. He asked that the Commission Board look over the information provided on Dr.

Bauerband prior to the vote at the June regular board meeting. Commissioner Jacques commented that he is thankful that someone with Dr. Bauerband's credentials and background is willing to serve on the Board of Health.

C. Hospital Payment – Chairman Bridges asked County Manager Beth Thomas to go over the hospital payment item. Mrs. Thomas said that the June 1st payment has to be paid by Franklin County because NGTC and Ty Cobb are unable to make the payment. This has been discussed multiple times with all of the concerned parties. Mrs. Thomas said that the dollar amount to be paid for the June payment is \$235,765.63. She said that this payment is due before the next regular board meeting and permission is needed to wire transfer the funds. This payment will be made from the general fund account.

Chairman Bridges asked for a motion to move the funds from the general fund to make this hospital payment. Commissioner Strickland made the motion to move forward with the payment. Commissioner Jacques seconded the motion for the purpose of discussion. Commissioner Strickland asked if this is put on the next SPLOST if the County could be reimbursed for payments. Mrs. Thomas said that current SPLOST funds cannot be used to fund this type of payment. The goal is for the County to put this item on the November ballot to request voter approval to refinance general obligation debt. Also, on the November ballot to request the continuation of SPLOST to retire general obligation debt as necessary. The hospital payment will not come from the SPLOST funds; it will come directly out of the general fund.

Commissioner Jacques asked if the County will be reimbursed any funds at the sale of the hospital because of being one of the lien holders. Mrs. Thomas said that this is being worked on very diligently by County staff. Chairman Bridges asked if there was any other discussion. There was no further discussion. He then asked for a show of hands to allow Mrs. Thomas to go forward with the hospital payment. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Chairman Bridges; Commissioner Franklin; Commissioner Strickland; Commissioner Wester; and Commissioner Jacques.

D. Health Insurance renewal – Chairman Bridges asked County Manager Beth Thomas to give an update on the health insurance renewal. Mrs. Thomas said that the current health insurance plan for the County is a self-funded plan with a plan year going from July to June. Renewal options are being explored with the County's broker. The self-funded plans are made up of two components – the claims data funding for expected claims and the fixed costs which is administrative costs and stop loss insurance premiums. The combined claims data and fixed costs make up the self-funded insurance program. Claims history needs to run at 80% of the contractual amount. At this time Franklin County is running at 87%. In prior years Franklin County has run at 90% and over. To have a successful self-funded program the claims have to run at 80% or less. The statistics for claims are usually one bad claims year in four to five years. Franklin County has had two bad claims years in a row. Because of the two bad claims years it is possible that it is the trend for Franklin County. The claims checks runs for the past two weeks combined have been more than one typical month of claims checks runs.

Mrs. Thomas gave the projection that the trends and claims will not decrease. Franklin County has a low employee turnover with high tenure. Franklin County also has an aging

employee population. The claims that the County is experiencing does not seem to be extraordinary but something that is recurring. Franklin County is looking at a 10% increase on health insurance for the coming year from Group Resources on the self-funded plan. The projected health insurance cost for the next year is 1.3 to 1.6 million dollars. This amount does not include several fees that will be added at the end of the renewal. There are three employees who have gone over \$50,000 in claims. These employees have been carved out of the plan information – the additional exposure for these employees is anywhere from \$250,000 to \$500,000. The carving out of these employees is done to keep the insurance rates lower on the rest of the employees. The County assumes additional risk on the employees who have been carved out of the plan.

Mrs. Thomas asked the County's insurance broker to bid the health insurance out. There was only one carrier who came back close to the plan that is currently in place in the County. United Healthcare came back with a plan in the range of 1.1 million dollars. An alternative plan would be around one million dollars. The alternative plan would include co-pays and a slightly higher deductible and coinsurance at 90%. The risk involved could be that United Healthcare is trying to buy the County insurance at a lower rate. This would be good for this year but possibly increase the cost next year, especially if the claims continue to be bad. If the County makes the decision to change to a fully insured plan with United Healthcare the deductible will be carried over. Mrs. Thomas expressed her concerns with closing a self-funded plan to go to a fully insured plan. There are costs which need to be structured and timed. Savings were realized in the first year of the self-funded plan because of a delay in claims processing. To close out a self-funded plan it will look like more is paid because of the lag of the claims. Additional funding will be necessary to pay the claims as well as to pay for the plan to be administered. The administration fee will probably be around an additional \$5,000 per month. This cost will cease once the claims from the self-funded portion are satisfied.

Two possible health insurance plans were explained by Mrs. Thomas. She said that a co-pay plan with a slightly higher deductible would be a good option for the employees. Co-pays have been a major concern of the employees. The second plan option would be a buy-up which would include a lower deductible. The buy-up option difference would be paid by the employee instead of the County. Mrs. Thomas stated that there is risk and benefits involved with both options – self-funded and fully insured. She said that if the County is interested in getting out of the self-funded plan, now would be the time to do it, due to United Healthcare offering delayed payments on months two and three and catch up payments on months four and five. This would allow a cash flow to pay the claims before the tax money comes into the County. There is the risk that United Healthcare would increase in the second year but the risk for increase in claims is also in the self-funded plan.

Commissioner Jacques asked when the renewal would be received by the County from United Healthcare if the County changed plans. Mrs. Thomas said that it would be around this time next year. Commissioner Jacques stated that if the plan did skyrocket in cost then the County would have time to go in another direction. Mrs. Thomas said that is true. She also said that she wanted the Commission Board to be aware that the next closest competitor was about \$200 more per month than the United Healthcare plan. United Healthcare is making it easier for companies to change from self-funding to fully insured. They are a nationally known and

recognized company, accepted in most areas.

Commissioner Strickland said that even if United Healthcare did increase it would still be less costly than other options. Mrs. Thomas said that she reached out to the Employee Committee for input on the health insurance. The main concerns shared by the Employee Committee were lack of customer service and the timeliness of claims being paid. She said that United Healthcare should be able to help in these areas. United Healthcare has an app for smart phones so that the member can see the cost of a doctor visit/procedure in real time prior to the visit or procedure. Commissioner Jacques asked if wellness is included in this plan. Mrs. Thomas said that wellness is part of this plan for a one percent cost increase. She said that it would probably be worth the extra one percent as United Healthcare will do wellness checks and other health screenings. There is also a one percent increase to have dual plans. Commissioner Jacques asked if smokers would be charged extra. Mrs. Thomas stated no, not on these plans because this mirrors the current plan. As the plans change from year to year then surcharges and other things can be added. Commissioner Strickland asked if the County could charge for tobacco usage as the employer. Mrs. Thomas said that the setup of these plans does not allow for that. She said it would be appropriate to concentrate on wellness screenings in the first year and then add other parts in later years.

Mrs. Thomas said that these are preliminary numbers and this is a lot to think about in the next week. The administration costs have not been received from Group Resources yet. Mrs. Thomas said that if she had to pick or recommend tonight that she would say go with the fully insured plan versus the self-funded plan because of the associated financial risk. Commissioner Strickland said that he agreed because of the associated financial risk. Mrs. Thomas asked that the Commission Board go over these numbers and ask questions if needed. Commissioner Jacques asked Mrs. Thomas if she was looking for action at the June regular board meeting. Mrs. Thomas said that she believes that action needs to be taken because the effective date for the insurance, whether self-funded or fully insured is July 1st. Commissioner Strickland said that the decision needs to be made soon so that the information can be received by the employees. Mrs. Thomas said that if United Healthcare is chosen that an insurance card is not needed as an app can be downloaded to the employees' smart phones. Meetings still need to take place so that employees can be educated; make changes; and ask questions.

Chairman Bridges asked Mrs. Thomas if she had received positive feedback on these insurance plans. Mrs. Thomas said that she has not as she did not show these to the employees. This information was provided and treated as a business decision because of the financial situation of the County. Commissioner Strickland said that he thinks that the employees will be pleased to have copays in an insurance plan. Commissioner Jacques said that he thinks this is a very good plan, it is better than what he currently is insured with. Mrs. Thomas said that with the offer of two plans it will give the employees another option. If they need the richer plan, they have the option of paying for it themselves. It is a savings to the County as the employee will assume part of the cost for the richer plan. Commissioner Strickland asked if the employee could put money into a health savings account so that they would not have to pay taxes on the money. Mrs. Thomas said that these are not high deductible plans so they are ineligible for the health savings account option. Mrs. Thomas asked the Commission Board to make the decision on Monday at the June regular board meeting. She said if the decision is made to change to a fully

insured plan that in the beginning there could possibly be a cash crunch. Commissioner Jacques said that with the cash flow issues of the County that the self-funding cannot continue.

Commissioner Strickland asked Mrs. Thomas to clarify the cost of the different tiers in the plan. He asked would the cost increase from \$600 to \$995 per month for family coverage. Mrs. Thomas said that is one of the issues that will have to be decided on – how much to charge for family coverage. On the current plan family coverage has not been charged the full amount. There is room to charge more and more should probably be charged. There are sixteen County employees with family coverage. This is an area that needs to be looked at closely. Commissioner Strickland said that he would like to have this information before the vote on Monday night at the regular board meeting. Mrs. Thomas said that she would email the information to the Commission Board. Commissioner Jacques said that the numbers do need to be studied but at this time he is leaning toward the fully insured option with United Healthcare. Mrs. Thomas asked each member of the Commission Board to please look at the information and ask questions. Chairman Bridges asked each Commissioner to look this material over and make an informed decision at the June regular board meeting. Commissioner Strickland and Commissioner Jacques thanked Mrs. Thomas for providing the information.

E. Department Updates – Chairman Bridges asked County Manager Beth Thomas to give a department update. Mrs. Thomas said that last week was the celebration of the 41st EMS week. In 1973 United States President Gerald Ford authorized the first EMS week. Mrs. Thomas thanked EMS Director Terry Harris and his staff for the critical work they do in medical care for the County residents. There are 25 full time employees and about 29 as needed employees of the EMS department. During the celebration week recognition was given to the EMS employees by the emergency billing company as well as Saint Mary's Hospital. Chairman Bridges stated that he appreciates the work that the EMS employees do for the County.

Commissioner Jacques said that the call volume is up for EMS. Mrs. Thomas said that in 2014 the EMS employees had 4,300 calls. The statistics for EMS is one thousand calls per year per unit. At this rate the EMS units are above the statistics. The extra 300 calls are getting spread between the units. Transfers are also made to other facilities. During the transfer times a unit may not be available. Commissioner Strickland asked who determines which hospital a person is taken to. Mrs. Thomas said that EMS staff does the initial assessment for emergency care. Sometimes the patient requests to be transferred to a specific facility. If the patient wants to be transported to another facility then the EMS provider has to honor the request. Commissioner Jacques said that the EMS calls delivered to the Ty Cobb Hospital in Lavonia since opening is in the range of 52% to 73%. He said that his hopes are that this number increases with the sale of the hospital to Saint Mary's System. Mrs. Thomas said that she took this into consideration for the FY16 budget. The ambulance revenue is decreased by five percent because of the projection that more calls will be taken to the hospital in Lavonia and less out of county transfers after the takeover by Saint Mary's System.

Commissioner Wester said that he had discussed transports with one of the EMS employees. He said that this discussion took place when Saint Mary's announced that they were buying the Ty Cobb Hospital. Commissioner Wester asked how many transports were taken to Saint Mary's Hospital and how many were taken to Athens Regional Hospital. The answer was

that probably 60% to 70% of transported patients asked to be taken to Saint Mary's Hospital. Commissioner Wester asked did he foresee the transport amount changing when Saint Mary's Hospital System takes over. The answer given was yes, that the EMS employees should have less out of county transfers. Mrs. Thomas said that this is the hope from the County. From a revenue point less EMS transfers will hurt but from a resources point it will help. Commissioner Jacques said that the response time for EMS should also increase with less transfers.

F. Financial Update – Chairman Bridges asked County Manager Beth Thomas to give a financial update. Mrs. Thomas said that she and Lyndon Burgess met with FEMA representatives this week. Documentation by County staff is very good and the project is moving forward for possible reimbursement. The County is asking FEMA for reimbursement for the winter storm. Mrs. Thomas said that the County will not count on getting reimbursement until the check is received.

Mrs. Thomas said that a revised schedule for budget meetings has been provided to each Commissioner. She asked that the Commission Board review the information and let her know of any changes. Mrs. Thomas said that she will provide each Commissioner with a proposed budget with a written executive summary. She stated that she has worked the numbers diligently. She also stated that the County has some very distinct challenges to overcome in this next budget year. Mrs. Thomas said that she is looking to have four town hall meetings to give the public more of a chance to give input into the County budget. The required meetings will also be held. Commissioner Jacques asked if the budget could be given in an electronic format. Mrs. Thomas said yes, there are lots of files, around 50 of them. It would be better to copy the files to a flash drive as it is too large to email. Chairman Bridges thanked Mrs. Thomas for the update.

G. Atkinson Bridge water improvements – Chairman Bridges asked Commissioner Jacques to comment on the Atkinson Bridge water improvements. Commissioner Jacques said that several months ago, the Commission Board was approached by several residents of Atkinson Bridge Road about improving their road. It is currently a dirt road which connects State Route 51 to Harrison Bridge Road. This was looked at in the past but rights of ways were unable to be obtained. During the recent request to improve Atkinson Bridge Road, water quality was also discussed by the residents. There is a water main on State Route 51 in the Double Bridges area which runs back to the City of Carnesville. There is also a water main on Harrison Bridge Road. Another water main comes off of Harrison Bridge Road onto Atkinson Bridge Road and provides service to Riverside Baptist Church. The residents of Atkinson Bridge Road have secured 14 of the 20 required right of way parcels to move forward with the road project.

Commissioner Jacques stated that water would have already been run on Atkinson Bridge Road but the right of ways was not available. County staff is currently working in the Sandy Cross area on Reno Road; Hale's Crossing; and Roach Road by Commission Board approval and direction. In evaluating other system improvements there are between 13 to 15 residents ready to hook onto County water on Atkinson Bridge Road. Commissioner Jacques asked that this be voted on at the June regular board meeting to move forward with adding Atkinson Bridge Road to the list of roads to be worked by County staff for water line installation after the completion of Reno Road; Hale's Crossing; and Roach Road.

Commissioner Strickland asked if the other right of ways were needed before County staff could install water lines. Commissioner Jacques said that some of the parcels are vacant. He also said that the right of ways is for the parcels on the south side and all have been obtained. He also said that there are only six rights of ways that have not been given for Atkinson Bridge Road. Commissioner Jacques stated that a later time with the approval of the Commission Board and available funds possibly the road could be paved. He then said that the addition of Atkinson Bridge Road would not incur more expense to the County as the material is on hand and the work will be performed by County staff. Chairman Bridges asked Mrs. Thomas to talk with County Engineer John Phillips about the feasibility of placing water lines on Atkinson Bridge Road. Commissioner Jacques said that he had already talked with both Mr. Phillips and Mrs. Thomas before he brought the issue to the Commission Board. Mrs. Thomas said that she would discuss Atkinson Bridge Road with Mr. Phillips again. Chairman Bridges said that he would like a chance to look into this further before the final vote, possibly delay the vote until July.

Chairman Bridges asked if there was anything other questions or concerns. There was no further discussion. The meeting adjourned at 6:55 p.m.

Signed on the _____ day of _____, 2015

Chairman J. Thomas Bridges

Robert L. Franklin, District 1 Commissioner

David R. Strickland, District 2 Commissioner

Jeff Jacques, District 3 Commissioner

Eddie Wester, District 4 Commissioner

Elaine H. Evans, County Clerk