

A G E N D A

Dakota County Board of Commissioners Administration/Finance/Policy Committee of the Whole

July 13, 2010

9:30 a.m.

(or following County Board Meeting)

Conference Room 3A, Third Level, Administration Center, Government Center, Hastings, MN

1. Call To Order And Roll Call

Note: Any action taken by this Committee of the Whole constitutes a recommendation to the County Board.

2. Audience

Anyone in the audience wishing to address the Committee on an item not on the agenda or an item on the consent agenda may come forward at this time. Comments are limited to five minutes.

3. Approval Of Agenda (Additions/Corrections/Deletions)

4. Introduction Of New Employees

CONSENT AGENDA

5. Approval Of Minutes Of Meeting Held June 8, 2010 2

REGULAR AGENDA

6. County Board/County Administration

- 6.1 *Financial Services* – INFORMATION – Financial Update And Outlook 5
- 6.2 *Financial Services* – INFORMATION – 2010 Prioritization Project Update 7
- 6.3 *Employee Relations* – INFORMATION – Update On Status Of Proposed Medical Plan Modifications 9
- 6.4 *Administration* – Closed Executive Session: Discuss Labor Negotiations Strategy..... 16

7. County Administrator's Report

8. Adjournment

The next scheduled meeting is Tuesday, August 10, 2010, at 9:30 a.m.
in Conference Room 3A, Administration Center, Government Center, Hastings

For more information, call 651-438-4417.

Dakota County Administration/Finance/Policy Committee of the Whole meeting agendas are available online at
<http://www.co.dakota.mn.us/CountyGovernment/CountyBoard/AFPCalendar/default.htm>

**DAKOTA COUNTY
ADMINISTRATION/FINANCE/POLICY COMMITTEE OF THE WHOLE**

Meeting Minutes

June 8, 2010

Administration Center, Government Center, Conference Room 3A, Hastings, Minnesota

1. **Call To Order And Roll Call.** Commissioner Nancy Schouweiler, Chair of the Administration/Finance/Policy (AFP) Committee of the Whole, called the meeting to order at 1:21 p.m. Roll was called with the following members present:

Commissioner Joseph A. Harris, District 1
Commissioner Kathleen A. Gaylord, District 2
Commissioner Thomas A. Egan, District 3
Commissioner Nancy Schouweiler, District 4
Commissioner Liz Workman, District 5
Commissioner Paul J. Krause, District 6
Commissioner Willis E. Branning, District 7

Others present included:

Brandt Richardson, County Administrator
Karen Schaffer, County Attorney's Office
Kelly Olson, Sr. Administrative Coordinator

2. **Audience.** Commissioner Schouweiler asked if there was anyone in the audience who wished to address the Committee of the Whole on an issue not on the agenda or to discuss an item on the consent agenda. No one appeared.
3. **Approval Of Agenda.** On a motion by Commissioner Gaylord, seconded by Commissioner Workman, the agenda was approved with the addition of Item 8.1 – Authorization To Extend Allocation Of Bonding Authority To Local Issuers Of Recovery Zone Facility Bonds.
4. **Introduction Of New Employees.** County Administrator Brandt Richardson and Financial Services Director Matt Smith introduced International City/County Management Association (ICMA) Fellows Catherine Durham and Michael Crawford.

CONSENT AGENDA

On a motion by Commissioner Egan, seconded by Commissioner Krause, the consent agenda was unanimously approved as follows:

5. **Approval Of Minutes** of meeting held on May 4, 2010.
- 6.1 **Approval Of Employee Relations Policies Modifications.**

WHEREAS, the Employee Relations Department periodically reviews and recommends revisions to policies and procedures in order to maintain and enhance the effective and responsive provision of human resource management functions to the County.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby adopts the proposed modifications to Policy No. 3060 Employee Type, Term and Condition establishing the employee type "Intermittent Employee" and enhancing the requirements for hiring Limited Term employees; Policy No. 3101 Applicant Testing, Recruitment, and Selection removing special requirements for interviewing protected class applicants for employment, enhancing the nepotism definition, and simplifying the process for current employees to apply internally for County positions; and Policy No. 3102 Candidate Selection simplifies language regarding psychotherapist background checks and candidate drug and alcohol testing; and

BE IT FURTHER RESOLVED, That the County Board of Commissioners hereby adopts new Policy No. 3044 Behavioral Code of Conduct describing unacceptable workplace behaviors and procedures to address such behaviors; and new Policy No. 3104 providing procedures for conducting background checks on candidates for County paid positions and volunteers; and

BE IT FURTHER RESOLVED, That County Board of Commissioners hereby adopts these policies as presented to the Administration/Finance/Policy Committee of the Whole on June 8, 2010, and authorizes the Employee Relations Director to modify said policies accordingly.

REGULAR AGENDA

- 7.1 Update On External Review Of Investment Practices.** Public Services and Revenue Director Tom Novak and Financial Services Director Matt Smith presented this item. This item was for information only; no action was requested.
- 8.1 Authorization To Extend Allocation Of Bonding Authority To Local Issuers Of Recovery Zone Facility Bonds.** Dakota County Community Development Agency Director Mark Ulfers presented this item.

On a motion by Commissioner Egan, seconded by Commissioner Gaylord, the following resolution was recommended to the County Board:

WHEREAS, on February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 Stat. 115 (2009) ("ARRA"); and

WHEREAS, Section 1401 of Title I of Division B of ARRA authorizes state and local governments to issue Recovery Zone Facility Bonds; and

WHEREAS, the County of Dakota has received a volume caps of Recovery Zone Facility Bonds in the amount of \$20,949,000, and may use such volume cap for eligible costs or may allocate such volume cap in any reasonable manner as the Dakota County Board of Commissioners shall determine in good faith at their discretion for use for eligible costs for qualified economic development purposes or recovery zone property; and

WHEREAS, the County of Dakota does not have at the present time a qualifying and cost-effective opportunity to utilize these bonding authorities within the prescribed time limit of December 31, 2010; and

WHEREAS, the Dakota County Board of Commissioners authorized the County Administrator on December 15, 2009, to notify local issuers of the availability of Recovery Zone Facility Bonds to ascertain whether there are qualified issuers in Dakota County of Recovery Zone Facility Bonds for qualifying projects, such that the Dakota County Board of Commissioners might allocate such bonding authority within Dakota County; and

WHEREAS, the County sent notification to local issuers of the availability of Recovery Zone Facility Bonds and solicited applications generating responses for three qualifying projects within Dakota County including \$7.5 million in bonding authority requested by the City of Eagan for a 90-unit Candlewood Hotel in the Cedar Grove Redevelopment Area, \$12 million in bonding authority requested by the City of Eagan for a 80,000 square foot office building (Blue Gentian Corporate Center) located at the intersection of I-494, I-35E, and Highway 55, and \$7.5 million in bonding authority requested by the South Saint Paul Housing and Redevelopment Authority for development of an office/warehouse facility (BridgePoint Business Park) at the site of the former South Saint Paul Stockyards; and

WHEREAS, the Dakota County Board of Commissioners allocated authority on March 16, 2010, to issue \$12,000,000 Recovery Zone Facility Bonds to the City of Eagan for the eligible costs of developing the Blue Gentian Corporate Center located at the intersection of I-494, I-35E, and Highway 55 and \$7,500,000 Recovery Zone Facility Bonds to the South Saint Paul Housing and

Redevelopment Authority for the eligible costs of developing the BridgePoint Business Park at the site of the former South Saint Paul Stockyards; and

WHEREAS, the Recovery Zone Facility Bond allocation authority referenced above included an issuance deadline of June 30, 2010; and

WHEREAS, the allocations approved by the Dakota County Board of Commissioners on March 16, 2010, left a balance of \$1,449,000 in unallocated bonding authority; and

WHEREAS, the City of Eagan and South Saint Paul Housing and Redevelopment Authority have requested additional time to issue bonds due to economic conditions; and

WHEREAS, the City of Eagan has requested the balance of unallocated Recovery Zone Facility Bond authority for the Candlewood Hotel project; and

WHEREAS, an extension of the bonding allocation would provide increased opportunity for the Recovery Zone Facility Bonding capacity to benefit projects in Dakota County.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby extends the allocation of Recovery Zone Facility Bond authority from June 30, 2010, to August 31, 2010; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners allocates the balance of its Recovery Zone Facility Bond authority in the amount of \$1,449,000 to the City of Eagan for the Candlewood Hotel project with an issuance deadline of August 31, 2010.

11. **County Administrator's Report.** The County Administrator's report followed.
10. **Adjournment.** On a motion by Commissioner Harris, seconded by Commissioner Workman, the meeting was adjourned at 2:09 p.m.

Respectfully submitted,

Kelly D. Olson
Senior Administrative Coordinator to the Board

6.1 - Financial Update And Outlook

Meeting Date: 7/13/10
Item Type: Regular-Information
Division: COUNTY BOARD/COUNTY ADMINISTRATION
Department: Financial Services
Contact: Matt Smith Telephone: 651-430-4590
Prepared by: Matt Smith
Reviewed by: N/A N/A

Fiscal/FTE Impact:

- [X] None
[] Amount included in current budget
[] Budget amendment requested
[] FTE included in current complement
[] New FTE(s) requested-N/A
[] Other

PURPOSE/ACTION REQUESTED

Financial Services staff will present an update on actual financial performance from 2009, and the recently completed audit, an update on 2010 current year financial condition, and the current planning framework for 2011 budget development.

SUMMARY

2009 Annual Financial Report

In June, County Financial Services staff completed the Comprehensive Annual Financial Report (CAFR) for 2009, and it was reviewed by staff of the Office of the State Auditor (OSA). The OSA will issue its Management and Compliance report shortly, with an unqualified opinion on the County's financial statements.

The audited financial activities statement shows total county expenses (including a share of capital spending allocated to 2009 as depreciation expense) of \$254 million. Total revenues were \$305 million (including capital grants and contributions).

With investments in infrastructure and debt repayments, the County's total net assets (largely capital assets) increased by \$50.6 million to \$750 million.

Total fund balance across all governmental funds increased by \$10.55 million from the year before (total of \$229.7 million), affected significantly by the repayment of 2008 highway expenditures that had left the highway fund with a deficit of \$4.3 million at the end of 2008. The General Fund fund balance declined \$7.7 million from prior year levels due to losses in state aid and the significant under-performance of investment income. The Community Services fund closed with an increase in fund balance of \$7.36 million due to savings from vacant positions during 2009.

Total outstanding General Obligation (property tax-supported) debt at year end was \$97.8 million, down from \$110 million at the end of 2008.

2010 Financial Condition

The Board will take action at the July 13 Board meeting to amend the County's budget for the loss of state aid due to actions of the 2010 Legislature. Additional risks remain due to under-performance of investment income as well as the potential for late-year reductions in state aid. Currently, the level of vacancies in budgeted positions is allowing the County to mitigate these revenue losses.

2011 Planning Outlook

The financial context for 2011 budget development is one of considerable uncertainty. The state's budget faces a projected \$5.8 billion shortfall, so reductions in state revenue are a virtual certainty for the County's budget. Additionally, with no labor contracts in place for 2011, there is further uncertainty about the combined cost of wages and health insurance for 2011 and beyond. In trying to develop options for consideration by the County Administrator and County Board, Financial Services staff believes a budget challenge of \$10 million in 2011 is appropriate for initial planning purposes. This is not a best case or worst case scenario.

Financial Services staff will present information about all three of these topics for the committee.

EXPLANATION OF FISCAL/FTE IMPACT

None from this action.

Supporting Documents:

Previous Board Action(s):

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RESOLUTION

Information only; no action requested.

<p>Administrator's Comments:</p> <p><input type="checkbox"/> Recommend Action</p> <p><input type="checkbox"/> Do Not Recommend Action</p> <p><input type="checkbox"/> Reviewed-No Recommendation</p> <p><input checked="" type="checkbox"/> Reviewed-Information Only</p> <p><input type="checkbox"/> Submitted at Commissioner Request</p> <p><i>Brandt Richardson /ko</i> County Administrator</p>	<p>Reviewed by (if required):</p> <p><input checked="" type="checkbox"/> County Attorney's Office</p> <p><input checked="" type="checkbox"/> Financial Services</p> <p><input type="checkbox"/> Risk Management</p> <p><input type="checkbox"/> Employee Relations</p> <p><input type="checkbox"/> Information Technology</p> <p><input type="checkbox"/></p>
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6.2 - 2010 Prioritization Project Update

Meeting Date: 7/13/10
Item Type: Regular-Information
Division: COUNTY BOARD/COUNTY ADMINISTRATION
Department: Financial Services
Contact: Matt Smith Telephone: 651-430-4590
Prepared by: Brent Gustafson
Reviewed by: N/A N/A

Fiscal/FTE Impact:

- [X] None
[] Amount included in current budget
[] Budget amendment requested
[] FTE included in current complement
[] New FTE(s) requested-N/A
[] Other

PURPOSE/ACTION REQUESTED

County staff will provide the Board with an update on the work to date on the project to prioritize the County's programs and services as an input to the 2011 budget process.

SUMMARY

During 2009, County staff undertook an extensive project under the lead of the Office of Planning & Analysis to segment the County's business by the types of outcomes we were seeking to achieve with each. This Inventory & Assessment Project helped departments think differently about their operations and helped identify where programs aligned well or not with the County's primary strategic objectives.

Since April 2010, County staff have built upon the 2009 project to further disaggregate programs and services into much lower levels for use in a Prioritization Project. The goal of the Prioritization Project is to create distinctions between the various aspects of the County's work in a way that allows for differentiation for budget setting.

Our work in 2010 has built on the 2009 work and also the work done similarly by Olmsted County. The work of many County staff has resulted in a list of operating programs and services that numbers 365, and each programs and services has important characteristics assigned to it:

Table with 2 columns: County strategic objective supported, Degree of mandate/flexibility. Rows include Program-specific outcomes, Description of what it does, Staff-developed rank of value to the public, Financial data (FTE, total 2010 budget, 2010 NCC).

In addition to the extensive staff work on this project to date, the Board has provided input through its evaluation of the County's role in achieving 31 distinct strategic objectives.

Financial Services staff will present information about the project to date.

EXPLANATION OF FISCAL/FTE IMPACT

None from this action, though the Prioritization Project is intended to be an important input to the 2011 budget development process.

Supporting Documents:

Previous Board Action(s):

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RESOLUTION

Information only; no action required.

Administrator's Comments:

- Recommend Action
- Do Not Recommend Action
- Reviewed-No Recommendation
- Reviewed-Information Only
- Submitted at Commissioner Request

Reviewed by (if required):

- County Attorney's Office
- Financial Services
- Risk Management
- Employee Relations
- Information Technology
-

Benjamin Richardson
County Administrator *1/20*

6.3 - Update On Status Of Proposed Medical Plan Modifications

Meeting Date: 7/13/10
Item Type: Regular-Information
Division: COUNTY BOARD/COUNTY ADMINISTRATION
Department: Employee Relations
Contact: Will Volk Telephone: 651-438-4422
Prepared by: Shirley Martin
Reviewed by: N/A N/A

- Fiscal/FTE Impact:
None
Amount included in current budget
Budget amendment requested
FTE included in current complement
New FTE(s) requested-N/A
Other

PURPOSE/ACTION REQUESTED

To provide an update on the status of proposed medical plan modifications.

SUMMARY

In March 2010, the County Board accepted HealthPartners' proposed medical plan rate caps of no more than 11% for 2011 and 12% for 2012. The premium cost of providing medical insurance coverage to employees has more than doubled in the past 10 years and is projected to continue to increase at this rate for the next several years.

In addition to unacceptable pressures on the County budget, medical plan premium cost increases are becoming unsustainable for employees. This was clearly communicated by bargaining unit representatives and non-union employees during discussions of medical plan options for 2011, and beyond.

The only plan design proposed by HealthPartners that met cost and plan provision requirements is the Three for Free plan. Several other plan design concepts were discussed in the meetings with bargaining unit representatives but were found to not adequately meet stated goals. The details of this plan design and the associated cost savings are provided in Attachment A. The projected long-term cost savings expected from the Three for Free plan is based on plan design features (\$500 deductible and co-insurance instead of co-pays) that are designed to encourage members to make wise, cost-effective decisions as they are responsible for a percentage of the cost.

EXPLANATION OF FISCAL/FTE IMPACT

If the Three for Free plan is offered in 2011, there will be minimal or no premium rate increase. If the County-paid share of health insurance premiums does not increase in 2011, \$1.8 million in new county costs will be avoided in setting the 2011 budget and tax levy.

Supporting Documents:

Attachment A: HealthPartners Three for Free Plan Summary

Attachment B: Dakota County Medical Plan Discussion

Previous Board Action(s):

10-168; 4/6/10

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RESOLUTION

Information only: No action requested

<p>Administrator's Comments:</p> <p><input type="checkbox"/> Recommend Action</p> <p><input type="checkbox"/> Do Not Recommend Action</p> <p><input type="checkbox"/> Reviewed--No Recommendation</p> <p><input checked="" type="checkbox"/> Reviewed--Information Only</p> <p><input type="checkbox"/> Submitted at Commissioner Request</p> <p><i>Brendt Richardson</i> County Administrator</p>	<p>Reviewed by (if required):</p> <p><input checked="" type="checkbox"/> County Attorney's Office</p> <p><input checked="" type="checkbox"/> Financial Services</p> <p><input type="checkbox"/> Risk Management</p> <p><input type="checkbox"/> Employee Relations</p> <p><input type="checkbox"/> Information Technology</p> <p><input type="checkbox"/></p>
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The following is an overview of your HealthPartners coverage. For exact coverage terms, and conditions, consult your plan materials, or call Member Services at (952) 883-5000 or 1-800-883-2177.

Plan highlights Partial listing of covered services	In-network Care from a network provider	Out-of-network Care from an out-of-network provider
Deductible and Out-of-Pocket		
Lifetime maximum	Unlimited	\$1,000,000
Calendar Plan year deductible	\$500 single; \$1,000 single + one; \$1,500 family	\$1,000 single; \$2,000 single + one; \$3,000 family
Calendar Plan year medical out-of-pocket maximum	\$2,000 per person; \$4,000 per family	\$4,000 per person; \$8,000 per family
Preventive Health Care		
▪ Routine physical & eye exams, well-child care	100% coverage	70% coverage after deductible
▪ Prenatal & postnatal care	100% coverage	70% coverage after deductible
▪ Immunizations	100% coverage	70% coverage after deductible
Office Visits		
<i>*For in-network services, each family member may receive up to a combined total of three office visits, convenience care and urgent care visits each year where the physician's services are covered at 100%. All charges for office procedures, laboratory, radiology, day treatment services, group visits, chiropractic care, physical, occupational, & speech therapy services are subject to the deductible and coinsurance.</i>		
▪ Illness or injury	90% coverage after deductible for Benefit Level 1; 80% coverage after deductible for Benefit Level 2*	70% coverage after deductible
▪ Allergy injections	90% coverage after deductible*	70% coverage after deductible
▪ Physical, occupational & speech therapy	90% coverage after deductible for Benefit Level 1; 80% coverage after deductible for Benefit Level 2	70% coverage after deductible
▪ Chiropractic care (neuromusculo-skeletal conditions only)	80% coverage after deductible	70% coverage after deductible
▪ Mental health care	90% coverage after deductible*	70% coverage after deductible
▪ Chemical health care	90% coverage after deductible*	70% coverage after deductible
Convenience Care		
▪ Convenience clinics (retail clinics), eVisits	90% coverage after deductible*	70% coverage after deductible
Emergency Care		
▪ Urgently needed care at an urgent care clinic or medical center	90% coverage after deductible*	70% coverage after deductible
▪ Emergency care at a hospital ER	90% coverage after deductible	HealthPartners in-network benefit
▪ Ambulance	90% coverage after deductible	HealthPartners in-network benefit
Inpatient Hospital Care		
▪ Illness or injury, mental and chemical health care	90% coverage after deductible for Benefit Level 1; 80% coverage after deductible for Benefit Level 2	70% coverage after deductible
Outpatient Care		
▪ Scheduled outpatient procedures	90% coverage after deductible for Benefit Level 1; 80% coverage after deductible for Benefit Level 2	70% coverage after deductible
▪ Outpatient MRI and CT scan	90% coverage after deductible	70% coverage after deductible
Durable Medical Equipment		
▪ Durable medical equipment & prosthetics	90% coverage after deductible	70% coverage after deductible

Plan highlights Partial listing of covered services	In-network Care from a network provider	Out-of-network Care from an out-of-network provider
Prescription Drugs <i>(30-day supply / 1 cycle of oral contraceptives 90-day supply for mail order)</i>	HealthPartners Participating Pharmacy Benefit	Non-Participating Pharmacy Benefit
■ Retail Pharmacy Copayment for 1-month supply		
▪ Generic Preferred	\$12 copayment	70% coverage after deductible
▪ Brand Preferred	\$35 copayment	70% coverage after deductible
▪ NonPreferred	\$50 copayment	70% coverage after deductible
■ HealthPartners Mail Order Pharmacy Copayment for 3-month supply		
▪ Generic Preferred	\$24 copayment	
▪ Brand Preferred	\$70 copayment	
▪ NonPreferred	\$100 copayment	

Value – HealthPartners 3 for Free Medical Plan


	Value
First three office visits <u>free</u> per member per year	<ul style="list-style-type: none"> Recognizes that healthy individuals need occasional medical care. If a member sees a doctor 3 or less times/year, their out-of-pocket cost could be 0. Supports the philosophy that it is cost effective for individuals to seek medical attention early rather than wait until their medical condition is critical. Introduces a deductible plan that increases cost sharing – one step at a time.
\$500 deductible/year	<ul style="list-style-type: none"> Provides significant premium savings Incentivizes individuals to access their medical coverage in a thoughtful manner Recognizes the fact that one is usually more thoughtful when spending one's own money
Co-Insurance instead of Co-pays	<ul style="list-style-type: none"> Encourages members to make wise, cost-effective care decisions after meeting their deductible because they are responsible for a percentage of the cost. This helps reduce overuse and misuse of services and encourages members to be more engaged in their care decisions. Encourages members to seek appropriate care
Providers ranked in two tiers	<ul style="list-style-type: none"> Adds additional incentive for using cost effective, quality providers Takes advantage of HealthPartners' process/website that provides annual cost and quality information on providers
Prescription Drugs – flat co-pay – No deductible	<ul style="list-style-type: none"> Incentivizes usage of prescription drugs that will slow, prevent, and/or treat serious illness.
Prescription Drugs – significant difference in member cost for generics vs. brand name drugs.	<ul style="list-style-type: none"> Provides motivation for members to request and use generics which are less costly
Low Out-of-pocket maximums	<ul style="list-style-type: none"> Provides reasonable protection to members with chronic/serious illness.
No increase in premium cost for 2011	<ul style="list-style-type: none"> Meets the employee's request to not experience premium cost increases when there are no wage increases. 20% of members typically drive 80% of medical claims. While 20% need richer, more comprehensive medical plans which are typically more expensive, the other 80% shouldn't be left holding the bag when it comes to premium cost.
Preventive care 100%	<ul style="list-style-type: none"> Supports the concept that preventing an illness is more cost effective than treating an illness.

 Efficient. Effective. Responsive

Dakota County Medical Plan Discussion

July 13, 2010


1

 Efficient. Effective. Responsive

Background

- Mandated RFP every 5 years
- HealthPartners Distinctions became *base plan* - 2008
- Rate caps 2008, 2009 and 2010
- County Board approved HealthPartners' rate caps of 11% for 2011 & 12% for 2012
 - Higher than usual large cost claims
 - Unlikely that RFP process would produce lower rates


2

 Efficient. Effective. Responsive

Medical Costs Challenges

- County pays the highest percentage of family medical premium costs of all metro counties. Only the State pays a higher percentage of premium costs
- Medical premium costs represent an increasing share of the tax levy and threaten to squeeze out other operating costs over time.

3

 Efficient. Effective. Responsive

County Board Direction

- Directed staff to find alternatives that:
 - Reduce the County's medical premium costs
 - 2011 & 2012 Premium rates
 - Reduce the rate of premium increase into the future
 - Continue to provide quality, affordable, employee medical insurance.

4

What this means



- Three realistic options to reduce medical premium costs
 - Employees pay a greater % of premium costs
 - **Employees and their family members pay more if/when/receiving medical care**
 - Employees and their family members become healthier

5

Options Considered



- Meetings were held with bargaining units representatives and non-union employee representatives
 - Preferred to adjust medical plan design so members pay more if/when receiving medical care
 - Requested medical plan design with no premium rate increase for 2011

6

Options Considered



- Plan design options considered
 - Current Distinctions plan with increased co-pays
 - Did not meet the goal of no premium rate increase for 2011
 - Would not change the way members access medical care
 - State Look-A-Like plan
 - Did not meet the goal of no premium rate increase
 - *Three for Free* plan
 - Minimal or no premium increase for 2011
 - Best option to achieve both premium and medical claims cost savings immediately and into the future

7

Three for Free Plan



- Minimal or no total shared premium increase for 2011
- First 3 office visits free/member/year
- Preventive care free
- \$500 single deductible/\$1,000 single + one deductible/\$1,500 family deductible per calendar year
- Providers are ranked in 2 tiers

8

Three for Free Plan



Efficient, Effective, Responsive

- 10% co-insurance (Tier 1) or 20% co-insurance (Tier 2) after deductible has been paid
- Prescription drugs – flat co-payment. Does not apply to deductible
- Total annual out of pocket \$2,000/single; \$4,000/family (this includes the initial deductible, the percentage co-insurance, and prescription drug co-payments.)

Value of Three for Free Plan



Efficient, Effective, Responsive

- 3 office visits free/member/year
 - Recognizes that healthy members need occasional care.
- Preventive care free
 - Preventing an illness is more cost effective than treating an illness
- \$500/single, \$1,000/single + one, \$1,500/family deductibles
 - Incentivizes thoughtful use of medical plan
- Co-insurance instead of co-pays
 - Encourages members to make wise, cost-effective care decisions
- Low out-of-pocket maximums
 - Provides reasonable protection to members

6.4 - Closed Executive Session: Discuss Labor Negotiation Strategy

Meeting Date: 7/13/10
Item Type: Regular-Action
Division: COUNTY BOARD/COUNTY ADMINISTRATION
Department: Administration
Contact: Brandt Richardson Telephone: 651-438-4528
Prepared by: Kelly Olson
Reviewed by: N/A N/A

Fiscal/FTE Impact:

- None
Amount included in current budget
Budget amendment requested
FTE included in current complement
New FTE(s) requested-N/A
Other

PURPOSE/ACTION REQUESTED

- Hold a closed executive sessions.

SUMMARY

The Dakota County Attorney has advised that prior to closing a County Board meeting, pursuant to the Open Meeting Law, Minn. Stat. Ch. 13D, the County Board must resolve by majority vote to close the meeting.

The County Administrator has recommended that five closed executive sessions be held during the Dakota County Administration/Finance/Policy Committee of the Whole meeting on July 13, 2010, to discuss the following:

- Labor Negotiations Strategy

EXPLANATION OF FISCAL/FTE IMPACT

Fiscal impact will be addressed in the closed sessions.

Supporting Documents:

Previous Board Action(s):

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RESOLUTION

Closed Executive Session: Discuss Labor Negotiation Strategy

WHEREAS, upon adoption of a resolution by majority vote, the Administration/Finance/Policy Committee of the Whole (AFP Committee) is authorized, pursuant to Minn. Stat. § 13D.03, to hold a closed executive session to discuss labor negotiations strategy; and

WHEREAS, the AFP Committee desires to meet to discuss labor negotiations strategy.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby closes the AFP Committee of the Whole meeting on July 13, 2010, and recesses to Conference Room 3A, Administration Center, Hastings, Minnesota, in order to discuss labor negotiations strategy.

<p>Administrator's Comments:</p> <p><input checked="" type="checkbox"/> Recommend Action</p> <p><input type="checkbox"/> Do Not Recommend Action</p> <p><input type="checkbox"/> Reviewed–No Recommendation</p> <p><input type="checkbox"/> Reviewed–Information Only</p> <p><input type="checkbox"/> Submitted at Commissioner Request</p> <p><i>Brandt Richardson</i> _____ County Administrator</p>	<p>Reviewed by (if required):</p> <p><input checked="" type="checkbox"/> County Attorney's Office</p> <p><input type="checkbox"/> Financial Services</p> <p><input type="checkbox"/> Risk Management</p> <p><input type="checkbox"/> Employee Relations</p> <p><input type="checkbox"/> Information Technology</p> <p><input type="checkbox"/></p>
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