Easton, Pennsylvania

September 18, 2014

A regular meeting of the Northampton County Council was held on the above date with the following present: Margaret L. Ferraro, President; Glenn A. Geissinger, Vice-President; Mathew M. Benol; Kenneth M. Kraft; Lamont G. McClure, Jr.; Scott Parsons; Hayden Phillips; Seth Vaughn; Robert F. Werner; Frank E. Flisser, Clerk to Council, and Philip D. Lauer, Solicitor to Council.

Prayer

Reverend J. Michael Dowd, First United Church of Christ of Easton, led County Council in prayer to open the meeting.

Pledge of Allegiance

Mr. Benol led County Council in the pledge of allegiance.

Approval of the Minutes

Mr. McClure made the following motion:

Be It Moved By the Northampton County Council that the minutes of the September 9, 2014 meeting shall be approved.

Mr. Kraft seconded the motion.

The minutes were approved by voice acclamation.

Courtesy of the Floor

Before the Courtesy of the Floor could proceed, Mr. Bernie O’Hare raised an objection under 710.1c of the Pennsylvania Sunshine Act that indicated any person had the right to raise an objection to a perceived violation of the Sunshine Act.

Mr. O’Hare stated the public had a right to participate in any meeting of the Northampton County Council and there were people standing and sitting outside this room so they were unable to witness the deliberations and formal actions of this body. He further stated this meeting could not be conducted
without violating the Sunshine Act, therefore, he suggested moving the meeting to Courtroom 1.

In answer to Mrs. Ferraro’s comment that the meeting would not be able to be video recorded, Mr. O’Hare advised the Sunshine Act did not require a meeting be video recorded, but it did indicate the public had a right to witness the deliberations of County Council, which they could not do if they were in the hallway.

In response to Mr. McClure’s comment that since the meeting was advertised for this room how would he suggest handling the change, Mr. O’Hare stated a note could be posted on the door as had been done in the past.

Mr. McClure made a motion to move the meeting to Courtroom 1.

Mr. Kraft seconded the motion.

As there were no questions or comments, Mrs. Ferraro called for the vote.


The motion was passed by a vote of 9-0.

Justus James, American Federation of State, County and Municipal Employees (AFSCME) Union Representative – advised he was present to talk about the heavy burden that was going to be placed on every employee represented and not represented in this County because of the Affordable Care Act.

Mr. James stated the Administration was saying they had to plan now for something that was going to happen in 2018, but after conducting his own research and talking to more than 50 people who had contracts with Blue Cross, it did not have to happen. He further stated he did not understand why this was being imposed on the employees unless it was to have them give back more to put into the General Fund.
Mr. James advised the newly elected officials did not know the history of how much the employees have given back and still did their job every day. He further advised if the Administration wanted to fix healthcare, he suggested filling the 115 vacant positions.

Mr. James stated the Prison was down 16 officers, which resulted in a lot of overtime. He further stated these officers could get lethargic in their job and that could cause them to get hurt and in turn, increase workers compensation claims and medical costs.

Mr. James advised under the current contract, an employee paid 4% of their salary for a family plan, which did not sound like much, but with the new plan, they would be responsible for $1,000 co-payment and 10% co-insurance. He further advised everyone thinks public sector workers were millionaires, however, most of the employees were making less than $30,000 a year and with this proposal, they could potentially lose another $6,000.

Mr. James stated they were not going to be able to pay their taxes, their houses would go into foreclosure and they would be forced to apply for food stamps and other assistance so the trickle-down effect would have a negative impact on the County as a whole.

Mr. James advised when he took office, County Executive John A. Brown stated the employees were the backbone of the County, but with these proposals, he would put the backbone totally out of whack.

Mr. James stated no one in this County had faith in this Administration anymore because they could not be trusted. He further stated they wanted to put everything on the backs of the workers that came in and did their job every day.

Mr. James advised it was not the employees' fault $62 million in the reserve fund disappeared and the County was in a situation where no one wanted to raise taxes. He further advised it appeared it was all being put on the workers and that was unsettling.
Mr. James stated he was asking County Council to start backing up the employees like they backed them up.

Mr. Paul Breaux, 537 Norman Street, Nazareth, PA — advised he was the Vice President of the Executive Board of AFSCME Local 1265 and a taxpayer of Northampton County.

Mr. Breaux stated the County Executive would like everyone to believe that changing the healthcare program was a black and white issue only dealing with saving money and the budget, however, he was failing to mention the impact it would have on the employees and residents of the County. He further stated there were already employees receiving assistance from the County for their household bills.

Mr. Breaux advised if a single employee, making $26,000 a year, required a medical procedure that cost $66,000, the co-insurance the employee would be responsible for would be $6,600 and when that was taken from the $26,000, there was only $19,400 left.

Mr. Breaux asked everyone to think about how this would affect a single mother making the same amount and who maxed out her co-insurance at $12,000. He stated it would make people choose between paying taxes or keeping food on the table and paying for much needed medications. He further stated this change would make healthcare unaffordable for the employees.

Mr. Breaux advised there was also talk by the County Executive about getting the County out of the healthcare business and taking a $2,000 fine per person. He further advised all this talk came about because of what could occur in 2018, but it was only 2014.

Mr. Breaux stated if this change went through, the residents of this County would be hurt because qualified employees would leave in droves to find better paying positions in the private sector and the County would be left understaffed in all areas driving down efficiency, safety and quality of work.

Mr. Breaux advised he was calling on all members of County Council to stop these changes for the welfare of the residents and the employees of the County.
Mr. Sean Carson, 238 North Liberty Street, Nazareth, PA - stated the two speakers before him talked about the current effect this proposal would have on the employees, but he wanted to talk about what would happen in the future. He further stated he was 52 years old and took a job with the County for the benefits.

Mr. Carson advised if this proposal went through, ten years from now, the best talent would leave and future talent would not come because the main factor for working here was the benefits. He further advised he would like everyone to put politics aside and look at the actual facts before a final decision was made.

Mr. Jonathan Siedt, 280 Texas Road, Easton, PA - stated he had been asking for years for the establishment of medical surveillance because the County had a prevailing problem with asbestos. He further stated his co-worker, with whom he worked closely, recently died from asbestos exposure so he would appreciate it if County Council could look into this issue.

Mr. Siedt advised he urged County Council to carefully consider this proposal because it would be devastating to have an exodus of employees from the maintenance crew as they were qualified people that knew the County buildings inside and out.

Ms. Stacie Biechy, 398 Old Allentown Road, Wind Gap, PA - stated she worked at Gracedale for more than 20 years and prided herself on working for the County because she thought she would have a good job and benefits until she retired. She further stated since 2009, she had seen a decrease in her pay every year because of things that have been taken away.

Ms. Biechy advised last year when she filed her taxes, she realized how broke she was because she did not even gross $30,000 and she currently had a bill for her deductible that was ready to go to collections so how could she handle an increase in the deductible. She further advised last year, she had to start going to food banks and when they found out she was a County employee, they could not believe it.
Ms. Biechy stated her paycheck was recently cut by $160 because the County began paying for a 37.5 hour work week instead of a 40 hour work week and the proposed changes were impossible for a normal person to handle. She further stated she was at the point where she was thinking about leaving Gracedale to find other employment and hoped that her pension would be there when it was time for her to collect it. She added if these insurance proposals went through, she would literally not be able to afford to come to work.

Ms. Shirley O'Brien, Plainfield Township, PA - advised she was a Clerical Technician in the Revenue Office and she knew there were some Clerical Technicians who could qualify for Welfare.

Ms. O'Brien stated the employees hear about money being spent on a communications company and one employee receiving a $20,000 raise, but yet they were being told there was no money for them.

Ms. O'Brien advised her office was understaffed and recently the stress got to her where she had to be out for several days. She noted employees were underpaid, understaffed and now she had to be on medication to work here so she wondered if this was what the County wanted.

Ms. O'Brien stated Mr. Brown had said at a union meeting, the taxpayers deserved good quality service, but how could that occur if the employees were understaffed and overworked. She further stated she only made $26,000 a year and could not afford to pay more for insurance.

Ms. O'Brien advised she was disappointed that the residency ordinance did not pass because she felt they would care more about what occurred in the County if they lived here.

Ms. Sherry Simons, Northampton County Employee - stated if Mr. Brown cared about the County and its citizens, he should also care about the employees because many of them were taxpayers who had families to support and were not just a number or a statistic.
Ms. Simons advised if Mr. Brown put the burden of closing the deficit of the budget on the back of employees, it would not only be a disservice to the employees, but their families and the community. She then asked Mr. Brown to look at the employees as human beings and not put this financial burden on them. She further asked that he not increase the benefits and provide them with fair financial compensation.

Mr. David Kaesler, 9810 Stagecoach Road, Kutztown, PA - advised he had been employed by the County for 21 years as a Heating, Ventilation and Air Conditioning Technician. He further advised he was a Shop Steward for Local 1265 and a member of the Safety Committee.

Mr. Kaesler stated when he was hired, there was an oral agreement that he would provide an honest day’s work for an honest wage and benefit package. He further stated while he, as well as other employees, continued to honor that agreement, the Administrations have not.

Mr. Kaesler advised most employees have endured wage freezes for years and have given back benefits that have set them back to the point where they make less every year. He further advised the Administrations have failed to hold the supervision accountable for their decisions which let things such as Gracedale deteriorate and made bad investments such as the Swaption that cost the County $25 million.

Mr. Kaesler stated the new Administration was prepared to make up for those failures by balancing the budget on the backs of the employees when, in fact, it was the employees who have remained consistent and have given back year after year with promises that next year would be better. He further stated the employees were now facing new challenges due to lack of staff, resources and technology and they were doing it with less benefits and wages.

Mr. Kaesler advised the economy had impacted everyone over the past decade and the employees, as taxpayers, continue to survive in their lives by re-budgeting, giving up luxuries, getting second and third jobs, begging, borrowing and sacrificing yet the County could not figure out how to do the same without breaking the backs of those who have held together the bricks and mortar over the years.
Mr. Kaesler stated as the employees continue to struggle to feed their families, keep a roof over their heads, educate their children and keep gas in their tanks, the Administration think they should give back more. He further stated the astonishing part was if they could afford to, they would.

Mr. Kaesler advised this was a family and he was proud to work alongside these individuals because they continued to work harder for less every day, but they could not afford it anymore. He further advised the County should be ashamed its employees were eligible for food stamps and other programs or had to work more than one job.

Mr. Kaesler stated if these changes were allowed to go into effect, it would cost some employees their homes, their cars, their children’s education and more. He further stated County employees were portrayed as being overpaid, but the previous Administration had acknowledged they were actually underpaid and the benefits were what attracted people to work here.

Mr. Kaesler advised the cuts and changes that had to be made should be made for future employees, who would know what the agreement was and make a decision as to whether they wanted to work here or not. He further advised to change the rules in the middle of the game for the long time employees was unfair and immoral.

Mr. Kaesler stated anyone who voted to support these changes should be ashamed of themselves and would be remembered at the next election. He further stated he hoped the right decisions were made for the right reasons.

Ms. Wanda Heitzman, 1222 Leigh Street, Easton, PA - advised she was a 22 year employee and a taxpayer. She further advised sometimes things look so good on paper, but at what cost to the employees.

Ms. Heitzman stated these walls did not make up the County, it was the employees. She further stated people were struggling now and were going from middle income to lower income families.
Ms. Heitzman advised there were times she did not know how she would keep her household going and she knew there were a lot of people who felt the same way. She further advised people have stopped taking much needed medication because they could no longer afford it.

Ms. Heitzman stated they should consider how this was going to impact the employees because they were already under a lot of stress and the morale was very low. She questioned whether there were people at the top who could take pay cuts instead of passing this on to the employees.

Ms. Heitzman advised the County had good, hardworking employees and those who were at the top and close to retirement, could not because they could not afford to.

Ms. Tabatha Gartner, 202 North 11th Street, Easton, PA stated most of the people who worked here lived in the County and cared about it. She further stated changes in the benefits would cause massive exodus of experience from all levels.

Ms. Gartner advised an exodus from the Department of Human Services would make the County vulnerable particularly because there was no plan in place to cover the needs these positions fill. She further advised if new staff was hired, it would cost to train and certify them, which could take months/years to complete resulting in delaying services to the public. She noted it could also create a potential for lawsuits because without an experienced staff, something could go wrong or be missed.

Mr. Michael Romig - stated 27 years ago, he made an agreement to work for less wages for better benefits and now the Administration wants to take them away. He further stated it was going to force him to retire and take another job so he could take care of his children.

Mr. Justus James - asked the County Executive and County Council what they were going to do after hearing the stories of the people who came to work every day. He advised the employees could no longer afford the mistakes the County made and he would be damn if it was going to be done on their backs.
Mr. James stated they needed to fill positions and then the County would have a better future. He further stated if they chose not to do that then there would be more overtime, workmen compensation injuries, sick leave and healthcare costs.

Mr. James advised the Affordable Healthcare Act would not come into effect until 2018 and did not belong in 2015. He further advised he wished the County would hire someone who understood it.

Mr. Luis Campos, Director of Administration, distributed a handout (see Attachment #1).

Mr. Brown stated he spent the last few months reviewing the financial status of the County and there were issues and challenges they had to look at in order to move forward.

Mr. Brown advised the employees were the face of the County and part of his administration was to reach out and try to understand the challenges the employees had, noting many of them were mentioned again tonight.

Mr. Brown stated when he took office in January, he discovered the County’s financial condition was not in great shape and there was no real sign of it improving. He further stated in order to move forward, one of the areas they had to take a look at was the employees’ healthcare.

Mr. Brown advised the options the County had were to leave it alone, utilize the exchanges or modify the current plan.

Mr. Brown stated the Affordable Care Act was not the driver for the changes, but it was a consideration because it was a law that would come into effect in 2018. He further stated if the County did not make any changes by 2018, it would, on top of all its other costs, experience a $9.3 million excise tax penalty for its Cadillac plan.

Mr. Brown advised if the County decided to no longer provide insurance benefits, the employees would have to utilize the exchanges. He further advised if he intended to balance the budget on the back of the employees, this would be the option he
Mr. Brown stated if the County had to pay a $2,000 per employee penalty with this option, it would amount to approximately $4 million. He further stated the current estimate for healthcare for this year was approximately $24.5 million dollars so the County could net $18 million, which was generally the amount taken from the General Fund to balance the budget. He noted with this option, the employees would also incur additional premium costs of $650 a month for a single person and $2,000 a month for a family of four.

Mr. Brown advised the third option was to modify the plan, which was what they were looking at to void the excise tax in 2018. He further advised the changes they were proposing were to lower the utilization rate of healthcare, drive consumerism among the users of the plan and reduce overall costs.

Mr. Brown stated the employees would have to contribute more to this plan, but they were working hard with the third party administrator to improve the overall cost of each component of healthcare the employees were consuming and purchasing from them. He further stated the impact would be an increase in the annual and out-of-network deductibles and an added co-insurance. He noted there would be an increase to the out-of-pocket costs to encourage employees to become better consumers of healthcare to lower the County’s costs and to partner with the County overall in avoiding the excise tax.

Mr. Brown advised a single person was currently paying $250 for in-network deductibles and $500 for out-of network, under the new plan they would pay $500 for in-network and $1,000 for out-of-network. He further advised a family’s in-house network deductibles were currently $500 and out-of-network was $1,000 and that would change to $1,000 for in-network and $10,000 for out-of-network.

Mr. Brown stated they were recommending adding a 10% co-insurance payment. He further stated the co-pay for an emergency room visit would increase from $100 to $200 and there would be a $30 co-pay for an urgent care visit.
Mr. Brown stated the generic prescription payment would increase from $5 to $10 and a name brand prescription payment would increase from $15 to $35. He further stated a 20% co-insurance would be added to specialty prescriptions.

Mr. Brown advised in 2009, the County paid $17.5 million in healthcare and this year, it was estimated it would be $24.5 million. He further advised the County’s consumption of healthcare was increasing at a rate of approximately $1.2 - $1.5 million per year. He noted the number of individuals using the County’s healthcare have not changed so that meant more benefits were being used.

Mr. Brown stated in 2014, the employees would contribute approximately $2.5 million to the costs. He further stated the County did get reimbursed for some benefits through the Human Services Intergovernmental Fund, but that only amounted to approximately $1.8 million.

Mr. Brown advised the challenge was the utilization of healthcare because since 2013, it had increased 26%. He further advised basing the future on that number was where the excise tax became an issue.

Mr. Brown stated the two aspects of the plan that needed strengthening were cost control and consumerism that could be done by the employees participating more actively in shopping for their healthcare. He further stated by doing that, he believed they could contain the cost of healthcare and continue to work on the financial challenges the County had.

Mr. Brown advised he inherited a budget that was very difficult and the options available to balancing that budget were to raise taxes, cut jobs or cut healthcare costs, which he felt was the best option. He further advised healthcare was something he believed had to be modified and he respected the employees’ concern and fears.

Mr. Brown stated it was an incremental step and even with the proposed changes, it was still an extremely robust plan that was better than the average plan found elsewhere. He further stated he felt this was a change that had to be made.
Mrs. Ferraro advised there were so many variables so she suggested meeting in small groups to see if a middle ground could be reached.

Mr. McClure stated a conversation about healthcare costs was appropriate, but having a conversation about increasing healthcare costs and increasing premiums across the board in the context of job freezes and no pay increases was not an appropriate conversation to have.

Mr. Werner advised that he, Mr. Kraft and a few other County Council members looked into the Cadillac tax and based on what was going on with the County, he believed in his heart that they should leave everything alone. He further advised the Cadillac tax was four years away and applied to self-insurers who had 40% of determined excess health spending.

Mr. Werner stated the insurance companies were giving the worst case scenarios and according to the County’s records, it fell well below the thresholds of the Cadillac plan, therefore, there would not be a Cadillac tax.

Mr. Werner advised as far as Mr. Brown’s comment about the fund balance, he spoke with Mr. Doran Hamann, Budget Administrator, Department of Fiscal Affairs and the County was currently at $30 million and allowing for three months’ worth of expenses, the County was well within the two month reserve.

Mr. Benol stated last year, the Director of Human Resources claimed that the County had a Cadillac plan so unless something had changed that was what he had to look at when he looked at the finances.

Mr. Stephen Barron, Controller, advised she was wrong then and she was wrong now if that was her position.

In answer to Mr. Benol’s question as to why he was quiet all last year when this was being discussed, Mr. Barron stated he actually spoke up and said it was not a Cadillac plan. He further stated he spoke with the person in charge, Ms. Lorena Morley, Benefits Administrator, Department of Human Resources, and she agreed with the numbers so as the County stood today, it did not have a Cadillac plan and Mr. Werner’s assessment was actually the same.
Mr. Geissinger advised at the last meeting, he asked Mr. Barron to confirm this was not a Cadillac plan and he indicated he could not so he asked if his opinion had changed.

Mr. Barron stated after speaking with Ms. Morley, he can state the County did not have a Cadillac plan as of today.

Mr. Geissinger advised that was the information County Council should have to be able to make a decision for not just today, but the future.

Mr. Kraft stated the County based its rates on the Consolidated Omnibus Budget Reconciliation (COBRA) rates and for a single individual it was $659.41 a month and for married individuals, it was $1,945.35 a month. He further stated under the Affordable Care Act, spending more than $10,200 for an individual or $27,000 for a family constituted a Cadillac plan so the County was not a Cadillac plan. He noted there was a 10% surcharge for COBRA called a deflator charge that would be added to the $659.41 and there was a 2% administrative expense charge.

Mr. Kraft advised there was no reason for something to be done now for something that was not going to happen until 2018 especially since it was in the Courts right now and could be overturned.

Mr. Kraft stated County Council did not vote on the changes, but could vote against the budget to fund it this way.

Mr. Brown advised the recommendations he was making were not based on the Cadillac tax being in place because it was in the future and things may change, but it had to be considered. He further advised the rates and thresholds Mr. Kraft mentioned were correct.

Mr. Brown stated as to whether the benefits were or were not a Cadillac plan was based on the future utilization of the benefits. He further stated healthcare costs have continually increased and if the utilization continued at the current rate, they would exceed the thresholds.

Mr. Brown advised steps should be taken now to reduce the utilization and to curtail some of the expenses so the excise tax would go away.
Confirmation of Appointments

Mrs. Ferraro stated the Personnel Committee met on September 17, 2014, to consider the County Executive's re-appointment to the Higher Education Authority.

Mr. Kraft introduced the following resolution:

R. 86-2014 RESOLVED, by the Northampton County Council that the following individual shall be confirmed in her re-appointment as indicated hereafter:

HIGHER EDUCATION AUTHORITY

Re-appointment: Term to Expire: 12/31/19
Margaret L. Ferraro
339 Schoeneck Avenue
Nazareth PA 18064

As there were no questions or comments, Mrs. Ferraro called for the vote.

The vote: Kraft, "yes"; McClure, "yes"; Parsons, "yes"; Phillips, "yes"; Vaughn, "yes"; Werner, "yes"; Benol, "yes"; Ferraro, "abstain" and Geissinger, "yes".

The resolution was adopted by a vote of 8-1 with 1 abstention.

Public Hearing on the Ordinance Providing for an Amendment to Administrative Code Article XIII Procurement and Disposition of County Property, Section 13.16 Contracts and Agreements c.(1)

Mrs. Ferraro advised the following ordinance was introduced by Messrs. McClure and Kraft at the meeting held September 4, 2014:

AN ORDINANCE AMENDING THE NORTHAMPTON COUNTY ADMINISTRATIVE CODE, ARTICLE XIII PROCUREMENT AND DISPOSITION OF COUNTY PROPERTY, SECTION 13.16 CONTRACTS AND AGREEMENTS C. (1) An Ordinance Amending the Northampton County
WHEREAS, Section 602 Ordinances (a) (1) of the Home Rule Charter empowers Northampton County Council to adopt Ordinances for the purpose of amending the Administrative Code.

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED by the Northampton County Council that Northampton County Administrative Code, Article XIII Procurement and Disposition of County Property, Section 13.16 C. (1) Contracts and Agreements shall be amended as indicated hereafter (sections marked with strikeout are being deleted and sections that are marked with bold and underline have been added):

ARTICLE XIII

PROCUREMENT AND DISPOSITION OF COUNTY PROPERTY

13.16 Contracts and Agreements

Section 13.16 Contracts and Agreements

a. Written contracts are required for all purchases of goods and services exceeding $25,000. All contracts and agreements shall be prepared and executed as directed by the County Executive by way of the Executive Order. All contract formats shall be approved by the County Solicitor prior to use.

b. All executed contracts and agreements shall be filed in the Procurement Division within fourteen (14) days after execution, and shall immediately be available for inspection by any member of County Council.

c. At least twenty (20) days before the County Executive obligates the County to the proposed terms of any prospective contract, the County Executive shall provide written
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notification of the proposed terms of the prospective contract to County Council if the contract consideration exceeds $100,000, regardless of whether the contract term spans more than one fiscal year or exceeds twelve months. Such written notice shall specify the procedure used to choose the individual or entity providing the services, including a copy of the Invitations to Bid/Request for Proposals, if applicable; the name of the successful bidder; the nature of the project and the scope of work; the projected total monetary amount of the contract; the hourly or other unit costs charged under the contract; a statement of the need for such services, and a disclosure of prior relationships between the vendor and the County or County Personnel. In addition, prior to making the award, approval of County Council is required in the following instances:

(1) Any contract exceeding $100,000 $10,000.00 which was awarded using the Competitive Negotiation, Negotiation After Competitive Sealed Bidding, and Non-Competitive Negotiation source selection methods. For contracts with renewal clauses, the entire potential payout if all renewal clauses are exercised under the terms of the contract must be considered when determining if Council approval is necessary.
(2) Any contract where costs are to be funded with monies outside of the County's General Fund, such as those funded through bonded indebtedness.

d. No contracts shall be entered into by the County Executive, or any other independently elected official, without:

(1) giving written notification to the Office of the County Council, as provided in Section 13.16 c; and

(2) receiving the approval of the agreement by County Council resolution, if the contract involves the retention of professionals pursuant to the authority of the Council under Section 202 of the Home Rule Charter to incur indebtedness, levy taxes, assessments, and service charges; adopt and amend an Administrative Code; adopt a Personnel Code; establish salaries and wage levels; and acquire property.

e. No work shall be authorized to begin nor payment made under a contract prior to the completion of the written notice process, set forth in Administrative Code Section 13.16 c, until sufficient appropriate funds have been encumbered, and where required, the approval process completed, unless exigent reasons or an emergency situation requires the immediate execution of a proposed contract, but the term of such contract shall not exceed thirty (30) days. Such reasons shall be documented and
filed with the Council within 24 hours of the execution of the proposed contract.

f. Every professional service contract shall specifically state that a copy of any final report or study delivered pursuant to a contract shall be provided directly by the vendor to the County Council; and the vendor shall agree to present the final report or study should the County Council so desire. Exempt from the aforementioned requirements are:

(1) Contracts that involve the investigation of a crime and the apprehension or prosecution of persons suspected of, or charged with, the commission of a crime if the District Attorney determines that the information might prove to be prejudicial or detrimental to such action.

(2) Contracts involving services in the defense of persons suspected of, or charged with, the commission of a crime if the Public Defender determines that the information might prove prejudicial or detrimental to such action.

g. Required Conditions for All Contracts

(1) Every contract shall specifically state that it is contingent upon the availability of appropriated funds from which payment can be made.
(2) Every contract shall contain an express written provision which clearly provides that in the event of non-appropriation of funds, at any time during the term of the contract, which would prevent the County from making payment under the terms and conditions of the contract, the County may terminate the contract, without the assessment of any termination charges or financial penalties against the County, by providing written notice of intent to terminate to the contracting party.

(3) The County of Northampton shall not make contractual arrangements with a vendor who is delinquent on any taxes due the County until the taxes are paid in full. Delinquent shall herein be defined as the point when the taxes owed become the responsibility of the Tax Claim Bureau to collect.

(4) Every contract shall state that if the vendor becomes delinquent on taxes owed the County during the term of the agreement, vendor shall be in breach of the agreement and the County shall withhold vendor payments in lieu of taxes until taxes are paid in full.
(5) The County Executive, or his designee, shall issue written notice to the Council within sixty (60) days of the end of the fiscal year if a vendor or lessee is found to be delinquent on any taxes due the County. As directed pursuant to contract language authorized by this Section, the County shall withhold payments until the taxes are paid in full.

(6) The County of Northampton shall not make contractual arrangements with a vendor who is also a lessee of the County until the rent due the County is paid in full as provided for in the terms of the lease agreement.

(7) No renewal of any existing contract, upon the expiration or termination of the original term, shall be entered into if such renewal fails to conform to provisions of the Administrative Code herein set forth.

(8) The provisions of Administrative Code Sections 13.07 through 13.13 and 13.16 shall not be evaded by entry into piece-meal contracts, which should in the exercise of reasonable discretion and prudence be conducted as one transaction, that exceed the dollar amount or term of contract set forth in Administrative Code Sections 13.07 and 13.16.
(9) All County construction projects over $25,000 shall be awarded by competitive bid to the lowest responsible bidder unless rejected in accordance with other provisions of Article XIII of the Northampton County Administrative Code.

(10) If the County Executive, or his agent, on behalf of the County of Northampton bids a construction project with a Project Labor Agreement Requirement, then in that event, the County Executive, or his agent, shall simultaneously bid the same construction project without a Project Labor Agreement. No Project Labor Agreement shall be utilized in any County construction project unless approved by Northampton County Council prior to execution of the contract by Resolution.

(11) A Project Labor Agreement is hereby defined as a contract which requires that the project be awarded exclusively to:

(a) recognize unions as representatives of their employees on that job;

(b) exclusively use the union hiring hall to obtain workers;

(c) pay union wages and benefits; and

(d) obey the union restrictive work rules, job classifications, and arbitration procedure.
(12) Every contract shall specifically state that the vendor agrees not to hire County personnel who have or shall exercise discretion in the awarding, administration or continuance of that vendor's contract. The prohibition shall be in force for up to and including one year following the termination of the employee from County service. A vendor's failure to abide by this shall constitute a breach of contract, and the agreement shall so state.

(13) Each contract must contain the following conditions:

(a) Undue Influence: The Provider agrees not to hire any County personnel who has exercised discretion in the awarding, administrating or continuance of this contract for up to and including one year following the termination of the employee from County service. Failure to abide by this provision shall constitute a breach of this contract.

(b) Conflict of Interest: The Provider agrees to notify in writing the County as soon as the Provider learns that:

(1) A current employee of the County has commenced, or is intending to commence, employment with the Provider while continuing to maintain County employment, or
while continuing to maintain County employment. Any written notice required to be given under this section shall specify the County employee's (associate's) name, the nature of the County employee's (associate's) employment, or the subject of the County employee's (associate's) contract with the Provider and the date on which the County employee's (associate's) employment or contract with the Provider commenced.

(c) Breach of Contract:

(1) The Provider agrees that any breach of performance, of any covenant, representation, or warranty, indemnity, or condition, or attached appendices, shall constitute default of this contract.

(2) When a breach of contract has occurred, the County, in the exercise of its discretion, may allow the Provider a specific period of time to correct its breach of the contract. Such period of time shall not exceed thirty (30) days.

(3) If Provider does not correct its violation of the contract as specified, the County may terminate the contract in whole or in part if such partial termination is in the best interest of the County.
Public Hearing

Mrs. Ferraro asked if there were any questions or comments from the public.

There were no respondents.

Before asking the members of County Council if they had any questions or comments, Mrs. Ferraro stated a technical correction had to be made to the title of the ordinance. She indicated the strikeout section had to be removed as indicated below:

AN ORDINANCE AMENDING THE NORTHAMPTON COUNTY ADMINISTRATIVE CODE, ARTICLE XIII PROCUREMENT AND DISPOSITION OF COUNTY PROPERTY, SECTION 13.16 CONTRACTS AND AGREEMENTS C. (1) An Ordinance Amending the Northampton County

Mr. McClure made a motion to correct the title of the ordinance as indicated.

Mr. Werner seconded the motion.

As there were no questions or comments, Mrs. Ferraro called for the vote on the motion.


The motion passed by a vote of 9-0.

Mrs. Ferraro asked if there were any comments or questions regarding the ordinance.

Mr. Werner made a motion to change the amount from $100,000 to $25,000 instead of $10,000.

Mr. Parsons seconded the motion.

As there were no questions or comments, Mrs. Ferraro called for the vote.
The vote: Werner, "yes"; Parsons, "yes"; Phillips, "no"; Vaughn, "no"; Benol, "no"; Ferraro, "no"; Geissinger, "no"; Kraft, "yes" and McClure, "yes".

The motion failed by a vote of 4-5.

Mr. McClure stated he brought this ordinance forward because this Administration had to be brought under control. He further stated the Administration was asking the employees to make sacrifices in order to balance the budget, but have proposed nearly $1 million in consultancy contracts.

Mr. McClure advised this Administration wasted thousands of dollars on a public relations consultant, who had clearly demonstrated in e-mails that were discovered doing political work while being paid with taxpayer money. He further advised if his colleagues voted against this ordinance, they were complicit in allowing public money to be used for political work. He noted it was clear from the vote on Mr. Werner’s motion that the Republican majority was continuing to protect the process going forward.

Mr. McClure stated he heard some critics say they should just inform the authorities if there was a problem, but he felt that was an abdication of their responsibilities as members of County Council. He further stated he heard other critics have said that it was the Sahl Communications contract so why was he getting so upset, however, it was not just this contract.

Mr. McClure advised in the first e-mail there were notes from a fundraiser meeting to retire the campaign debt of Mr. Brown. He further advised the e-mail also mentioned Mr. Matthew Deibert, who was a Republican political operative and associated with Integrity Personnel, was at the meeting.

Mr. McClure stated Integrity Personnel was paid $24,000. He further stated there was no detailed billing for what they did, however, it appeared they were helping Mr. Brown get cabinet personnel that took seven months to form so he asked what kind of public value were those dollars. He noted people might think it was only $24,000, but it was taxpayer dollars.
Mr. McClure advised the County needed this ordinance and although he fully expected it to fail, he hoped everyone would do the right thing.

Mr. Kraft made a motion to change the amount from $10,000 to $50,000.

Mr. Werner seconded the motion.

Mr. Vaughn stated he felt $10,000 would tie the County Executive's hands and even though Mr. Kraft's increase was better, he would still not be supporting it. He further stated he felt there was a good deal of witch hunting going on right now.

Mr. Kraft advised Lehigh County had a $10,000 threshold and it did not tie their hands and there was no witch hunt.

Mr. Geissinger stated the $100,000 threshold worked so there was no reason to change it and to sit here and accuse the County Executive without any reason other than Mr. McClure wanted to create a political situation was not acceptable and as an attorney he found it appalling that he would accuse a man without proper process.

As there were no further questions or comments, Mrs. Ferraro called for the vote on the motion.

The vote: Kraft, "yes"; Werner, "yes"; Geissinger, "no"; McClure, "yes"; Parsons, "yes"; Phillips, "no"; Vaughn, "no"; Benol, "no" and Ferraro, "no".

The motion failed by a vote of 4-5.

As there were no further questions or comments, Mrs. Ferraro called for a vote on the amended ordinance.

The vote: McClure, "yes"; Kraft, "yes"; Parsons, "yes"; Phillips, "no"; Vaughn, "no"; Werner, "yes"; Benol, "no"; Ferraro, "no" and Geissinger, "no".

The ordinance failed by a vote of 4-5.
Consideration of the Custody Court Reorganization

Mrs. Ferraro advised the Personnel Committee reviewed the proposal by the Courts to reorganize Custody Court at its meeting yesterday.

Mr. Kraft introduced the following resolution:

**R. 87-2014 RESOLVED, by the Northampton County Council that two part time (2 FTE) positions of Special Court Master Child Custody, pay grade RS-04, Department of Court Administration, shall be eliminated, effective the 1st day of October 2014.**

**IT IS FURTHER RESOLVED by the Northampton County Council that the part time (1 FTE) position of Special Court Master Juvenile, pay grade RS-04, salary $52,049, in the Department of Court Administration, shall be reclassified to the part time (1 FTE) position of Special Court Master Dependency, pay grade RS-04, salary $42,615, effective the 1st day of October 2014.**

**ITS IS FURTHER RESOLVED by the Northampton County Council that the full time position of Custody Master, pay grade CE-IV, salary range $66,638 to $94,812, in the Department of Court Administration, shall be created, effective the 1st day of October 2014.**

As there were no questions or comments, Mrs. Ferraro called for the vote.

The vote: Kraft, "yes"; Phillips, "yes"; Vaughn, "yes"; Werner, "yes"; Benol, "yes"; Ferraro, "yes"; Geissinger, "yes"; McClure, "yes" and Parsons, "yes".

The resolution was adopted by a vote of 9-0.
Consideration of the Revised 2014 Pay Scales: Human Services (Non-Union) Administrative and PSSU (Union)

Mrs. Ferraro stated the Personnel Committee met yesterday to review the revised Human Services pay scales for certain Human Services (Non-Union) Administrative and PSSU (Union) employees.

Mr. Kraft introduced the following resolution:

R. 88-2014 WHEREAS, the Northampton County Council adopted resolution #26-2014, which adopted 2014 pay scales for certain Human Services Civil Service (Non-Union) Administrative Staff and PSSU Employees (Union); and

WHEREAS, on August 27, 2014 the Department of Human Resources indicated that due to changes in State maximum allowable salaries, it became necessary to revise the 2014 pay scales for Human Services (Non-Union) Administrative Staff and PSSU Employees.

NOW, THEREFORE, BE IT RESOLVED by the Northampton County Council that the 2014 pay scales for Human Services (Non-Union) Administrative Staff and PSSU (Union) Employees shall be revised to read as indicated on the attached document (refer to Exhibit "A"). The 2014 revisions shall be retroactive to April 1, 2014.

As there were no questions or comments, Mrs. Ferraro called for the vote.

The vote: Kraft, "yes"; Vaughn, "yes"; Werner, "yes"; Benol, "yes"; Ferraro, "yes"; Geissinger, "yes"; McClure, "yes"; Parsons, "yes" and Phillips, "yes".

The resolution was adopted by a vote of 9-0.

Consideration of the Children, Youth and Families Foster Care Rate Modification Resolution

Mrs. Ferraro advised the Finance Committee met yesterday to review the Children, Youth and Families Foster Care Rate Modification resolution.

Mr. Geissinger introduced the following resolution:
R. 89-2014 WHEREAS, the Northampton County Council adopted Resolution No. 49-2013 (refer to the attached Exhibit "A"), which sets forth pay rates for parents providing foster care in the Northampton County Children, Youth and Families Foster Care Program; and

WHEREAS, the Director of Human Services and the County Executive have requested a modification to include: "Provisional licensed /temporarily approved Northampton County traditional foster care and kinship foster care homes will have 60 days to obtain full licensure compliance. On the 61st day the rate will be reduced to $12.00 per day per child until the requisite paperwork is deemed completed per Department of Public Welfare (DPW) guidelines."

NOW, THEREFORE, BE IT RESOLVED that the requested modification (as set forth in the attached Exhibit "B") is approved this 18th day of September 2014.

As there were no questions or comments, Mrs. Ferraro called for the vote.

The vote: Geissinger, "yes"; Werner, "yes"; Benol, "yes"; Ferraro, "yes"; Kraft, "yes"; McClure, "yes"; Parsons, "yes"; Phillips, "yes" and Vaughn, "yes".

The resolution was adopted by a vote of 9-0.

Consideration of the Amendment to Resolution No. 46-2013
Washington Township Municipal Open Space Grant.

Mrs. Ferraro stated the Open Space Coordinator, Bryan Cope, requested the Washington Township Municipal Open Space grant be amended as indicated on the following resolution as the project came in under the awarded grant amount.

Mr. Parsons introduced the following resolution:

R. 90-2014 RESOLVED, By the Northampton County Council that Resolution Number 46-2013, the Washington Township Municipal Phase II Open Space Grant resolution, shall be amended as indicated hereafter (section marked with strikeout have been
WHEREAS, the County of Northampton implemented the Northampton County Initiative by enacting the Northampton County Open Space Ordinance #423-2004 on November 5, 2004; and

WHEREAS, the Northampton County Open Space Advisory Board has recommended approval of the Washington Township Playground Resurfacing Project; and

WHEREAS, the Northampton County funding will be used as follows:

Property Owner: Washington Township
Site Location: 1021 Washington Blvd, (Washington Township), Bangor, PA 18013

Site Information:

Park-Development-Description: Installation of rubber mulch and swing/slide mats,

Appraised Value: No acquisition involved
Municipal Allocation: $8,663.00 $7,245.00(50%)
County Grant Request: $8,663.00 $7,245.00(50%)

Other Grants:

NOW, THEREFORE, BE IT RESOLVED by the Northampton County Council:

(1) The Northampton County Council hereby approves the Washington Township Playground Resurfacing Project. Further, the Northampton County Executive, through the office of the Program Administrator of the Northampton County 21st Century Open Space Initiative, or his/her designee, is directed to take any and all steps necessary to administer and complete Northampton County's obligations in this project.

(2) The Northampton County Council further directs the Northampton County Executive to appropriate $8,663.00 $7,245.00 as the Northampton County contribution to the Washington Township Playground Resurfacing Project.

As there were no questions or comments, Mrs. Ferraro called for the vote.
The vote: Parsons, "yes"; Ferraro, "yes"; Geissinger, "yes"; Kraft, "yes"; McClure, "yes"; Phillips, "yes"; Vaughn, "yes"; Werner, "yes" and Benol, "yes".

The resolution was adopted by a vote of 9-0.

**Human Services Committee Report**

Mr. Vaughn advised the Human Services Committee met earlier this evening and received an update for the Gracedale Nursing Home. He further advised the census was up and the contract with Nazareth Ambulance included unlimited transportations and escorts so Gracedale did not have to provide them.

Mr. Vaughn stated there have not been any Department of Health complaints in four months, which the County and the employees of Gracedale could be proud of and they have also retained four stars for the quality of care.

Mr. Werner advised during the first quarter, Gracedale had a loss of about $2 million and about the same during the second quarter. He further advised with the census holding an average of 653 or higher, Gracedale could end up on budget. He noted Gracedale could end up with a loss of approximately $6 million for the year versus the anticipated $8-10 million being touted. He added it should be noted that based upon the August/September census, Gracedale had the best third quarter in ten years.

Mr. Vaughn stated from the information provided at the meeting, it appeared the County was moving in the right direction.

**Airport Authority Liaison Report**

Mr. Geissinger advised at the Airport Authority meeting, the issue of Braden Airpark was not directly addressed by the Executive Committee, but they indicated it would be addressed at its next meeting.
Mr. Geissinger stated should the Authority decide to sell the Airpark, there were a number of representatives present who were committed to making it an operational facility. He further stated there was a great deal of discussion about that being a possibility and the Executive Committee did admit that there had been a lack of communication between them.

Mr. Geissinger advised they were impressed with the number of individuals who came out in support of continuing the operation of Braden Airpark so as liaison, he would suggest if the citizens of the County wanted to keep it operational, they needed to continue to show their support and let the Executive Committee know it.

Adjournment

Mr. Werner made a motion to adjourn.

Mr. McClure seconded the motion.

The motion to adjourn passed unanimously by acclamation.

___________________________________________
Frank E. Flisser
Clerk to Council

(J:\2014\nccmin\091814)
Northampton County
WELCOME

Healthcare Plan Options

- Three Options
  - #1 Leave current plan alone
  - #2 Utilize exchanges for employee healthcare
  - #3 Modify current plan
Healthcare Plan Options

- Plan #1: Leave current plan alone
  - Costs are Unsustainable
  - Excise Tax Cliff becomes reality

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<th>Excise Tax</th>
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<td>2019</td>
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<td>2020</td>
<td>$ 23,121,779</td>
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<td>2021</td>
<td>$ 32,801,719</td>
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<td>2022</td>
<td>$ 44,998,444</td>
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<td>2023</td>
<td>$ 60,366,317</td>
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Healthcare Plan Options

- Plan #2: Utilize Exchanges for Employee Healthcare
  - County no longer provides insurance benefit directly
  - County pays ~ $4 million penalty
  - Savings to County = $18 million per year
    - ($22 million cost minus $4 million penalty)
  - Employees pay exchange market prices
  - Example
    - Single = $650/month premium
    - Family of four = $2028/month premium
Healthcare Plan Options

- Plan #3 Modify current plan
  - KEY:
    - Significantly Lower Utilization Rates
    - Drive consumerism
    - Reduce costs
  - Bring plan costs into alignment with ACA
    - Avoid Excise Tax Cliff
  - Employees contribute more to plan
  - Negotiate better costs/terms with third party provider

Healthcare Plan Options

- Plan #3 Modify current plan

- Employee Impact
  - Increase annual deductible
  - Increase Out of Network Deductible
  - Added Co-Insurance
  - Increase potential total out of pocket cost (controllable)
  - Drive consumerism
  - Partner with County to avoid excise tax cliff
### 2015 HEALTHCARE PLAN

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### 2015 HEALTHCARE PLAN

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# Healthcare, Dental, Vision, Prescription Costs

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<tr>
<th>Year</th>
<th>Healthcare &amp; Dental</th>
<th>Vision &amp; Prescription</th>
<th>Total Actual Costs</th>
<th>Change from Prior Year</th>
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# Healthcare, Dental, Vision, Prescription Costs

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<tr>
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### Healthcare, Dental, Vision, Prescription Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Annual Dollar Deduction per Employee</th>
<th>Total Actual Costs</th>
<th>County Contribution</th>
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<tbody>
<tr>
<td>2009</td>
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<td>17,537,778</td>
<td>16,520,161</td>
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<tr>
<td>2010</td>
<td>1,106,180</td>
<td>20,972,875</td>
<td>19,866,695</td>
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<tr>
<td>2011</td>
<td>1,407,097</td>
<td>19,751,550</td>
<td>18,344,453</td>
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<tr>
<td>2012</td>
<td>1,823,050</td>
<td>21,550,957</td>
<td>19,727,907</td>
</tr>
<tr>
<td>2013</td>
<td>2,436,279</td>
<td>23,301,649</td>
<td>20,865,370</td>
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<tr>
<td>2014</td>
<td>2,588,824</td>
<td>24,594,492</td>
<td>22,005,668</td>
</tr>
</tbody>
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### Healthcare, Dental, Vision, Prescription Costs

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<td>22,005,668</td>
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* * $1.82 million reimbursement for 210 DHS employees in 2014
Healthcare Costs Drivers

- 2013 healthcare utilization up 26% over prior year

- Challenges
  - Lack of cost control
  - Lack of consumerism

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