

REGULAR SESSION
of the Daviess County Fiscal Court
held at the Courthouse in the City of Owensboro,
County of Daviess, Commonwealth of Kentucky
on this 11th day of July 2013
Present were Judge/Executive Al Mattingly and
County Commissioners Jim Lambert,
George Wathen and Charlie Castlen

DOCUMENTS RELATED TO TODAY'S DISCUSSION
ARE FILED IN JULY 11, 2013 FISCAL COURT FILE

Commissioner Lambert opened the meeting in prayer and led the court in the Pledge of Allegiance to the flag.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered for approval the Second Reading of **KOC 220.24 (2013)** - An Ordinance Authorizing and Directing the Retention of 0.35% of all Occupational License Fees Due and Payable to Daviess County, Kentucky, by Ordinance, from Compensation to be Paid to the New Employees of Southern Star Central Gas Pipeline, Inc., Provided Said Corporation Meets the Criteria Set Forth in its Application for Incentives Under the Kentucky Economic Development Finance Authority, Kentucky Business Investments Program.

Comments:

No comments received.

Greg Carlton with Peel and Holland provided a mid-year Claims Review and Update. Mr. Carlton reviewed where we were a year ago. He noted that medical discounts averaged 26%, bill claims were in excess of \$3,000,000, loss of medical savings over \$500,000, and loss of prescription savings over \$160,000. The current plan (2013) through May looks like medical discounts have averaged 45.42%, billed medical charges are \$1,791,000, medical claim savings \$813,505. Overall savings from prior year totals \$441,610, year-to-date. He stated, "Assuming the prior year network savings averaged 26%, the court would have paid over \$347,000 additionally to medical providers, year-to-date. If we repeat the next 5-months like the first 7-months have gone, I would expect your cost to be around the \$2.7 to \$2.8 million overall range this year. That should be an improvement over the prior year. I feel pretty good. We are in the right place where we thought we would be. We had predicted around a \$450,000 potential savings by improving the plan. We are already nearly at that target, 7-months into the year." He further explained that diabetes, hypertension, and high cholesterol are areas that tend to have a huge bearing on the overall cost of our plan. He stated, "What I would like to do is to bring in our care management team and talk with management about building a care management plan that would be in addition to their wellness program and your screenings – to do some additional education to help members better understand how to manage some of their care and work with their local doctors. What we have seen through other large organizations is that this has a dramatic improvement in the overall cost of care and the quality of life when we put these programs in. Within the next 30-60 days, I will be discussing with you or Jim and the staff about these different managed care alternatives, and we will bring some more recommendations to you very shortly. We do expect to see some preliminary numbers in the next 30-days, so in August I should be back talking more specifically about how the numbers should look in 2014. You probably heard that some parts of the affordable health care (AHC) act were delayed. That is really just the record keeping section as it relates to penalties for the larger organizations. The

law still stands today. When more information relating to the AHC act is available, I will talk with you and about how this law relates to you specifically.”

Judge Mattingly stated, “With the new plan, we are saving about 19.5 cents on every dollar charged. I assume with this managed health care, what you are saying is that it is going to cost us some money on the front end but we are looking to save money on the back end. However, even more importantly we are going to help employees, their spouses, and their dependents manage their health.”

Commissioner Wathen asked, “Can you help me understand the difference between the medical claims savings of \$800,000 and then there is an overall savings from prior year of \$441,000 and then your reports states that the court would have paid over \$347,000. Can you define those?”

Mr. Carlton stated, “Right now, through May, we have had about \$1.8 million in bill charge for medical. After that gets billed, we received about 45% in discounts. If you look at \$1.8 million, 45% of discounts on \$1.8 million that is \$813,000. The plan pays out about \$900,000 total instead of \$1.8. The savings from the prior year, it takes the stop-loss cost that the current year’s claims for medical and prescription drugs from last year through May and then it compares it to what they have been this year – not on a billed basis, but on a paid basis. So, last year, we paid out \$441,000 more year-to-date than we have paid out this year. Then the last note is just backing in to the number, which says if we had \$1.7 - \$1.8 million in bill charge and we had had 26% in discounts instead of 45%, that additional almost 20% would equate to nearly \$350,000. The loss of the 20% would be the extra. The hospital will bill us or Anthem for say a thousand dollar charge. You were getting a \$260 average discount on that bill. Now you are getting a \$450 discount on that bill. Where the rubber meets the road is what did you pay last year versus what you will pay this year.”

Commissioner Castlen stated, “So the net is the \$441,000.”

Commissioner Wathen asked, “And that compares last year to this year.”

Mr. Carlton agreed.

Judge Mattingly thanked Mr. Carlton for his presentation.

The Report of the Audit of the Daviess County Sheriff’s Settlement – 2011 Taxes were presented to the court.

Minutes of the June 20, 2013 meeting were submitted to fiscal court members for review prior to today’s meeting and on a motion of Commissioner Lambert, seconded by Commissioner Castlen with all the Court concurring said Minutes were approved and signed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered approval of all Claims for all Departments.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Lambert, the court considered for approval the Daviess County Clerk’s 2012 Audit Engagement Letter.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Lambert, the court considered for approval **Resolution 09-2013** - Authorizing Judge/Executive to enter into an agreement with the Kentucky Office of Homeland Security for Mobile Data Terminals
Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Castlen, the court considered for approval to Advertise for the following Bids:

- **Bid No. 21-2013** - a new 5,000 gallon water tank to fit a CAT D25C water truck
- **Bid No. 22-2013** - a new CAT 938K and a new CAT 950K end loader or their equivalent
- **Bid No. 23-2013** - a used JD 670-D motor grader with less than 4,000 hrs or equivalent
- **Bid No. 24-2013** - a new 5th wheel road tractor
- **Bid No. 25-2013** - a new T650 Bobcat Compact Track Loader

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered for approval to Award **Bid No. 15-2013** - Recycling services for the Solid Waste Department to Dahl and Groezinger – all group A alternates.

As presented to the court, Purchasing Agent Dale Boyle recommended the following:
"The bid of Dahl & Groezinger for recycling services for the Solid Waste Department is the lowest and best evaluated bid and has been found to be acceptable, meeting all specifications. It is our recommendation that we award all Group A Alternates for the bid to Dahl & Groezinger, and use discretion in applying the best evaluated Alternate."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Lambert, the court considered for approval to Award **Bid No. 16-2013** - Tire repair and maintenance services for the Solid Waste Department to Tire Mart.

As presented to the court, Purchasing Agent Dale Boyle recommended the following:
"The bid of Tire Mart is the best evaluated bid submitted, meeting all specifications without exception. It is our recommendation that we award the bid to Tire Mart."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Lambert, the court considered for approval to Award **Bid No. 18-2013** - 10 shade canopies for Panther Creek Park to Blue Grass Recreational Products.

As presented to the court, Purchasing Agent Dale Boyle recommended the following:
"The bid of Blue Grass Recreational Products is the lowest and best evaluated bid submitted, meeting all specifications without exception. It is our recommendation that we award the bid to Bluegrass Recreational Products."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered for approval to Award **Bid No. 19-2013** - Two new 2013 or 2014 pickup trucks for the Road Department and Parks Department to Champion Ford.

As presented to the court, Purchasing Agent Dale Boyle recommended the following:
"The bids of Champion Ford for the F150 4WD and F150 2WD pickup trucks are the lowest and best evaluated bids received, meeting all specifications without exception. It is our recommendation that we award the bid for both trucks to Champion Ford."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor, except Commissioner Lambert as he abstained; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Castlen, the court considered for approval to Accept the Retirement Resignation of EMA Deputy Director Walter B. Atherton effective July 1, 2013.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered for approval to Hire Charles Jordan Johnson as a Staff Accountant effective July 15, 2013.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

Other business to be brought before the Daviess County Fiscal Court:

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered for approval to advertise for a Service Technician in the Department of Public Works in the event the position is not filled internally.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Lambert, the court considered for approval to declare county-owned items as surplus from the list provided, subject to the Parks Department requesting to have the wood-chipper as listed.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

Comments:

Judge Mattingly announced that the July fiscal court Special Meetings are July 16 & 30 at 10:00 a.m., and the August fiscal court meetings have been rescheduled for August 8 & 22 at 5:00 p.m.

Without objection, Judge/Executive Mattingly adjourned the meeting.

SO ORDERED THAT COURT STAND ADJOURNED.

Al Mattingly
Daviss County Judge/Executive