

**MINUTES – TILLAMOOK COUNTY BOARD OF COMMISSIONERS' LEADERSHIP
TEAM MEETING - Monday January 5, 2015
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FILED
2015
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TASSI O'NEIL
COUNTY CLERK

WORKSHOP

COMMISSIONERS PRESENT:

Tim Josi
Mark Labhart
Bill Baertlein

STAFF PRESENT: Dan Krein, Director, Juvenile Department; Paul Levesque, Chief of Staff; Tassi O'Neil, Clerk; Deb Clark, Treasurer; Joel Stephens, Justice of the Peace; Sara Charlton, Librarian; Liane Welch, Director, Public Works; Bill Sargent, County Counsel; Andy Long, Sheriff; Del Schleichert, Director, Parks Department; Denise Vandecoevering, Assessor; Michael Soots, Director, Information Services; Bryan Pohl, Director, Community Development; Mona Hamblen, Director, Human Resources; and Dan McNutt, Surveyor.

GUEST: Don Brink and Jennifer Bjorkland.

CALL TO ORDER: By Chair O'Neil at 8:03 a.m. in Commissioners' Meeting Rooms A and B.

ITEM NO. 1: ANNOUNCEMENTS/INTRODUCTIONS: There were none.

ITEM NO. 2: DISCUSSION CONCERNING LIFE INSURANCE: Two representatives from UNUM presented an outline of their benefit plans (see attached). Ms. Bjorkland described the savings and monthly premiums for their new group life and Accidental Death & Dismemberment (AD&D plans). The pricing assumes a February 1 effective date for non-union members on the assumption that union members would enroll during 2015 (see page 10). Non-union personnel represent about one third of employees. It will include an employee assistance plan and a travel assistance plan.

Mona Hamblen said we have to give 30 days' notice to our current provider. We can save money as soon as we implement this.

Commissioner Josi said we can have an order prepared for the Commissioners' meeting on Wednesday.

Michael Soots and Bryan Pohl said they support this. Chair O'Neil said if the union doesn't come on then non-union personnel may end up with less benefits. Ms. Hamblen said paying two bills per month in that case would not be a problem. We have one of the richest life insurance benefits in the state and we are not required to do so. There was consensus to move to the new plan.

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Denise Vandecoevering was concerned that the low rate was to get us enrolled followed by rate increases. She would rather cut life insurance altogether rather than cut an employee.

ITEM NO. 3: DISCUSSION CONCERNING REDUCTIONS OF BUDGET APPROPRIATIONS FOR FY 2015-2015: Deb Clark said the Board adopted the budget reductions developed after the last Leadership Team meeting. Ms. Clark said that any proposal to cut hours or shorten the work week without ASFME approval would violate their contract according to our labor attorney.

Ms. Clark said an eight-hour per month furlough beginning in January would result in an \$188,541 savings to the General Fund; closing every Friday at noon for six months would save \$377,000. If employees worked four hours less each month (at staggered time so the department would not be closed) we would only save \$94,300 over the six months. Closing during the lunch hour for six months and working 8:30 a.m. to 4:30 p.m. would save about \$471,000. These scenarios represent pay cuts that vary from 4.63% to 11.54%. The alternative is layoffs. A six-month savings of all part time employees that are not grant funded represents \$171,918. Layoffs would not have to be negotiated or agreed upon.

Commissioner Labhart said we need to wait for January 31 because it could be even worse. Joel Stephens felt we should look for all other cuts rather than cut employees. It will create huge morale and family hardships. Ms. Clark felt at best she might get another \$150,000. Liane Welch said at some point you need to cut positions. Commissioner Josi said he has travel scheduled but there is no cost to the county. Andy Long felt it would be difficult to obtain union agreement on furloughs. He sees no other option than personnel cuts.

There was a discussion about early retirement incentives. There was also a discussion about cutting all retired-rehired personnel; there are eleven in this category. Commissioner Labhart said you lose a lot of knowledge if you do so. Chair O'Neil felt there are other expenditures we can cut where items are not in the budget.

Commissioner Labhart proposed we wait until January 31 and then the Board will make a decision at its meeting after that.

Ms. Vandecoevering talked about potential lay-off impacts to the County Assessment Function Funding Assistance (CAFFA) grant. She felt we should deal with this at budget time and reduce cash. Commissioner Baertlein said it is a general fund problem. Bryan Pohl felt money might be better spent on tools to increase efficiency as opposed to utilizing employees. Mr. Soots said his department could assist. Commissioner Labhart said you still need people to provide services. Mr. Soots suggested a workshop.

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Commissioners Josi and Labhart talked about the good value of the Leadership Team.

Ms. Welch suggested we start developing a lay-off plan now rather than wait until January 31. Ms. Hamblen suggested we start with all part time and retired-rehired. Ms. Clark said she needs an updated seniority list. She also discussed interdepartmental staff hiring. Ms. Vandecoevering preferred doing staff reduction through retirement.

Commissioner Labhart suggested Ms. Clark meet with each department and come back with a recommended list. The Justice of the Peace suggested the Department Heads approach Ms. Clark with suggestions prior to the February 2nd Leadership Team meeting. After some discussion it was decided to reschedule the next Leadership Team meeting to January 26 to discuss proposed layoffs. It will be from 8:00 a.m. to 11:00 a.m. Ms. Clark will develop an agenda.

There was a discussion about whether there should be a hiring freeze. Chair O'Neil wondered if we should continue with remodels. Paul Levesque described the status of the project.

ITEM NO. 4: NEWSWORTHY DEPARTMENT UPDATES: There was no time for this item.

ITEM NO. 5: DATE AND TIME OF NEXT MEETING: The February 2, 2015 meeting will be held as scheduled.

There being no further business Chair O'Neil adjourned the meeting at 10:09 a.m.

RESPECTFULLY SUBMITTED this 22nd day of January, 2015.

County Clerk: Tassi O'Neil

Susan L. Becraft
Susan Becraft, Recording Secretary
& Special Deputy



APPROVED BY:

[Signature]
Chair

[Signature]
Vice Chair

Bill Buntin
[Signature]
(Commissioner)

NOTICE OF LEADERSHIP TEAM MEETING

of the

TILLAMOOK COUNTY BOARD OF COMMISSIONERS

with Tillamook County Elected Officials
and Department Heads

to be held

Monday, January 5, 2015 at 8:00 a.m.

Commissioners' Meeting Rooms A & B

County Courthouse, 201 Laurel Avenue, Tillamook, Oregon

BOARD OF COMMISSIONERS

Tim Josi, Chair

E-mail: tjosi@co.tillamook.or.us

Mark Labhart, Vice Chair

E-mail: mlabhart@co.tillamook.or.us

Bill Baertlein, Commissioner

E-mail: bbaertle@co.tillamook.or.us

201 Laurel Avenue

Tillamook, Oregon 97141

Phone: (503) 842-3403 FAX: (503) 842-1384

ANY QUESTIONS? Contact

Paul Levesque (503) 842-1809

E-mail: plevesqu@co.tillamook.or.us

COUNTY WEBSITE: <http://www.co.tillamook.or.us>

NOTE: The Tillamook County Courthouse is accessible to persons with disabilities. If special accommodations are needed for persons with hearing, visual or manual impairments who wish to participate in the meeting, please contact (503) 842-3403 at least 24 hours prior to the meeting so that the appropriate communications assistance can be arranged.

AGENDA

CALL TO ORDER: Monday, January 5, 2015 8:00 a.m.

1. ANNOUNCEMENTS/INTRODUCTIONS

NEW BUSINESS

OLD BUSINESS

2. Discussion Concerning Life Insurance – Mona Hamblen
3. Discussion Concerning Reductions of Budget Appropriations for FY 2014-2015 – Deb Clark
4. Newsworthy Department Updates

FUTURE BUSINESS

5. Date and Time of Next Meeting – February 2, 2015 at 8:00 a.m.

ADJOURN

BOARD MEETINGS AND ANNOUNCEMENTS

The Tillamook County Courthouse, Tillamook Library, administrative offices in the jail and justice facility, Tillamook County Road Department, Tillamook County Community Development Department, Surveyor's office, Health Department and clinics will be **closed** on **Thursday, January 1, 2015** for the New Year's holiday.

The commissioners will hold a workshop on **Tuesday, January 13, 2015** at **1:30 p.m.** with staff from Boldt, Carlisle & Smith, LLC to review the County's Audit Report for Fiscal Year 2013-2014. The workshop will be held in the commissioners' meeting Room A in the Tillamook County Courthouse, 201 Laurel Avenue, Tillamook.

The commissioners will hold a workshop on **Wednesday, January 14, 2015** at **1:30 p.m.** with Community Development Department staff to discuss the Building Fund and Code Modification Project. The workshop will be held in the Nestucca Room in the basement of the Tillamook County Courthouse, 201 Laurel Avenue, Tillamook.

The Tillamook County Courthouse will be **closed** on **Monday, January 19, 2015**, in observance of Martin Luther King, Jr.'s birthday. The State Circuit Courts, Tillamook Library, administrative offices in the jail and justice facility, Tillamook County Road Department, Tillamook County Community Development Department, Tillamook County Surveyor's office and Health Department and clinics will also be closed.

The commissioners' evening board meeting schedule is as follows:

January 21, 2015	County Courthouse
February 18, 2015	New Nehalem City Hall
March 18, 2015	Kiawanda Community Center
April 15, 2015	County Courthouse

May 20, 2015

Manzanita City Hall

The evening meetings will begin at 6:30 p.m.

**BOARD OF COMMISSIONERS'
LEADERSHIP TEAM
MEETING**

January 5, 2015

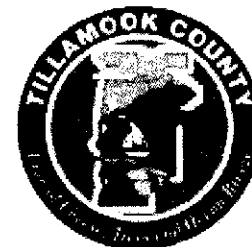
PLEASE PRINT

Name Dan Kruen	Juvenile
Paul Levesque	
Jane Owen	Clerk
Deb Clark	Treasurer
Joel W. Stevens	Justice Court
Sara Charlton	Library
Tim Joss	BOCC
Mark Labhart	BOCC
Liane Welton	PW
Bill Sargent	Counsel
Andy Long	Sheriff
Del Seelicher	PARCS
Bill Bunker	BOCC
Denise Vandecoren	Assessor
Michael Soofs	I.S.
Bryan Pohl	DCD
Jon Bond	WORK
Tim Bueglund	UMU
Mona Hamblen	HR
DAN M ^C NUTT	SURVEYOR

(Please use reverse if necessary)

Helping to increase the effectiveness of your benefit plans

Presentation for: Tillamook County



Jennifer Bjorkland – Don Brink

January 5, 2015

Objectives for today

- Who is Unum?
- Cost savings for Tillamook County and review of timeline
- Enhancements for Tillamook County and your Employees
- Oregon service team

As the industry leader in group disability benefits for 38 years, we put our experience to use partnering with companies to help them meet their unique needs.*



*Employee Benefit Plan Review, Group Accident & Health Surveys, 1976-1990 (1977-1991); Gen Re, U.S. Group Disability Market Surveys 1991-2012 (1992-2013).

A leading provider of employee benefits

MARKET LEADERSHIP

HIGHLIGHTS



- **Group disability**¹
- **Individual disability**²
- **Group life**³



- **Voluntary benefits**⁴

- Serve **42%** of **Fortune 100** companies⁵
- Serve about **83,000** employers and protect more than **22 million** people⁶
- Paid **\$6.5 billion** in benefits in 2013⁷
- Processed over **490,000** new claims in 2013⁸

1,2 Gen Re, 2013 U.S. Group Disability Market Survey (2014) based on inforce premium, and LIMRA, Individual Disability Income Sales and In-Force Survey Annual Review 2012 (2013) based on multilife. 3 Gen Re, 2013 U.S. Total Group Life Sales and Inforce Results (2014); based on inforce cases. 4 Eastbridge, U.S. Worksite Sales Report, Carrier Results for 2013 (2014); based on inforce premium. 5 "Largest U.S. Corporations," *Fortune* (May 21, 2012); Unum customer database, 2012. 6,7,8 Unum internal data, 2013.

A partner with financial strength

- **Stability**

Despite the economic climate, rating agencies have made positive upgrades and affirmed Unum's financial stability during the past few years

- **Integrity**

Unum was listed among the Forbes 100 most financially transparent and trustworthy companies for 2013

- **Strength**

2013 total operating revenue:
\$5.6 billion

- **Flexibility**

- Strong capital position
- Significant liquidity
- High-quality corporate investment portfolio

Agency	Rating	
A.M. Best	A	Excellent
Fitch	A	Strong
Moody's	A2	Good
S&P	A	Strong



Ratings are given to the insuring subsidiaries of Unum Group and are current as of February 5, 2014. Additional information is available in the "Investors" section of the company's website: www.unum.com. Data related to the company's quarterly financials can be found in the Statistical Supplement located under the "Quarterly Financials" link in this section. All other values and comments are representative of Unum Group, unless otherwise specified.

Unum supports our communities and helps to improve environmental impact

At Unum, we believe our responsibility extends beyond the borders of our business.

In 2013

- Unum employees worked with United Way to raise \$1.4 million through fundraising events.
- Unum employees spent more than 100,000 hours volunteering in local communities.

In 2013, Unum employees contributed more than
\$13 million
to charitable organizations

Unum goes green for a healthier planet

Unum has reduced its carbon emissions by
3.3 million
pounds



Since 2008, we have reduced water consumption by
19%
and energy costs by
14%

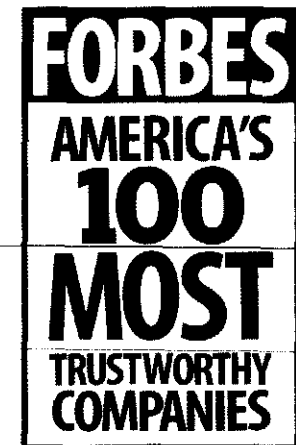
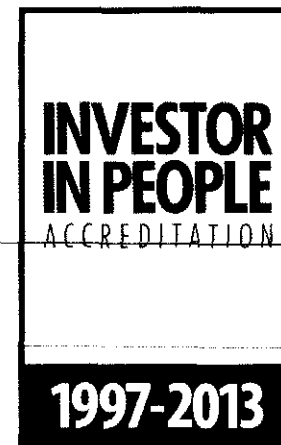
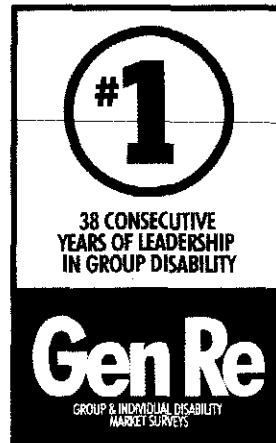


Since 2008 Unum has recycled more than
1.5 million pounds
of building materials



External recognition

MARKETPLACE AND EMPLOYEES



Delivering on our commitment – Customer Service

Employers who experienced positive customer service



Overall **quality**
95%



Customer **service**
93%



Overall **value**
95%



Overall **claims processing**
93%



Cost Analysis

Aligned to support your budget profitability



unum[®]

Cost Advantages

Group Life and AD&D Insurance:

- ▶ **Current plan – Decreasing Life Insurance Plan – maximum \$150,000**
 - ▶ **Monthly Premiums: \$4,319**
- ▶ **New Unum Plan – Flat \$50,000 Life / AD&D with add'l Statutory Life for Law Enforcement**
 - ▶ **Monthly Premiums Life/AD&D: \$1,702**

Annual approximate savings: \$31,404

Long Term Disability Insurance

- ▶ **Current plan – 60% of monthly earnings; benefits begin after 90 calendar days**
 - ▶ **Monthly Premiums: \$3,972**
- ▶ **New Unum Plan – Flat \$50,000 Life / AD&D with add'l Statutory Life for Law Enforcement**
 - ▶ **Monthly Premiums Life/AD&D: \$3,227**

Annual approximate savings: \$8,940

Total annual savings ≈ \$40,000

Timing and timeline of a Unum transition

Pricing package

- ▶ Initial quoting done back in July 2014
- ▶ Pricing assumes a 2/1 effective date
- ▶ Rates will hold as long as Unions come on to the life plan within the first year of the program
 - ▶ Underwriting agreed to hold the quoted life rates *even* with only 70 of the Non-Bargaining Employees (1/3 of the total population)
- ▶ *We can look at possible extension, but will need to rerate and re-price for 2015 business and receive additional claims experience information from July 2014 to current and pricing likely to change*

Items needed for transition

- ▶ Nothing needed from employees at this time – census enrollment
- ▶ Grandfather existing employees over on LTD, Life/AD&D and Voluntary Life/AD&D
- ▶ Master application signed by the County
- ▶ No binder check needed
- ▶ Planning for true open enrollment in 2015 after all Unions on the plans

Benefit Analysis

Aligned to support you and your employees



unum[®]

Employee focused benefits – Life Insurance

Group Life and AD&D Insurance:

- ▶ **Portability** on employer paid life and AD&D
- ▶ **AD&D Enhanced Benefits:** Seat Belt Benefit, Air Bag Benefit, Coma Benefit, Education Benefit, Repatriation Benefit, Paralysis Benefit, Felonious Assault Benefit
- ▶ **Accelerated Life Benefit** for terminally ill employees with no fees or interest, up to 100%

Voluntary Life and AD&D –

- ▶ **True open enrollment** event for all employees and family members up to guarantee issue amounts (below) with no health questions (help to bridge the change to the County paid life plan)
- ▶ **Flexible coverage** is available in **\$10,000 increments up to 5x salary (\$500,000 max)**. Spouse/DP and Child(ren) coverage available as well
- ▶ **No Medical Underwriting up to the Guarantee Issue Amount!**
 - ▶ **Employee: \$100,000; Spouse/DP: \$50,000; Child(ren): \$10,000**
- ▶ **“Lock-in” feature on voluntary life** guarantee issue (If EE enroll for the **minimum coverage of \$10,000**, each year during open enrollment he/she can **increase up to the guarantee issue each year** without answering medical questions)
- ▶ **Portability** on both employer paid and voluntary life, if you ever leave the County you can take your coverage with you at the same rates
- ▶ **Accelerated Benefit for Employees and Dependents**

Employee focused benefits – Long Term Disability

Long Term Disability

- ▶ **60% income replacement to a maximum of \$6,000 per month**
- ▶ **Benefits begin after 90 calendar days of disability**
- ▶ **Benefits payable for partial disabilities.**
- ▶ **Benefits are payable until Social Security Normal Retirement Age**
- ▶ **Disabilities due to mental illness are paid for up to two years**
- ▶ **Additional 10% benefit** for participation in a vocational rehabilitation program
- ▶ **Family Care Benefit** - \$350 per family member up to \$1,000 per month – for child or elder care
- ▶ **EAP and Travel Assistance Benefit** included for **ALL employees** and family members **at no additional costs**
- ▶ **Common claim form** for LTD and Life Insurance Waiver and coordination of benefits

The need for coverage

36%

of American workers report they always or usually live paycheck to paycheck.¹



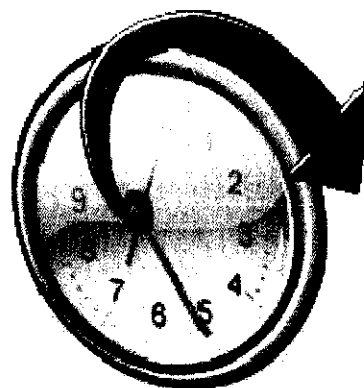
Employee Assistance Program - Expert help for managers, employees and families

Around-the-clock access to help at 1-800-854-1446

Unlimited, toll-free phone access to master's-level consultants

Referrals to attorneys in your area and a 30-minute legal consult at no charge.

Phone consultations and tools for managers: Web-based articles, quick tips, worksheets, e-news and more



Up to three face-to-face problem resolution sessions for employees at no additional charge

Hispanic service center

- ▶ Emotional well-being
- ▶ Addiction and recovery
- ▶ Referral to EAP resources during disability
- ▶ Parenting and child care
- ▶ Health and worksite issues
- ▶ Personnel management
- ▶ Simple Will Preparation

Access to articles, e-books, audio files, tools and other resources online

Completely confidential*

Travel Assistance Benefits

Assist America through Unum can help facilitate travel assistance while employees and their families are travelling to another country or even just 100 or more miles from home.

Features:

- ▶ Guaranteed hospital admission*
- ▶ Emergency medical evacuation
- ▶ Prescription replacement
- ▶ Medical referrals to Western-trained, English-speaking medical providers (800,000)
- ▶ Care and transport of unattended minor children



One toll-free call, any time day or night, provides access to global services.

Worldwide emergency travel assistance services are provided by Assist America, Inc. All emergency travel assistance must be arranged by Assist America, which pays for all services it provides. Medical expenses such as prescriptions or physician, lab or medical facility fees are paid by the employee or the employee's health insurance. Services are available with selected Unum insurance offerings. Exclusions, limitations and prior notice requirements may apply, and service features, terms and eligibility criteria are subject to change. These services are not valid after termination of coverage and may be withdrawn at any time. Please contact your Unum representative for full details.

*May require a validation of your medical insurance or an advance of funds to the foreign medical facility. You must repay any expenses related to emergency hospital admissions to Assist America Inc. within 45 days.

Creating value — Your local Oregon service team

Elizabeth Dix

Client Manager



Foundational relationship building

Provides partnership you can count on

Ongoing, expert client service

Makes complex business administration work for you

Continuous consultation

Helps improve the effectiveness of your benefit programs

Tillamook County HR Team



Sales rep
Jen Bjorkland
Maintains
relationship
after the sale
and at renewal



Client Services
Support —
Lyndsay Spicher
Back room
support for Client
Manager



Implementation
manager — Sotee
Morin
Supports
Elizabeth & Jen
for initial
contracts / first
billing

Why employers choose Unum

- ▶ **Expert customer service and implementation**
- ▶ **Breadth** of product and service portfolio that meet needs
- ▶ **Industry-leading disability claim model**
- ▶ **Depth** of resources and expertise
 - Clinical, vocational/return-to-work and health & productivity
- ▶ **Leader in innovation**
 - Partner who will bring ideas to meet your and your employees' evolving needs
- ▶ **Customized** employee communication and enrollment support
- ▶ **Leading technology**
 - Common claim system across all products, real-time reporting, billing, online EoI, claims tracking

