

## Minutes for November 5, 2012

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**073534 THE BOARD OF WHITMAN COUNTY COMMISSIONERS** met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Monday, November 5, 2012 at 9:00 a.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

**9:00 a.m. - Call to Order/Board Business/Workshop.**

Present: Gary Petrovich, Bob Reynolds, Bob Lothspeich, David Ledbetter, Kelli Campbell, Bill Spence and Joe Smillie (9:15 a.m.).

**073535 1.** Items discussed included the 2013 preliminary budget, the 2012 budget amendment #3, strategic budget planning models thru 2016, CETC building, Divco maintenance agreements, Prosecutor's office floor repairs, Superior Court office expansion, Courthouse ADA updates, Court area doors/vault access, Courthouse locks and Martin Hall. No action taken.

**9:30 a.m. - Recess.**

**10:00 a.m. - Reconvene/Pledge of Allegiance.**

Present: Karen Johnson, Joan Willson, Bill Tensfeld, Brett Myers, Robin Cocking, Sandy Rollins, Bill Spence, Joe Smillie and Holly Bowen.

**D073535A 3. Motion** by Commissioner O'Neill to accept the consent agenda. Motion **seconded** by Commissioner Largent and **carried**.

**073536 4.** Claims/Payroll warrants numbered **300000-300069** for **\$141,983.30** and **300074-300207** for **\$703,054.72** approved.

**073537 5.** October 29, 2012 minutes approved.

**073538-073538C 6.** Personnel change orders approved.

**10:05 a.m. - Bob Reynolds and Art Swannack.**

**073539 7.** Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to authorize the publishing of budget amendment #3.

**073540 8.** Mr. Reynolds presented the annual HVAC maintenance agreement with Divco, Inc. noting it is for full coverage once again with a \$300 increase. The fire alarm maintenance agreement is also maintained by

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Divco, Inc. and increased only \$160. Mr. Reynolds signed this particular agreement. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to sign the annual HVAC maintenance agreement with Divco, Inc.

**073541 9.** Sandy Rollins presented a mutual support resolution for disaster services and training between Latah County Disaster Services and Whitman County Emergency Management. Since the two counties are so close in proximity Ms. Rollins felt it prudent to have a mutual support agreement and the commissioners concurred. Ms. Rollins also pointed out both county legal departments have reviewed and approved the document. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to sign a joint resolution between Whitman County Emergency Management and Latah County Disaster Services for mutual support.



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**RESOLUTION OF MUTUAL SUPPORT INVOLVING  
LATAH COUNTY DISASTER SERVICES  
AND  
WHITMAN COUNTY EMERGENCY MANAGEMENT**

**WHEREAS**, disasters have occurred in Latah County, Idaho and Whitman County, Washington.

**WHEREAS**, both counties share a common border.

**WHEREAS**, both counties share some of the same disasters such as flooding and severe weather.

**WHEREAS**, both counties are small rural counties and lack the manpower and equipment to deal with larger disasters.

**NOWTHEREFORE**, be it resolved and declared by both the Latah County and Whitman County Boards of County Commissioners as follows:

1. If a disaster occurs in either county, both counties will attempt to work together where reasonably practical to lessen the effect on



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different. If a different model is proposed, this board would just nullify any action taken today and then vote on the new model.

Commissioner O'Neill said there are discussions being held but he didn't know at this time how everything will shake out.

Commissioner Largent said there is no issue with passing the budget today with the idea the numbers may change dramatically. People outside Spokane County are trying to negotiate a different contract on how Martin Hall will function in the future through significant behind the scenes discussions.

Commissioner Partch talked about Spokane County's contribution and the possible court actions.

Commissioner Largent stated there would be no disservice to this board by signing this budget resolution and the other members agreed.

Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to sign a resolution adopting the 2013 Martin Hall budget.

**RESOLUTION NO. 073542  
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS  
WHITMAN COUNTY, WASHINGTON**

IN THE MATTER OF APPROVING AND AUTHORIZING THE 2013 MAINTENANCE AND OPERATIONS BUDGET PURSUANT TO THE AMENDED AND RESTATED INTERLOCAL JUVENILE DETENTION FACILITY AGREEMENT (MARTIN HALL), AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, Whitman County, Washington (the "County") is a political subdivision duly organized and existing under and by virtue of the constitution and laws of the State of Washington; and,

WHEREAS, the County is required by Chapter 13.16 RCW to acquire, construct and maintain juvenile detention facilities for dependent, wayward and delinquent children; and,

WHEREAS, the County and eight other counties entered into an Amended and Restated Interlocal Juvenile Detention Facility Agreement (Martin Hall) ("the Amended and Restated Agreement") executed by each County on the following dates:

- Douglas County - August 26, 1996
- Stevens County - August 20, 1996
- Pend Oreille County - July 22, 1996
- Spokane County - August 13, 1996
- Adams County - July 22, 1996

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Asotin County - August 19, 1996  
Lincoln County - July 15, 1996  
Whitman County - July 15, 1996  
Ferry County - July 15, 1996

under the authority granted by Chapter 39.34 RCW, Chapter 300, Laws of 1995 and Chapter 20, Laws of 1995, 2<sup>nd</sup> sp. sess., to provide for the joint operation and maintenance of Martin Hall for use as "juvenile rehabilitation center" as amended from time to time; and,

WHEREAS, Section 12 of the Amended and Restated Agreement requires the Whitman County Board of Commissioners ("the Board") to approve the Operating Budget for the operation and Maintenance of Martin Hall, which has been prepared by the Martin Hall Juvenile Facility Board:

NOW THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

**Section 1:** The Board hereby approves the Operating Budget (as defined in Section 12 of the Amended and Restated Agreement), in substantially the form attached hereto as Exhibit "A". The county shall pay its proportionate amount of costs incurred pursuant to this approved Operating Budget in accordance with Section 5 of the Amended and Restated Agreement.

**Section 2:** All other resolutions of the Board that are inconsistent with the provisions of this Resolution are hereby repealed to the extent of such inconsistency.

**Section 3:** This resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of County Commissioners of Whitman County, Washington at a regular meeting thereof held on November 5, 2012.

BOARD OF COUNTY COMMISSIONERS  
OF WHITMAN COUNTY, WASHINGTON

\_\_\_\_\_  
Greg Partch, Chairman

\_\_\_\_\_  
Patrick J. O'Neill, Commiss.

ATTEST:

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Maribeth Becker, CMC  
Clerk of the Board

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Michael Largent, Commissioner

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Martin Hall Juvenile Facility  
2013 Operating Budget  
Final 10/25/2012

Bed User	Beds/Year	Cost/Day	Total Cost/Year
Adams County	730	\$155.00	\$113,150.00
Asotin County	912.5	\$155.00	\$141,437.50
Douglas County	1825	\$155.00	\$282,875.00
Ferry County	182.5	\$155.00	\$28,287.50
Lincoln County	182.5	\$155.00	\$28,287.50
Pend Oreille County	730	\$155.00	\$113,150.00
Spokane County	1825	\$155.00	\$282,875.00
Stevens County	2555	\$155.00	\$396,025.00
Whitman County	912.5	\$155.00	\$141,437.50
Member Overage		<u>\$155.00</u>	<u>\$0.00</u>
<b>Sub-Total</b>	<b>9855</b>		<b>\$1,527,525.00</b>
<b>Other Users</b>			
Coeurd'Alene Tribe	0	\$185.00	\$0.00
Nez Perce Tribe	0	\$185.00	\$0.00
Kalispel Tribe	120	\$185.00	\$22,200.00
Spokane Tribe	650	\$185.00	\$120,250.00
Yakima Tribe	<u>620</u>	\$185.00	<u>\$114,700.00</u>
	<b>1390</b>		<b>\$257,150.00</b>
<b>Sub-Total</b>	<b>11245</b>		<b>\$1,784,675.00</b>
<b>Other Income</b>			
Food Program			\$40,000.00
Interest Income			\$300.00
Misc. Income			\$0.00
Utilities Refund			<u>\$56,000.00</u>
<b>Sub-Total</b>			<b><u>\$96,300.00</u></b>
<b>Total Income</b>			<b>\$1,880,975.00</b>
<b>Expense</b>			
		<u>Per Month</u>	
Capitol Expense			\$30,532.00
Repairs			\$2,400.00
Consulting			\$2,500.00
Management Services			\$18,000.00
Maintenance (Contract)			\$38,000.00
Auditing			\$4,000.00
Accounting			\$31,500.00
Legal			\$28,000.00
Fire Contract			\$2,500.00
Oper. Cont. Base	Reduction (4%)	\$138,128.46	\$1,657,542.00
Oper. Cont. Over 40 Beds			\$0.00
Insurance	0	N/A	\$10,000.00
Rent			\$1.00
Utilities			\$56,000.00
Misc.			
<b>Total</b>			<b>\$ 1,880,975.00</b>

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**073543** 11. Bob Reynolds opened the discussion by saying the CETC building is a good looking building, it is still functional, the county has done good things with the building but it is now a good time to return the building to the tax rolls. He recommended the building be declared surplus and a minimum bid of \$60,000 be set for sealed bids.

Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to declare the CETC building surplus county property.

Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to sell the building and declare a minimum bid of \$60,000.

**RESOLUTION NO. 073543  
DECLARATION OF SURPLUS REAL PROPERTY**

WHEREAS, after a public hearing held on October 29, 2012, at 10:30 a.m., the Board of County Commissioners, as the Legislative Authority for the County, declared the following County real property surplus.

Whitman County Community Education Training Center, located at 123 N Main Street, Colfax, WA 99111.

Assessor's Parcel #1-0040-00-03-12-000

WHEREAS, a minimum bid of \$60,000.00 has been established for said property.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Whitman County Commissioners that the above said property be sold by sealed bid to the highest and best bidder.

Dated this 29th day of October, 2012 at Colfax, Washington.

BOARD OF COUNTY COMMISSIONERS  
OF WHITMAN COUNTY, WASHINGTON

\_\_\_\_\_  
Greg Partch, Chairman

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Patrick J. O'Neill, Commiss.

ATTEST:

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Maribeth Becker, CMC  
Clerk of the Board

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Michael Largent, Commissioner

**073544** 12. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to set the date of December 3, 2012 at 11:30 a.m. to receive sealed bids for the purchase of the CETC building.

IN THE MATTER OF COUNTY SURPLUS PROPERTY SALE

WHEREAS, the Board of County Commissioners have the authority as the Legislative Authority, to sell property deemed surplus according to R.C.W. 36.34.010 when it is found to be in the best interest of the County; and,

WHEREAS, publication of Notice To Sell and Notice of Public Hearing have been published two times in a paper of general circulation in the County and posted as required by R.C.W. 36.34.030; and,

WHEREAS, a public hearing determining the advisability of selling the surplus real property was held on October 29, 2012, as required by R.C.W. 36.34.040; and,

WHEREAS, the Whitman County Community Education Training Center located at 123 N Main Street, Colfax, WA 99111 has been declared surplus; and,

WHEREAS, the County Commissioners find it in the best interest of the County to sell the aforementioned surplus real property.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the County Commissioners do hereby order the Treasurer or his agent to attempt to sell the aforementioned surplus real property on December 3, 2012, in the Whitman County Commissioners' Chambers, commencing at 11:30 a.m., by **Sealed Bids** to the highest and best bidder.

BE IT FURTHER RESOLVED that the County Commissioners have established \$60,000.00 as a minimum bid for the above mentioned property.

BE IT FURTHER RESOLVED that the County Commissioners order the publication of a Notice of Sale for two successive calendar weeks in a newspaper of general circulation and postings in the County Courthouse in a conspicuous place, in accordance with R.C.W. 36.34.090.

Dated this 5th day of November, 2012 at Colfax, Washington.

BOARD OF COUNTY COMMISSIONERS  
OF WHITMAN COUNTY, WASHINGTON

\_\_\_\_\_  
Greg Partch, Chairman

ATTEST:

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Patrick J. O'Neill, Commiss.

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Maribeth Becker, CMC  
Clerk of the Board

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Michael Largent, Commissioner

**073545** 13. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to authorize the publishing of a notice of sale for the CETC building. Anyone interest may contact Bob Reynolds to see the building.

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**073546** 14. Notice posted as required for the sale of the CETC building.

**073547** 15. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to enter into a memorandum of understanding with the Deputy Sheriff's Association for clarification purposes.

**073548** 16. An executed copy of the Western State Insurance Agency, Inc. consulting service and fee agreement received.

**073549** 17. An executed copy of the Administrative office of the Courts interagency agreement #IAA13054(1) was received (06/30/13).

**073550** 18. Commissioners' pending list reviewed.

**10:40 a.m. - Recess.**

**11:00 a.m. - Reconvene/Board Business Continued/2013 County Employee Medical Insurance.**

Present: Lyndsey Stovall, Holly Bowen, Gary Petrovich, Bill Spence, Jamie Kinley, Joan Willson, Karen Johnson, Candi Fisher, Joe Smillie, Art Swannack, Kelli Campbell, Steve Bruchman, Gary and Valerie Hunt, Evon Jones, Phil Meyer, Mark Storey, Sonya Goldsby, Brett Meyers, David Kimmett, Susan Nelson, David Ledbetter, Judy McMurray, Judi Dunn-Gray, Michele Beckmann, Kristina Cooper, Byron Bedirian and Jeff Marshall.

**073551** 19. Kelli Campbell said we have been looking into other options that came up last week. A representative from Rehn & Associate who administers the Inland Empire Teamsters Trust plan is here today to provide information. She recapped information presented at the last meeting, i.e. goals for 2012-14 for health insurance, likely options for 2013 (2 options for Cigna, Teamsters Welfare Trust and WCIF) and advantages and disadvantages for all options.

Steve Bruchman, Business Representative for Teamsters Local 690 for the represented Whitman County employees introduced David Kimmett of Rehn & Associates and administrator of the Inland Empire Teamsters Trust plan. Mr. Bruchman noted Whitman County Corrections Officers/Office Support staff is currently covered by Washington Teamsters Welfare Trust.

Mr. Kimmett presented a comparison of composite benefit plans between the Inland Empire Teamsters Trust plan and the Washington Teamsters Welfare Trust Medical Plan B. He then went on to review in more detail the Inland Empire Teamsters Trust, a composite rate plan with an 80/20 split. The plans are regulated by the federal government and not the State Insurance Commissioner.

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The Teamster plans for non-represented Whitman County employees would be limited until the Trust determines if the group meets the basic guidelines for the Trust.

Steve Bruchman added, if this plan is selected, new employees hired after a specific date would need to have 4 months of contributions accrued by the 1<sup>st</sup> day of the 5<sup>th</sup> month before they have coverage for themselves and their families.

Commissioner Partch said the County is taking a broader look at what is available and possibly shifting away from the \$0 deductible but it all comes down to dollars.

Ms. Campbell explained the County had been with WCIF for 25 years until moving to Cigna in 2012. Reasons for doing this include obtaining claims history, plan flexibility, a long-term carrier relationship and most recently, the hiring of a health insurance specialist for developing a 3-4 year strategy. Over the past 10 months, claims have been more than the premiums paid under the \$0 deductible plan which is driving our claims experience and the reason for recommending the \$0 deductible plan be eliminated as an option. By eliminating the \$0 deductible, the 2013 increase drops dramatically. Claims experience for the other plans offered has paid for themselves.

Ms. Campbell continues to work with Cigna who have agreed to add our last few months' claims experience dropping the rates by another 4%. A \$250 deductible scenario plan with a 90%/10% co-insurance was added last week to the offerings.

The Chairman opened the meeting to comments from the audience.

In response to a question raised by Phil Meyer, Susan Nelson distributed and reported on the percentage of employees currently on individual verses composite (family) plan not including the (Deputy Sheriff's Association) as follows:

Total Employee Only = 132 or 83%  
Total Employee + Family = 27 or 17%

As a result of the percentages, Mr. Meyer wondered why the Board would even consider a composite plan for all employees when 83% percent of employees are individually insured. A composite plan would cost 83% of employees a lot more money than the 17% that are currently covering their dependents. If the Board was going to consider a plan like that, the Board should offer employees something to opt out. Mr. Meyer hoped another meeting like this will be held tomorrow because Public Works has many field staff that may want to attend.

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Commissioner Partch said with respect to the Teamsters plan, last he knew, they require 100% participation. Even if employees opt out, the County must still pay for those employees. He also confirmed the meeting tomorrow will begin at 10 a.m.

Judy McMurray wondered why WCIF is not being considered stating many employees have had a very bad experience with Cigna. She has paid more for premiums, paid more out of pocket and has had more problems than she ever did under Group Health or Premera.

Candi Fisher supported Ms. McMurray's comments adding it is as though Cigna is not interested in our business and want us to do all the work for them and then they might or might not help us. They are very difficult to work with and Susan Nelson could probably speak to that.

Judi Dunn-Gray said in talking to the State Insurance Commissioner she learned Cigna is federally regulated. The State Insurance Commissioner is not happy with Cigna and has received many complaints. They would like to remove Cigna but have no control over the federally regulated organization. Complaints regarding insurance companies federally regulated must be addressed to the Department of Labor at the federal level.

Commissioner Partch pointed out the WCIF option is still on the table.

Susan Nelson concurred that it would be a disadvantage to 83% of the employees to ask them to subsidize 17% of the employees in order to offer composite rates (family).

Evon Jones said there is a small group of employees that enjoyed the VEBA for medical expenses not paid by insurance.

Steve Bruchman said the Teamsters are only in attendance today as asked to provide their plan information as an option and not to sell it to anyone. It may not be a good fit overall, but may be designed for smaller select groups.

Commissioner Partch said last year when we made the change from WCIF we said 1-2 years. While with WCIF for 25 years, the County had no experience rating. Recently, the County voted to hire an insurance specialist. The more experience we have by continuing with Cigna a 2<sup>nd</sup> year would be very beneficial to Whitman County and the insurance specialist. If the County were to return to WCIF we would probably be with them for 8-10 years. However, every time the premiums increase, employees will take a hit. Kelli Campbell said WCIF would more than likely obligate the County to 3-4 years. Commissioner Partch added we don't want to be insurance hopping.

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Mark Storey asked how employees away from the meeting can contact the Board about what they would like to see as far as insurance. Commissioner Partch said they can stop by the office, telephone, send an email, voice mail or call them at home. Ms. Nelson urged employees to talk to the commissioners face-to-face. Jeff Marshall agreed but pointed out unless a night meeting is held many Public Works staff is unable to attend. Commissioner Partch said the Board's first thought was to conduct an evening meeting but many employees work second jobs. Phil Meyer said he will encourage all Public Works field staff to attend tomorrow's meeting.

Byron Bedirian wondered if the insurance specialist has an opinion about what we should do for 2013 and Kelli Campbell said they are recommending we don't change our carrier for at least another year.

Commissioner O'Neill stated this is not an easy decision for him because he realizes how important it is to have medical insurance. He would like to hear from employees and do what is best for all employees.

Evon Jones asked if there will be an option for different carriers, is it an all or nothing choice, or will the county be looking at splitting off groups. Kelli Campbell indicated until we can evaluate our demographics we are probably better off as a whole group under one carrier. It was suggested some groups be split off but she has not seen any scenarios for doing so.

**11:55 a.m. - Recess.**

**1:30 p.m. - Reconvene/Board Business Continued/Mike Berney, Greater Columbia Behavioral Health (GCBH) via telephone.**

**073552 20.** Mr. Berney reviewed issues addressed at the regular GCBH Board meeting held on November 1, 2012.

### **D073552A 21. Funding Committee Report:**

A statute recently went into effect clarifying the Involuntary Treatment Act (ITA) judicial cost billing by counties (billing by case is required). GCBH staff brought a concern to the Committee about how Yakima County was billing for their ITA judicial costs. The Committee discussed the issue extensively and determined further direction from the Board of Directors was needed. GCBH staff met with Yakima County staff several days before the Board meeting. After discussion at the Board meeting a motion was made to accept the Committees recommendation that invoiced items that are not disputed be paid and that negotiations continue on the items that are in dispute. Whitman County voted in favor of the motion that passed unanimously.

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**D073552B 22. Yakima County's request for a delegation contract:**

In the recently approved Medicaid and State-only contract amendments the State included very specific language prohibiting contracting with non-licensed mental health entities. The amendment does make provisions for Regional Support Networks to contractually delegate duties to a non-licensed entity but it must be for things the RSN cannot do. The State's clear intent was to decrease administrative layers/cost and have RSNs look even more like insurance companies. Since Benton and Franklin Counties recently turned over contracting/review duties to GCBH this amendment only affects Yakima County within our RSN. It did not appear to Mr. Berney or GCBH legal counsel that the duties Yakima County would likely provide meet the State understanding of what the delegation clause would typically cover. After several meetings between GCBH staff and Yakima County it was decided this issue would be best addressed by adding clarifying language to the Interlocal Agreement signed by all the GCBH counties.

**D073552C 23. Authorizing the Chair to sign contract amendments.**

A number of contract amendments were presented at the October meeting of the GCBH Board of Directors.

- One amendment each for PHIP and State-only to reflect Skamania County leaving GCBH,
- Extending the Mental Health Block Grant, and
- Being able to utilize the Road to Community Living funding stream if GCBH has someone who qualifies.

Whitman County voted to authorize the Chair to sign all of these amendments and the motion passed unanimously.

**D073552D 24. Skamania County leaving GCBH.**

As of October 1<sup>st</sup> Skamania County officially left GCBH and joined Clark County in forming Southwest RSN (except for a few payment issues that will switch on January 1, 2013). The GCBH Interlocal Agreement needs to be amended to reflect the current member governments. Since this document is being amended a new article will be suggested defining the rights and responsibilities of member Counties to address the issues raised by Yakima County's request for a delegation of duties contract. The draft is titled the Third Amended.... and has just been sent out. The Regional Office is hoping the Counties can review it and get any questions/concerns back within a couple of weeks so that a final version can go out, be reviewed, and then be voted on at the December Board meeting. No action needed at this time.

**D073552E 25. Information Only:**

Mr. Berney gave the commissioners a "heads up" regarding the need to update information required by the Office of the Inspector General.

**1:50 p.m. - Recess.**

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**2:00 p.m. - Board Business Continued/Executive Session.**

Present: Denis Tracy, Gary Petrovich, Mark Storey, Milton Rowland.

**073553 26.** Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to go into executive session with the above individuals until 3:05 p.m. in accordance with RCW 42.30.110(1)(i) for matters related to litigation.

**3:05 p.m. - Return to Open Session/Board Business Continued.**

Present: Gary Petrovich, Mark Storey, Denis Tracy, Joe Smillie, Bill Spence and Karen Johnson.

**073554 27.** Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** rather than selecting a "Point Person" for Hawkins discussions to designate an Ad Hoc Special Purpose Committee comprised of Michael Largent (lead), Mark Storey (Public Works), Gary Petrovich (financial) and Denis Tracy (legal advisor). Commissioner Largent confirmed the Committee's authority does not extend beyond some pointed discussions and they are not authorized to take a position on behalf of the Board.

**3:10 p.m. - Recess.**

**3:15 p.m. - Reconvene/Board Business Continued/BOCC Workshop.**

Present: Dan Boone, Tom Kammerzell, Debbie Snell, Mark Storey, Gary Petrovich and Joe Smillie.

**073554A 28.** Items discussed included the windmills, fiber optics and the CETC building sale. No action taken.

**4:15 p.m. - Recess.**

**D073554B THE BOARD OF WHITMAN COUNTY COMMISSIONERS** met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Tuesday, November 6, 2012 at 10:00 a.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

**10:00 a.m. - Reconvene/Board Business Continued/2013 County Employees Medical Insurance.**

Present: Bill Baker, Tom Martin, Herb Greenwalt, Jerry Standar, Bryan Medutis, Bill Stevick, Mike Dale, Brandon Kruger, Clint Adams, Jimmy Bennett, Dave Stine, Tom Chambers, Jim Keller, Scott Hardy, Jim Burns, Phil

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Herman, David Blankenship, Jerry Basler, Alan Thomson, Elinor Huber, Steve Salzman, Michele Beckmann, Sonya Goldsby, Holly Bowen, Billy Germen, Micki Terrell, Les Line, Kelli Campbell, Laurie Line, Joe Smillie Jaime Kinley, Cinnamon Brown, David Ledbetter, Susan Nelson, Gary Petrovich, Mindy White, Debbie Wolfe, Lyndsey Stoval, Janet Schmidt, Monica Krause, Debbie Walker-LaBine, Erin Young and Robin Cocking.

**073555 29.** The Chairman reconvened the meeting for the 2013 County employee medical insurance. They had expected representatives of the Teamsters to be here today to provide an explanation of their different composite plans as they did yesterday for consideration. The Board is trying to do what is best for all of us but any decision will affect everyone.

Kelli Campbell said yesterday some of the figures on the website were updated because Cigna has lowered their offer by 4% from the previous week. Susan Nelson distributed the revised annual plan calculations for 2013.

Kelli Campbell continued on with an explanation of how we got to where we are today.

- Changed from WCIF to Cigna in 2012,
- There have been some bumps with Cigna/Med Solutions,
- Hired insurance consultant to look to the future for plan design and affordability,  
Reviewed the different options,
- Recommendation is to remain with Cigna in 2013 and drop the \$0 deductible:
  - ❖ Recommendation based on cost of plan,
  - ❖ High claims experience for the first 6 months of 2012,
  - ❖ Rates are driven by the \$0 deductible,
  - ❖ Way to make plans more stable is to reduce the number of plans,
- Working through a carrier is an on-going negotiation process and the reason for the different Cigna options,
- The \$750 deductible plan is a cost savings over the \$0 deductible plan for 2013,
- Consultant supports staying with Cigna for 1 more year,
- Currently have 5 months of claims experience at this time,
- Cannot obtain claims experience if we participate in a pooled group.
- Health Care Reform is also a component. This will allow us to reevaluate our position.

Commissioner O'Neill reviewed how we got to this point since leaving WCIF.

- Washington Counties Insurance Pool went broke;
- Premera was at 18% + 5% rates for 2012,

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- Changed to Cigna and there were problems in the beginning,
- The County's claims experience has gone up and down, and
- Reason for additional 4% reduction from Cigna is because they reviewed our September/October claims and our claims experience for those months had dropped.

Commissioner O'Neill's goal is to get the best bang for the dollar for every employee and the only way to do that is to provide 2 years claims experience to the insurance specialist for their long-term professional advice as to what is best for the employees.

Brian Medutis asked for clarification regarding the different deductibles and Kelli Campbell responded, the \$750 deductible is actually a \$6/month VEBA. If the \$0 deductible plan is retained, an employee would pay a \$159 premium out of pocket per month. If in the Road Bargaining Unit with Teamsters vision plan, it will be slightly different than the rates for WCIF vision.

Laurie Line wondered if the Cigna #2 plan was a better option than the Cigna #3 option and Ms. Campbell said yes, because providing 2 plans rather than 3 plans makes the overall system more stable. The less plans offered, the more stable the overall system is.

Les Line said by eliminating the \$0 deductible the cost to employees is much more for out of pocket expenses especially for employees with major medical issues; i.e. lab work in advance of a doctor visit is not covered. Commissioner Partch interjected, medical costs included in a \$0 deductible plan is paid for by higher monthly premiums.

Micki Terrell asked when we looked at these options last year didn't they tell us that because Cigna had a larger base than Group Health they could keep our premiums down. Ms. Campbell said she thought it does to a certain extent but part of Whitman County's problem has been the claims experience being so high. Whitman County is new to Cigna and because of that they treat us a little differently than if we'd been with them for several years. A carrier outside of a pool takes a certain percentage of a renewal based just on Whitman County and the other percentage would be blended with their other insured entities. Outside of WCIF, Whitman County will have a much larger number of entities to blend with, both public and private which tends to be overall a lower claims rating than if blending with just public entities like WCIF. Over time, yes, that is the theory. However, because of our claims experience Whitman County won't see that in the first year and maybe not even in the 2<sup>nd</sup> year. Group Health was unable to provide Whitman County with a bid as competitive as Cigna for 2013.

Phil Herman said if the Board is going to take a stand and offer the \$750 deductible, only \$6 month would be contributed to a VEBA which isn't much

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for a \$750 deductible plan. He asked if the commissioners were willing to raise the \$695 contribution to help employees offset the \$750 deductible.

Commissioner Partch said that's the problem, there is no money. They are currently dealing with a \$400,000 deficit in addition to it being a negotiated item. It all comes down to dollars and they are trying to determine the best plan for the majority of the employees.

Tom Chambers asked if Cigna offered a \$250 or \$500 deductible plan. Kelli Campbell said last week Cigna offered a \$250 deductible but it is a 90%/10% co-insurance, not 100% like the \$0 deductible.

Commissioner Partch said the commissioners are available to hear from the employees by email, in person, phone or contacting them at home.

Kelli Campbell pointed out any decision made is pending union discussions for represented employees.

Randy Kruger requested clarification on the recommendation. Kelli Campbell said her recommendation and the recommendation of the health consultant is to select the Cigna #2 plans thereby eliminating the \$0 deductible option. Within Cigna there are 3 options. The Board has available to them for carriers Cigna, WCIF and Teamsters.

Commissioner Largent said at the last meeting he was leaning towards WCIF. Based on today's information he is now leaning towards Cigna. No matter what decision is made someone will be disadvantaged. When dealing with a group they have to make decisions based on the whole. They must make a decision fairly quickly and as Kelli mentioned, they are trying to think strategically into the future. Pending additional employee comments, it may be prudent to remain with Cigna and utilize the consultant to move forward strategically. He realized the insurance was costing the employees more and more as it is other small governments nationwide along with other inflationary costs, i.e. gas, insurance, etc.

Phil Herman stated the employees' wages aren't increasing but the insurance is and because of that employee wages are declining. Commissioner Largent agreed employee expenses are rising faster than their wages. It tires him to say our revenue for the county is doing the same thing as the employees' wages. Therefore, they have to move forward strategically in order to address the issue.

Laurie Line suggested the Cigna #3 option just to provide the employees with more choices.

Mike Dale asked why 3 plans cause the county's insurance to be more unstable and why not give the employees as many options as possible to

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select a plan that fits their own interest. Kelli Campbell said stability is based on the adverse selection process which she proceeded to explain.

Monica Krause said each year the county is always backed into a corner to make quick decisions. Secondly, employees need low deductibles because they don't make the kind of money to pay high deductibles and premiums.

Kelli Campbell responded with respect to the timing of medical insurance, it is a typical problem nationwide. You wait 6-9 months for claims experience then the carrier must underwrite the claims experience using various calculations to determine the rates. That information is then received about a month later. In Whitman County's case, Cigna ran Whitman County's experience through July or August and then processed the underwriting taking another few weeks. At that point, the negotiating process with the carrier began for rates and that can take another month. WCIF's rates usually are available the 2<sup>nd</sup> week in September leaving about a 3-4 week period to negotiate. Ms. Krause is correct. The timeline is always tight and that will be true with any carrier noting Teamsters didn't make their rate decision until the 2<sup>nd</sup> week in October.

If the County is able to work with the health consultant on 2-3 strategies and be in a more pro-active position rather than waiting for something to happen should help with the tight timeframe.

Commissioner Largent said in his opinion this is another argument for staying with Cigna so there is not another carrier change.

With regard to the higher deductible Ms. Campbell said she couldn't speak to everyone's individual circumstances but in general there are two trains of thought. You either have no deductible or a deductible. With no deductible the premiums will be higher and employees will pay the premium whether they use the insurance or not. Or, employees can have a lower premium with a deductible attached. The low premium is paid whether the employee uses it or not and the additional money paid if medical services are needed.

Tom Chambers suggested if the Board decides to eliminate the \$0 deductible adding the \$250 deductible might help the employees. Commissioner Largent stated adding the \$250 deductible will help and hurt employees.

Scott Hardy asked if it is an option for employees to take the County's contribution and shop for other medical insurance. Kelli Campbell replied after talking to the broker and consultant she learned there are legal liability implications associated with that option in Washington State that requires further exploration. There would be no legal liability if the contribution was provided to all employees as a whole otherwise the Insurance Commissioner will question whether or not the employees are a

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group. Commissioner Largent added for those employees that decide to stay with the County's insurance, their premiums would be astronomical.

In 2014 Commissioner Partch said the employees will have different options with regard to the Health Care Act. Kelli Campbell said employers nationwide are looking at whether or not to offer insurance in 2014 or give employees a contribution and allow them to participate in an exchange. Exchanges will be managed by the state offering 3-4 plans. What she has heard so far is that the state will not offer a \$0 deductible or 100% co-insurance plan. The most will be a 90/10 co-insurance. Whether the County decides to offer or not offer insurance in 2014, there are tax implications that will be studied over the next several months with the insurance consultant about the best option.

Commissioner O'Neill said he would like to do a little more research today and preferred to delay any decision until 1:00 p.m. today rather than delaying until the 19<sup>th</sup>.

Ms. Campbell noted the Benefits Fair is November 13<sup>th</sup> but the medical insurance won't be available by that date, only dental, vision, life and other life products.

Debbie Wolfe said she has never dealt with the deductible issue before. She was actually very irritated last year when the co-pay went to \$25. She asked for clarification regarding the cost of doctor visits in 2013. Ms. Campbell reported if the visit is for preventable measures it will be paid at 100% per federal law. For non-preventable visits, the employee will pay everything up to the \$750 deductible plus 20% up to \$1,500.

Speaking for herself, Ms. Wolfe said she feels this is one more way the employees are taking it in the shorts and she is tired of doing so. Her wages have been frozen for years. Everything has gone up except her wages. There is no possible way for her to progress within the county. She felt the Board should come up with a very creative way of showing her how this is a benefit to the employees, many of which have been with the County for years. During the course of the 20 years she has been with the County, all she has seen is less and less for the employees while it is all about the buck. Therefore she asked the Board to convince her that this is the best thing for her and her co-workers.

Commissioner Partch said he didn't believe the Board disagrees. It is about keeping good employees here. However when they can't afford to offer raises and deductibles increase the County loses their best employees. That's the situation they are faced with. Revenues are not keeping up with expenses and it is difficult to attract new employees.

Commissioner Largent said from a policy-making perspective, it is frustrating because the County has the same exact revenue stream and they

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keep taking it in the shorts. That impacts services and our people. As the County's costs increase, there is no increase to revenue. He was hopeful something creative could be done to begin addressing this issue strategically.

Cinnamon Brown asked why employees should attend the Benefits Fair if no medical information will be available for employees to make a decision. Ms. Campbell said WCIF and all voluntary vendors will be in attendance. Until the Board makes a decision and that decision goes before the unions Cigna will not be meeting with the employees. There will be a second meeting for medical information.

One employee asked if Whitman County looks at other counties and their medical options and the answer was yes.

There being no further comments, Commissioner Partch said the Board will reconvene at 1:30 p.m. with the intent of making a decision.

**10:55 a.m. - Recess.**

**1:30 p.m. - Reconvene/Board Business Continued/2013 County Employee Medical Insurance Decision.**

Present: Cinnamon Brown, Evon Jones, Sonya Goldsby, Lyndsey Stovall, Monica Krause, David Ledbetter, Pete Martin, Debbie Walker-LaBine, Erin Young, Susan Nelson, Michele Beckmann, Jamie Kinley, Kelli Campbell, Les Line, Fran Martin, Brett Myers, Kristina Cooper and Byron Bedirian.

**073556 30.** Kelli Campbell said this morning there was some questions regarding the \$250 deductible plan and whether it was a 90% or 100% co-insurance. It is in fact a 90% co-insurance with a \$2,000 out of pocket maximum. Commissioner Largent confirmed the \$250 deductible has a higher out of pocket maximum than the \$750 deductible.

Ms. Campbell reiterated her recommendation and the recommendation of the insurance consult to remain with Cigna and drop the \$0 deductible plan which is Option #2.

Commissioner Largent **moved** and Commissioner O'Neill **seconded** the motion based on the recommendation from the Human Resources Director and Health Insurance Consultant to select Cigna Option #2 for the 2013 county employee medical insurance (pending union negotiations for represented employees).

Commissioner O'Neill said he always wants to get the best bang for the dollar. The \$0 deductible plan brought the highest increase in cost and would cost the employees \$264 more than the \$750 deductible plan. Overall, for the majority of the employees, he thought the \$750 deductible

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plan for a total \$2,178 out of pocket cost was the best way to go (not including co-pays) and the consultant agrees.

Commissioner Partch stated as he has said before, this is an extremely difficult decision. He did like the \$250 deductible plan until learning the out of pocket maximum was actually higher than the \$750 deductible plan. As far as employee only with low utilization and the ability to put almost \$2,800 in a VEBA under the \$3,500 deductible may be appealing to some employees. Obviously this plan is not as attractive based on the maximum out of pocket amount for high utilization. He agreed with the Sheriff as far as looking at different options in the future. He would like to see the County go in the direction of composite rates in order to attract and retain employees with families. Employees are put at risk because of the insurance decision that must be made, but until revenues increase and costs can be contained he saw no other choice at this point for the commissioners. Motion **carried**.

**1:40 p.m. - Adjourn.**

**D073556A** Commissioner O'Neill **moved** to adjourn the **November 5 and 6, 2012** meeting. Motion **seconded** by Commissioner Largent and **carried**. The Board will meet in regular session, in their Chambers', in the Whitman County Courthouse, Colfax, Washington, on **November 19, 2012**. The foregoing action made this **6th** day of **November 2012**.

ss/ PATRICK J. O'NEILL, COMMISSIONER  
ss/ MICHAEL LARGENT, COMMISSIONER

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MARIBETH BECKER, CMC  
Clerk of the Board

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GREG PARTCH, CHAIRMAN  
Board of County Commissioners