

FINANCE COMMITTEE MEETING  
MONDAY, MARCH 18, 1996, 10:00 AM  
ROOM 564, COUNTY COURTHOUSE

Present: Marshall Faircloth, Commissioner  
Billy King, Commissioner  
Lee Warren, Commissioner

OTHERS: Cliff Strassenburg, County Manager  
James Martin, Deputy County Manager  
Carlisle McCutcheon, Finance Director  
Neil Yarborough, County Attorney  
Amy Cannon, Accounting/Budget Manager  
David Fischer, Craigie, Inc.  
Chris Harrison, Healthcare 2000  
Marshall Waren, Healthcare 2000  
Rhonda R. Davis, Deputy Clerk

The meeting was duly called to order.

AGENDA ITEMS:

3. Presentation for Proposed Medical Insurance Plan for FY 96-97

Chris Harrison and Marshall Waren of Healthcare 2000 reviewed the Plan Benefit Comparisons from the proposals submitted by BCBS and PHP.

Commissioner Faircloth asked why only two proposals have been presented.

Mr. Waren advised the proposal submitted by BCBS and PHP were the best two plans received.

Mr. Harrison stated the most significant item to consider in the proposals is the open access network. The County should be able to enroll more employees in the HMO with an open access network.

Commissioner Faircloth asked what the time frame was for action by the Board.

Mr. Waren stated the County would have to give 90 day notice to the County Commissioners Association before pulling out of their insurance pool.

Commissioner King asked how much savings could be realized by the County if they changed from being self insured to fully insured.

Carlisle McCutcheon presented the health care expenses incurred by the County for the last five years. He noted the information presented is comparing insured to insured. It is not comparing insured to what we have now. In three years at fully insured, the County will be paying five million in costs. If the insurance plan was to be changed, employees would have to be notified of the change and that would take a great deal of time. He noted Blue Cross Blue Shield always gives high quotes for insurance. The County's insurance costs have been coming down since the Wellness Program started. His recommendation from a cost standpoint is to remain with the Association one more year

and re-visit this topic again next year.

Mr. Harrison noted the current benefits are less than what has been proposed. If the proposal mirrored the benefits currently being offered, the costs would come down.

Commissioner Faircloth stated he feels most of the County's employees look at the premium costs when choosing a health plan. The Board needs to look at the risks as well as what will be provided to employees.

Mr. Warren stated they could go back and get a plan to plan review with what the County has now. They believe PHP has a better HMO than BCBS. He feels the open access network will increase participation in the HMO plan. That will help keep overall costs down.

Mr. Harrison also advised an HMO plan should not cost more than the indemnity program. It makes no sense that BCBS's HMO plan costs more than their PPO plan. With PHP, the HMO plan will cost less than the indemnity plan.

Mr. McCutcheon noted he does now know what affect the County's pulling out of the Association's program will be. Cumberland County is the largest county participating in the program.

Mr. Harrison advised that since the County is paying it's own claims their withdrawal from the Association would not affect the other participating counties.

Mr. Strassenburg noted changing from self to fully insured would not result in that large of a savings for the County. The quotes received may be based on previous year's costs. If that is the case, and the costs for insurance for this year remain low, the County could receive even better quotes next year. The committee could recommend the consultant be kept on and review this information again next year.

The Committee discussed the fact that there was no compelling reason nor any clear advantages to change the County's health insurance at this time. Therefore, Commissioner Warren offered the following motion:

**MOTION:** Commissioner Warren offered a motion to recommend there be no change in health insurance for the County at this time and to continue review of the plan by the consultants and look at the insurance issue again next year.  
**SECOND:** Commissioner King  
**VOTE:** UNANIMOUS

#### 4. Review Tentative Financing Schedule for Solid Waste Landfill Project

Mr. David Fischer with Craigie, Inc. reviewed the Tentative Financing Calendar for the Special Obligations Bonds for the lined landfill project. He noted they may or may not need to interview underwriters if a good proposal is received from a bank and they choose to go with that bank. The decision on the financing will be based on the RFP's.

Commissioner Faircloth asked if the Special Obligation Bonds have taken the place of Revenue Bonds.

Mr. Fischer stated that due to the fact the landfill project will not generate enough revenues to repay the debt, Revenue Bonds cannot be used. Special Obligation Bonds allows the County to pledge revenues from outside the financing source. With a Special Obligation Bond, any non-taxable revenue source can be pledged to repay the debt.

Mr. Strassenburg noted the projected life of this cell is five years. The Board must decide if the financing should be longer than the useful life of the project. He would also like the Committee to advise him of their desire to be involved in the interviews of the Underwriters and other portions of the financing project.

It was the consensus of the Committee members to allow management to interview the underwriters and then bring their recommendation to the Committee.

Mr. Martin noted the Board must consider the amount of revenue to be pledged and what will happen with the household and tipping fees.

5. Discussion of Cash Management and Investment Policy

Mr. McCutcheon reviewed the revised policy. He noted he would like to change the amount of funds he can invest from a dollar amount to a certain percentage of the general fund. He noted the main changes to the investment policy are listed on page four in his packet of information.

**MOTION:** Commissioner Warren offered a motion to approve the revised Cash Management and Investment Policy as presented.

**SECOND:** Commissioner King

**VOTE:** UNANIMOUS

1. Selection of Chairman

Commissioner Faircloth was elected Chairman

2. Selection of Regular Meeting Date

The Committee decided to continue to meet on an On-Call basis.

6. Other Committee Concerns.

No other committee concerns were raised.

Meeting adjourned 12:00 Noon.