

DESOTO COUNTY BOARD OF SUPERVISORS

BOARD MEETING MINUTES

TOMMY LEWIS, PRESIDENT 2005 PRESIDING

February 16, 2005

A. CALL TO ORDER

The February 16, 2005, meeting of the DeSoto County Board of Supervisors was called to order by Supervisor Tommy Lewis, Board President.

Chief Deputy Charlie Brown of the DeSoto County Sheriff’s Department was present and did open the DeSoto County Board of Supervisors meeting in a regular session to hear any and all business to come before the Board. The following were present:

Supervisor Jessie Medlin-----District 1
Supervisor Eugene C. Thach-----District 2
Supervisor Bill Russell-----District 3
Supervisor Allen Latimer-----District 4
Supervisor Tommy Lewis-----District 5
W. E. Sluggo Davis-----Absent/Chancery Clerk Seminar
Michael Garriga-----County Administrator
Tony Nowak-----Board Attorney

B. INVOCATION

Supervisor Eugene Thach presented the invocation.

C. PLEDGE OF ALLEGIANCE

D. OLD BUSINESS

- 1. Planning Commission – Minor Lot Subdivisions – District 5 Wright, Kevin (6330) – Application is for one lot of 0.97 acres. Subject property is located on the south side of Slocum Road and west of McIngvale Road, zoned Agricultural, Section 32, Township 3, Range 7**

Supervisor Allen Latimer made the motion and Supervisor Jessie Medlin seconded the motion to hold over this item until February 22, 2005. The motion passed by a unanimous vote.

- 2. Appointment - Board of Adjustments – District 4**

Supervisor Allen Latimer made the motion and Supervisor Jessie Medlin seconded the motion to hold this item until February 22, 2005. The motion passed by a unanimous vote.

E. NEW BUSINESS

1. Employee Medical Insurance Proposals

County Administrator Michael Garriga advised the Board of Supervisors that the three competitive insurance providers, Health Cost Solutions, Humana, and Blue Cross/Blue Shield will present their proposals to the Board.

a. Health Cost Solutions

Jill Janotta, Health Cost Solutions representative, addressed the Board of Supervisors and said that Health Cost Solutions was the third party administrator for DeSoto County for the past two years. Ms. Janotta gave the company overview information and experience.

Ms. Janotta said that accountability is placed on claims administration. Ms. Janotta said that HCS has a strict cost containment procedure with appropriate PPO networks for maximum savings. Ms. Janotta said that Caremark processes pharmacy claims on-line. Ms. Janotta said that Private Healthcare Systems provides out-of-network discounts at no cost. Ms. Janotta said that AIM provides an on-site evaluation process as a final subrogation of claims. Ms. Janotta said that data mining with advanced reporting shows when benefits are over utilized. Ms. Janotta said that she meets with Vickie Richmann to produce monthly reports.

Supervisor Bill Russell asked if the annual attachment point being over the reinsurance is looked at as a major factor the next year. Supervisor Russell said that Mutual of Omaha has an aggregate run-in limit of \$580,000. Supervisor Eugene Thach said that the other companies do not have the aggregate run-in limit and asked if this impacts the amount. Ms. Janotta said she cannot answer for the other companies.

Supervisor Jessie Medlin asked the difference in AIG and Mutual of Omaha. Ms. Janotta said that as a third party administrator they have access to a number of reinsurance carriers.

Supervisor Jessie Medlin asked how many claims went over \$50,000 last year. Ms. Janotta said a few more than the twelve shown and there is reimbursement for anything over \$50,000.

Supervisor Allen Latimer asked if there is a Baptist Hospital discount. Ms. Janotta said 35%, which is the best for the County. Supervisor Latimer asked if the other companies offer higher discounts. Ms. Janotta said she does not know the discounts of the other companies. Supervisor Medlin asked if the County or HCS negotiated the discounts. Ms. Janotta said the County negotiated the discount.

Ms. Janotta said that the total fixed costs and claims are an estimate.

Supervisor Medlin asked the difference if an agent is not used. County Administrator Michael Garriga said that if an agent is not used there is a \$63,000 difference. Supervisor Bill Russell asked if it is the same amount for Humana and Blue Cross/Blue Shield. Mr. Garriga said that he and Vickie Richmann discussed this and determined that the County will need an agent if we change plans. Mr. Garriga said that Ms. Richmann works with AIG and knows their plan. Ms. Janotta said it would be a seamless change from AIG to Mutual of Omaha.

Supervisor Bill Russell asked if we needed an agent last year, why not this year and why an agent was needed initially. Mr. Garriga said previously, with MAS administration, the County did not feel like needs were met. HCS was brought to the table to benefit the employees.

Supervisor Eugene Thach and Supervisor Jessie Medlin questioned the aggregate run-in limit of \$580,000 for Mutual of Omaha. Ms. Janotta said it is a 24/12 running contract beginning March 1, 2005 with claims being covered under contract from March 1, 2004 through March 1, 2006. Ms. Janotta said the \$580,000 would go towards the attachment point.

Supervisor Allen Latimer asked if the co-pay would increase. Ms. Janotta said that the co-pay would remain the same.

Supervisor Eugene Thach asked if the requested plan changes: 1) add tooth implants coverage to dental, 2) remove second year maternity deductible, 3) remove accident policy deductible and 4) increase wellness benefit from \$300 to \$400 are included in the plan. Ms. Janotta said no. Mr. Garriga said the increase in the wellness benefit will go toward the attachment point.

Rex Haynes of Brown & Haynes Insurance thanked the Board for letting Brown & Haynes represent the County as Agent of Record for the last two years. Mr. Haynes said he was asked why the County should pay an agent. He responded that an agent handles the County's account with privacy and integrity. He explained that because of new guidelines, it is vital that insurance information remains private. He said the agent is also supposed to help the County screen insurance markets. He said the agent also helps the County represent the County's account in the market.

He said two years ago, the County didn't get the information we needed from the insurance company to put out the bid on a competitive basis. He said because of the work of the agent, today the County has competition in their insurance proposals and that competition has resulted in three good proposals today. Mr. Haynes said a lot of that has been because of Vickie Richmann's work and Brown & Haynes agents work as well.

Supervisor Bill Russell asked if the County would have received all of these proposals whether we had an agent or not. Mr. Haynes responded that years ago the County had Glenn Williams as an agent. He said when he passed away the County insurance went by the wayside. Mr. Haynes said he does not think the County would be where it is today without an agent. He said they want to make sure the County's insurance is a benefit to County employees. He said the agent has worked to pay the benefits that the plan allows to be paid.

Supervisor Eugene Thach said now that Vickie Richmann does this everyday, what would be wrong with Brown & Haynes acting as a consultant only. Mr. Haynes responded that Brown & Haynes is usually involved in County insurance matters everyday.

Supervisor Bill Russell asked what would be the normal standard fee for a consultant. Mr. Haynes said that is something you would have to negotiate. He said they have recognized in their new proposal that because of better technology the agent is not as involved as they use to be, therefore, their price has been lowered. He said also when Vickie Richmann is on vacation or out of the office the agent is there to back her up. He said as the County agent, they want to make sure the County is treated fairly. He said the agent is there to fight for the County.

Mr. Haynes presented some recommendations to the Board of Supervisors including:

1. Keep at least 6 months of claims payments in the insurance pool.
2. There is some excessive use of the Emergency Room and we need to educate employees on after hours medical care.
3. There needs to be a Health Fair for employees. He said they may be able to catch some health problems before they result in large claims.

Supervisor Bill Russell said that Health Cost Solutions would decrease the agent's fee. Mr. Haynes responded either health cost or Humana would result in decreased fees for the agent.

b. Humana

Steve Rogers, Barry Boster and Evans Looney presented the proposal from Humana.

County Administrator Michael Garriga said that Humana released quotes to four agents, Brown & Haynes, Strategic Financial, Holland and Les Smith.

Brian Shaver said that the Agent of Record goes and sorts through everything for the County. He said he thinks an agent is an asset to the County.

Evans Looney, President of the West Tennessee Division of Humana, explained that the under pricing that Humana has done actually was a cost of goods. He said cost of goods is what he negotiates with the doctors and facilities for their customers. He explained that Humana represents 65,000 insured people. He said if you look at Humana's market, companies are always going to have better prices than third party administrators. He said your claims will be whatever they are for the next twelve months.

Supervisor Eugene Thach asked where Humana's office is located. Barry Boster said Memphis, Tennessee.

Barry Boster said Humana has a nationwide network. He said there are two important components of their proposal, fixed costs and soft dollars. He said they have an available discount of 49%.

He explained that Option 1 of their proposal guarantees a 44% discount with network providers. Supervisor Jessie Medlin asked why that guarantee is not 49%. Mr. Boster said the 49% is in Option 2. Mr. Boster said this only applies to network providers.

Supervisor Bill Russell asked if Humana has the same network as Health Cost Solutions. Brian Shaver said they have a larger network than Health Cost Solutions.

Supervisor Eugene Thach asked about Lab One who provides lab services through Health Cost Solutions. Mr. Shaver said they have that service plus more.

Supervisor Bill Russell asked if an employee is traveling and uses out of network providers they will likely be covered. Vickie Richmann said the agent helps the County in many ways. Ms. Richmann said she has an established relationship with Health Cost Solutions.

Mr. Shaver explained the protection he provided for the County as agent with Diagnostic Services as an example.

Supervisor Eugene Thach asked Humana if they have a preference for an Agent of Record. Mr. Rogers said that is the County's business.

Mr. Boster said Option 2 provides 49%. He said he recommends Option 2 to the County. Supervisor Bill Russell said if we took Option 2 and Humana came in at 44%, what would happen? Mr. Boster said you would still win because Humana would owe the County ten percent or \$70,000.

Board Attorney Tony Nowak said Humana will not return anything to the Board unless you do not hit the 44% mark. Mr. Boster agreed and said that is right.

Supervisor Bill Russell said if the County goes with the 44% option won't Humana still

try for the 49%. Mr. Boster said theirs is locked in at 49%. He said if you choose Option 1 and get more than 44% Humana will get the extra. Supervisor Bill Russell asked about children in college. He asked if there were any exclusions for children in college. Mr. Boster said no. They are likely to have a Humana provider.

c. Blue Cross/Blue Shield

Douglas Henley, Jerry Holland and Travis Haskell presented the proposal from Blue Cross/Blue Shield.

Jerry Holland of Holland Insurance in Southaven said that he believes the County does need an agent. He said he believes the agent's role is important to the County. Mr. Holland says he has a full time staff to answer questions for employees.

Doug Henley of Blue Cross/Blue Shield presented a binder of their presentation. He said they are a Mississippi company. They are owned by their policy holders. They have over 50% market share in the State of Mississippi. He said their nearest competitor has 8% of the market share.

Mr. Henley said the County's focus needs to be on claims cost. Mr. Henley said that Blue Cross/Blue Shield offers national and international coverage. He said there are 42 Blue Cross/Blue Shield plans across the country. Blue Cross/Blue Shield of Mississippi is different than Blue Cross/Blue Shield of Tennessee. He said they do not give a guarantee because discounts are based on case mix. All business is handled electronically.

Mr. Henley said the County's \$50,000 stop loss limit is too low. He said with Blue Cross/Blue Shield, once the claim hits the stop loss limit the County never pays another cent. He said under the aggregate additional premium, since the stop loss is \$50,000, Mr. Henley said he would say the County does not need to consider that number. He said the annual aggregate premium covers claims from \$1.00 to \$50,000.00. He said the sum of your claims dollars is what that is. He explained that the County pays \$18,000 for that, so it is not a big expenditure in County insurance.

Mr. Henley said that group reporting is available for anyone who needs them. He presented references and suggested calling Rankin County who changed from a TPA last year to Blue Cross/Blue Shield. He said all the references are self funded clients.

Mr. Henley said that the County has three quality companies to choose from.

Supervisor Allen Latimer asked if the County goes with Blue Cross/Blue Shield will his experience at the doctor or pharmacy be different. Vickie Richmann said no because it is still the County's plan. Supervisor Jessie Medlin said it will be different if you go to the hospital.

Supervisor Tommy Lewis asked what we spent in claims. Ms. Richmann said \$661,000 fixed and \$2.5 million through January, 2005.

Supervisor Bill Russell said, from what he has seen, he would support accepting Humana for Insurance and Brown & Haynes as the Agent of Record. He said next year we should do this earlier and take real cases and study 50 or so, so the Board will have something concrete to compare.

Supervisor Bill Russell made the motion to approve the proposal from Humana for County-wide medical insurance and to select Brown & Haynes Insurance as the Agent of Record for DeSoto County, next year to go out for bids earlier in the year and choose 50 cases so the County would have something concrete to compare, to approve the requested plan changes including adding tooth implant to dental, removing second year maternity deductible, removing accident policy deductible and increasing wellness benefits from

\$300.00 to \$400.00, to accept Rex Haynes letter for the reduced Agents fee and to select Option 2 of the proposal from Humana. The motion passed by a vote as follows:

Supervisor Jessie Medlin-----NO
Supervisor Eugene C. Thach-----YES
Supervisor Bill Russell-----YES
Supervisor Allen Latimer-----YES
Supervisor Tommy Lewis-----YES

Supervisor Medlin said when you mention the 5% fee, where will that come from? Rex Haynes said it will come from the fixed cost. Supervisor Medlin said he doesn't think the County is saving but about \$200,000 to \$300,000.

Supervisor Allen Latimer said he is interested in whether we can provide disability insurance for our employees. Supervisor Latimer said he would like to add short term disability that the County pays for without the employees paying for the benefits. County Administrator Michael Garriga said we are getting quotes on short term disability.

See Exhibit E.1

Supervisor Tommy Lewis made the motion and Supervisor Bill Russell seconded the motion to recess the meeting until 2:00. The motion passed by a unanimous vote.

2. Belmor Lakes Subdivision, Belinda White

Belinda White said she and Thomas White developed Belmor Lake Subdivision. She said later they divorced and she was granted the Sewage Treatment Plant after it was brought up-to-date with DEQ standards. She said there are problems with the lagoon and DEQ won't issue a new permit. She said that on November 5th, Tommy White was given 21 days to bring the lagoon up to standards in his divorce decree by Judicial Order. She said it is still not up-to-date. Ms. White said that she hired Tom Elliott to inspect the treatment plant. She said DEQ only has one monthly inspection report since it became operational four years ago. Ms. White said she has hired a certified operator to get samples. She said as owner of the Sewage System she is not willing to accept the 56 lots that have not been built until the plant is brought up to standards.

Supervisor Tommy Lewis asked Jim McDougal and Mr. McDougal said the County would not record the plat until certain things were done. Mr. McDougal said the Treatment Plant is DEQ's responsibility. He said they have applied for renewal. Mr. McDougal said that the Planning Commission did not record the plat so he cannot sell lots or get building permits until we have something from DEQ that they have approved the Treatment Plant. He said after Ms. White originally checked on future building permits and there was a miscommunication about permits being issued because the section where the building permits were issued was previously approved. Mr. McDougal said this is not a typical situation.

Supervisor Jessie Medlin asked how many lots have already been platted and recorded that have not been built. Mr. McDougal said he does not know. Ms. White said there are probably only three lots that have not been sold and 90% of those sold have been built. Supervisor Medlin said the County shouldn't issue anymore permits on that 10% of lots.

Mike Williamson of Elliott & Britt Engineering said on January 21st he met Lynn Berille from DEQ. He said there are things about the lagoon that were not built to specifications. Mr. Williamson said we questioned whether the waste is being treated at all. He said also there is no mention of chlorine that has been used in the plant. Mr. Williamson said there were privacy issues, signage issues, contact chambers, etc. that were an issue to DEQ.

Supervisor Eugene Thach asked if DEQ was at the inspection. Mike Williamson said yes.

Mr. McDougal explained the Planning Commission process for approval.

Supervisor Jessie Medlin said the complaints for not treating the plant were not going to come until the weather gets hot. Supervisor Bill Russell said he thinks the building permits need to be stopped.

Supervisor Bill Russell made the motion and Supervisor Eugene Thach seconded the motion to stop building permits throughout the Subdivision of Belmor Lakes because this is a health issue, the stopping of building permits will cover sections A, B, C & D. The Board has determined that stopping the building permits is necessary because this not certificated by DEQ and until it is certificated by DEQ, no permits shall be issued. The motion passed by a unanimous vote.

3. Solid Waste Proposals

a. Cook McBride

Jim McNaughton and Jim Bearden presented the Solid Waste proposals for disposal to the Board of Supervisors. Mr. McNaughton said they received three very good proposals for disposal and two for collections which will save the County money. Mr. McNaughton reminded the Board of Supervisors that the bids for disposal were originally opened on September 16, 2004. He said that BFI and Cook McBride would talk to the Board of Supervisors today about disposal.

Supervisor Jessie Medlin said the Board will have to have the disposal and collection bids at the same time to make a good decision. Supervisor Bill Russell agreed and said he thought the Board would hear the whole thing today. Mr. McNaughton responded they asked BFI and Cook McBride to be here today to discuss disposal only.

Stuart McBride and Bill Cook of Cook McBride Landfill addressed the Board of Supervisors regarding the disposal proposal. Mr. McBride said that the County has realized savings of \$350,000 per year because of them submitting a proposal. He said their proposal also saved the County money on host fees. He said their proposal reduces the fee from \$19.00 to \$14.00. Mr. McBride said that they don't think locating the landfill at the proposed location hurts anyone's land values. He said the area is sparsely populated. Mr. McBride said based on current estimates, at the end of twenty years, Cook McBride will have paid the County \$19 million. Mr. McBride said that Table 5 shows that Cook McBride is the low bidder by \$5,168,650 for disposal. Mr. McBride asked the Board to please consider the Cook McBride as the low bidder.

Mr. McBride said that they have time to get the site working and they believe the landfill will be open in 1 to 1 ½ years. Supervisor Thach asked if they have landfills in other areas. Mr. Cook said there has not been any landfill proposals they have made that have failed to be permitted.

Supervisor Bill Russell said the DEQ process requires Public Hearings on landfills.

Supervisor Jessie Medlin reminded the Board that it will also be necessary to conduct Public Hearings on the Solid Waste Plan amendment. Supervisor Bill Russell said the \$5,168,650 does not include the road that would be built there. He said \$3.5 million is estimated for the road.

Supervisor Tommy Lewis said the County would need to consider the difference in the cost of the road and the collection.

Supervisor Bill Russell asked if the \$5 million savings includes the \$1 million up front money. Jim McNaughton said yes.

b. BFI

Keith Shirley, General Manager for Collections, and Larry Hubbard, General Manager for the Landfill for BFI, addressed the Board of Supervisors concerning their proposal for disposal.

Mr. Shirley said that since the last proposal BFI has been granted a permit to extend the life of the Shelby South Landfill; therefore, they were able to change the price on this proposal. Mr. Shirley reminded the Board of Supervisors that the County got three proposals. He said that BFI has been a partner with the County in good and bad times. He said they have a landfill already. Mr. Shirley said that 65% of the County's cost will be collections, 35% will be disposal.

Supervisor Tommy Lewis asked how much life is left at South Shelby. Larry Hubbard said, thirty years.

Mr. Shirley said that BFI appreciates the relationship they have had with the County during the past years. Mr. Shirley said he thinks BFI has given a fair proposal.

Stuart McBride said that we asked if the County would lift the gag order to allow the bidders to talk to the Board of Supervisors individually.

Supervisor Bill Russell made the motion and Supervisor Jessie Medlin seconded the motion to eliminate the restrictions on the gag order on the Solid Waste Collection and Disposal bids for the duration of the process. The motion passed by a unanimous vote.

Supervisor Bill Russell said that we need to know how the County will do the collections.

Supervisor Jessie Medlin made the motion and Supervisor Eugene Thach seconded the motion to award the Disposal Contract for Solid Waste to BFI, to award the Collection Contract for Solid Waste to BFI, and to award the operation for the Rubbish Pit to BFI based on the numbers presented in the proposal and because this will save tax payers money. The motion included awarding the Disposal Contract for thirty years and six years on the Collection contract contingent on BFI starting the new contract on July 1, 2005 instead of January 1, 2006. The motion failed by a vote as follows:

Supervisor Jessie Medlin-----YES
Supervisor Eugene C. Thach-----YES
Supervisor Bill Russell-----NO
Supervisor Allen Latimer-----NO
Supervisor Tommy Lewis-----NO

Supervisor Allen Latimer said he would like a chance to pick up a major road to go almost to the river.

Robert Abbey said they are talking about bringing Goodman Road over and he would like to have the new road. Mr. Abbey said next to the river they have a four lane highway. He said the western part of the County will be the next industrial area in the County. Supervisor Tommy Lewis asked if the Solid Waste bid is open to the City. Supervisor Bill Russell said not until we have a contract with the City.

Supervisor Allen Latimer said what if we went with Cook McBride and they went belly up. County Administrator Michael Garriga said he thinks the State would take it over.

4. Circuit Clerk Allowances

On behalf of the Circuit Court Clerk, Dale Thompson, an Order of Allowances was presented to the Board of Supervisors for the Circuit Court for the February 2005 term in the amount of \$3,8500 for vacation days and \$5,400 for allowances to the Circuit Clerk, pursuant to Section 25-7-13 (2K) and Section 25-7-13 of the Mississippi Code, Annotated. Supervisor Eugene Thach made the motion and Supervisor Tommy Lewis seconded the motion to approve the payment of \$5,000 pursuant to Section 25-7-13 (2K) of the Mississippi Code of 1972, Annotated, for public service not particularly provided for, \$400 pursuant to Section 25-7-13 (4) of the Mississippi Code of 1972, Annotated, where the State fails in the prosecution or in cases of felony where the defendant is convicted and the cost cannot be made from his estate and \$3,850 for vacation days pursuant to Section 25-7-13 (2K) of the Mississippi Code of 1972, Annotated. The motion passed by a unanimous vote.

See Exhibit E.4

5. Coroner – Request to Transfer Cell Phone to Deputy Coroner from Circuit Court Administrator

Vanessa Lynchard addressed the Board of Supervisors regarding an open cell phone #901-488-5764 from the Circuit Court Administrator. Ms. Lynchard is requesting approval to transfer the cell phone to Billy Baldwin, Deputy Coroner. Supervisor Bill Russell made the motion and Supervisor Allen Latimer seconded the motion to approve the transfer and modification of the cell phone contract to Billy Baldwin, Deputy Coroner. The motion passed by a vote as follows:

Supervisor Jessie Medlin-----NO
Supervisor Eugene C. Thach-----NO
Supervisor Bill Russell-----YES
Supervisor Allen Latimer-----YES
Supervisor Tommy Lewis-----YES

See Exhibit E.5

6. Grant – Approval for Joyce Herring to Sign Purchase Requisitions

Supervisor Jessie Medlin made the motion and Supervisor Tommy Lewis seconded the motion to approve Joyce Herring to sign purchase requisitions for grants. The motion passed by a unanimous vote.

F. EXECUTIVE SESSION

There was no executive session for this meeting.

G. OTHER ISSUES

1. Audit Report

County Administrator Michael Garriga presented the February 9, 2005 letter from State Auditor Phil Bryant which stated that DeSoto County audit disclosed no material weaknesses in internal controls. Mr. Garriga said that this closed the books on the 2003 audit.

Supervisor Jessie Medlin made the motion and Supervisor Allen Latimer seconded the motion to make the letter a part of the minutes. The motion passed by a unanimous vote.

See Exhibit G.1

2. Employee Insurance

Supervisor Jessie Medlin said that the County puts \$675 per employee per month into the fund for claims expenses. Supervisor Medlin said that he would like to see this amount decreased by \$50.00. Supervisor Jessie Medlin made the motion and Supervisor Bill Russell seconded the motion to authorize County Administrator Michael Garriga and Vickie Richmann, Director of Personnel, to review decreasing the claims fund by \$50.00 and report back to the Board of Supervisors. The motion passed by a unanimous vote.

Supervisor Jessie Medlin made the motion and Supervisor Allen Latimer seconded the motion to recess the meeting until February 22, 2005. The motion passed by a vote as follows:

Supervisor Jessie Medlin-----YES
Supervisor Eugene C. Thach-----YES
Supervisor Bill Russell-----ABSENT
Supervisor Allen Latimer-----YES
Supervisor Tommy Lewis-----YES

THIS the 16th day of February 2005, these minutes have been read and approved by the DeSoto County Board of Supervisors.

Tommy Lewis, President
DeSoto County Board of Supervisors