

Human Resources Committee Meeting Douglas County, Nebraska

Friday, November 7, 2014

The meeting convened at 1:07 p.m. in Room 903 of the Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE 68183. A copy of the Open Meetings Act is located on the wall near the entrance of the room. A notice of the meeting was published in the October 31, 2014 issue of The Daily Record. County Commissioners present at the start of the meeting were Mary Ann Borgeson and Marc Kraft. Others present at the start of the meeting were Diane Carlson, Joe Lorenz, and Marcos San Martin of Administration; Lee Lazure, Tim McNally, Debbie Otwell, and Mark Williams of Human Resources/Civil Service Commission (HR); Dan Esch of the Clerk/Comptroller's office; Tracy Krause and Emily Severson of Aon; and Sean Kelley and Kate Gotsdiner of Kelly & Jerram P.C., L.L.O. Commissioner Borgeson conducted the meeting.

2. Dependent audit policies.

This item was taken up first. County Commissioner Mike Boyle and Kathy Adair of HR arrived during this item. Speaking during this item were Ms. Carlson, Commissioner Borgeson, Mr. Lorenz, Ms. Krause, Commissioner Boyle, Commissioner Kraft, Mr. McNally, Mr. Esch, and Ms. Adair. Highlights from the discussion included the following:

- Ms. Carlson said the health insurance dependent verification audit (audit) contract was approved by the County Board a couple of months ago.
- Ms. Carlson said the audit is not scheduled to start until after the beginning of 2015, after HR has gotten through open enrollment processes.
- Ms. Carlson said the company doing the audit will give several notices to the employees and give the employees time to comply with the audit.
 - Ms. Carlson said documents that will be asked for in this audit would be marriage licenses and/or birth certificates of the employee's dependent(s).
 - Ms. Carlson said she thinks the employees will have about 45 days to get the requested information in to the company.
 - Ms. Carlson said there will be a hotline set up for questions to be answered.
- Ms. Carlson said after several attempts of trying to get the employee to comply with the audit, the company will send the employee a termination of coverage letter.
 - Ms. Krause said there will be two notices sent, the first being a 30-day notice.
 - Ms. Carlson said the first notice provided will give the employee another 30 days to turn in the requested information.
 - Ms. Krause said the County gets to set the timeline parameters for when the letters should start going out to when termination should be.
- Ms. Carlson said the County Board needs to put together some policies so HR has some direction as to what to do if the audit shows that some employees did not comply.
 - Ms. Carlson asked other than terminating the insurance coverage, should the employee be disciplined?

- Commissioner Borgeson said the last time this topic was discussed, the idea was no discipline would take place other than terminating the insurance coverage.
 - Ms. Carlson said a resolution from the County Board should set forth a few items so elected officials and department heads understand what the recommendation of the County Board is.
 - Ms. Carlson said the resolution won't need to go in front of the County Board until January or February.
- Mr. Lorenz said there needs to be good communication with the employees regarding the audit.
 - Commissioner Borgeson said she would like to see a couple of memos sent out ahead of time regarding the audit.
- Commissioner Boyle said he'd like to look into whether or not employees working outside of the Civic Center and Hall of Justice would be able to send in requests for marriage licenses and/or birth certificates without having to come to the Civic Center in person.

3. Policy for cancelling coverage when an employee fails to pay the employee share of the premiums.

Speaking during this item were Ms. Carlson, Commissioner Kraft, Ms. Adair, Mr. Lorenz, Commissioner Boyle, Commissioner Borgeson, and Ms. Krause. Highlights from the discussion included the following:

- Ms. Carlson said when an employee fails to pay the employee share of the premiums, HR doesn't have a policy in place as to what to do when this occurs.
 - Ms. Carlson said this doesn't happen often. When it does occur, typically it's when an employee is out on unpaid leave, so the payment isn't coming out of his/her paycheck.
 - Ms. Adair said nonpayment of premium also occurs with retirees, and she has more issues with retirees than active employees because the money owed by an active employee can be taken through the payroll once that employee comes back to work.
- Commissioner Boyle said he thinks the County should come up with a way where employees can formally ask for assistance.
 - Commissioner Boyle said since the County's Health Care Fund has a balance of around \$9 million, he thinks \$10,000 - \$20,000 per year could be set aside to address the needs of employees who really need help.
 - Commissioner Borgeson said while her heart says 'yes' to Commissioner Boyle's idea, she receives calls from citizens who need help, so she has an issue with setting up financial aid to employees with taxpayer dollars.
 - Commissioner Boyle said perhaps the County can come up with a strategic plan to help fund the agencies that provide aid to the public.
- Ms. Adair said a notice is sent out around the 20th of each month notifying the employee of how much he/she owes in premiums.
- Ms. Adair said she tries to work with the employees who are behind on paying, but she has cancelled coverage when there has been no effort to make a payment.
 - Mr. Lorenz said the current way puts Ms. Adair in a tough spot, and he said the County needs to take this out of a discretionary basis and put a procedure in place.

- Ms. Carlson said Ms. Krause suggested that the County needs a plan document because the County doesn't have one for its self-insured plan.
 - Ms. Krause said because the County is a non-ERISA group, the County is not required to have a plan document, but nonpayment of premium is not addressed in the current SPD (Summary Plan Description) that United Healthcare provides for the County.
 - Ms. Krause said Aon would recommend that the County have a wrap document that would address issues like nonpayment of premiums and termination, no matter who the health insurance administrator is for the County, so the County can protect itself with something in writing.
- Ms. Carlson said the County Board needs to give direction as to whether or not Aon can prepare the plan document for the County, and within that plan document, include language as to what happens when an employee doesn't pay his/her premiums. That way the employee knows what the rule is and the County can point to it.
 - Commissioner Borgeson said the plan document should start being worked on.
- Mr. Lorenz said there have been preliminary discussions about setting up a new disability plan, which will benefit employees and encompass both short-term disability and long-term disability.
 - Mr. Lorenz said currently long-term disability is covered by Mutual of Omaha through the Pension Plan.
 - Mr. Lorenz said Pension Plan funding would improve if the long-term disability was pulled out of the Pension Plan.
 - Mr. Lorenz said Ms. Krause is at a point now where she can begin talking to insurance companies to get proposals and some ideas of what's available.
 - Commissioners Boyle and Borgeson spoke in support of taking this step.
- Ms. Krause and Ms. Severson left the meeting after this item.

1. Salary recommendations for non-union employees for 2015.

This item was taken up after Item 3. Speaking during this item were Mr. Lazure, Ms. Otwell, Commissioner Boyle, Mr. Lorenz, Commissioner Borgeson, Mr. Williams, Mr. McNally, Ms. Carlson, Mr. San Martin, and Commissioner Kraft. Highlights from the discussion included the following:

- Ms. Otwell reviewed a power point presentation which covered the following:
 - 2015 non-union salary increase recommendations.
 - Historical disparity between non-union and union increases.
 - Non-union salary structure issue.
 - Review of department head salary inequity.
- Ms. Otwell said HR is recommending a 3% salary increase for non-union Civil Service employees/department heads, as well as for other non-represented groups like attorneys, court employees, physicians, and Sheriff Captains.
 - Ms. Otwell said 3% was arrived at after surveying other counties in the region, as well surveying Human Resources Association of the Midlands and SilverStone Consulting.
 - Ms. Otwell said the estimated cost of a 3% increase for all non-union Civil Service employees would be \$574,401, while the estimated cost of a 3% increase for all of the

employees in the other non-represented groups (attorneys, court employees, etc.) would be \$454,178.

- Ms. Otwell said HR also recommends a 1.7% catch up increase factor for 2015, 2016, and 2017 to close the gap between union and non-union employee wages.
 - Ms. Otwell presented a chart that showed since 2007, there is a cumulative disparity of 6.3% between the average union increase and the average non-union increase (non-union being 6.3% less).
- Ms. Otwell said there is a non-union step structure issue that HR feels needs to be addressed.
 - Ms. Otwell said a resolution passed in 2011, effective in 2012, allowed the employees who were at the maximum step of the non-union structure to receive a 1% increase to their base rate.
 - Ms. Otwell said this only applied to the employees who were at the maximum step at that time.
 - Ms. Otwell said there was no movement to the step itself at that time.
 - Ms. Otwell said because those employees were given a 1% increase, but no increase was given to the step, it resulted in those employees at the 9th step actually making more than the top step, thereby no longer fitting the step.
 - Ms. Otwell said there are employees who are at the top step now who weren't at the top step in 2012, and therefore, not being paid as much as those who have been at the top step since 2012.
 - Ms. Otwell said HR would recommend an equalization of this structure so there won't be this "1% over" issue going forward.
- Ms. Otwell said the salary for the County's Purchasing Agent is, on average, about \$10,000 less than what other purchasing agents are being paid in the counties they surveyed.
- Ms. Otwell said HR thinks the salary for the Director of Corrections should be raised so it is more comparable to the salary of the Health Center Administrator .
- Commissioner Borgeson asked that this presentation be made again at a County Board meeting.
- Mr. Lorenz, Ms. Adair, and Commissioner Kraft left the meeting during this item.

4. Discussion on 2015 legislative initiatives/priorities.

Speaking during this item included Mr. San Martin, Commissioner Borgeson, Ms. Carlson, Mr. Kelley, Commissioner Boyle, and Mr. Lazure. Highlights from the discussion included the following:

- Mr. San Martin handed out two documents.
 - Mr. San Martin said one document reflects changes, additions, or revisions to certain legislative items that the County Board directed him to look at.
 - Mr. San Martin said the other document contains legislative items that the County Board wanted more information on.
 - Mr. San Martin said throughout the process he has been communicating with Mr. Kelley.
- Commissioner Borgeson said she would like to see something that groups the Tri-County legislative priorities together.

- Commissioner Borgeson asked Mr. San Martin to present a legislative package to the County Board at their November 18th meeting.
- Mr. Williams, Ms. Otwell, Commissioner Boyle, and Mr. McNally left during this item.
- Joe Medlock of Omaha Liberty Herald entered the meeting during this item.

5. Other business.

There was no other business.

The meeting adjourned at 3:24 p.m.