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BERGEN COUNTY
BOARD OF CHOSEN FREEHOLDERS
HACKENSACK, NEW JERSEY
WORK SESSION
WEDNESDAY, FEBRUARY 24, 2016
COMMENCING AT 4:30 P.M.

FREEHOLDERS PRESENT:

- STEVEN A. TANELLI, CHAIRMAN
- TRACY S. ZUR, VICE CHAIRWOMAN
- JOHN A. FELICE, CHAIRMAN PRO TEMPORE
- DAVID L. GANZ
- DR. JOAN M. VOSS
- MAURA R. DeNICOLA
- THOMAS J. SULLIVAN

FREEHOLDERS ABSENT:

NONE

KIM O. FURBACHER, C.C.R., R.M.R.
P.O. BOX 213
ROCHELLE PARK, NEW JERSEY 07662-0213
201-226-9218

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ALSO PRESENT:

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LISA SCIANCALEPORE
CLERK TO THE BOARD

6

7

LARA RODRIGUEZ
DEPUTY CLERK TO THE BOARD

8

STEPHANIE GALLINA
ADMINISTRATIVE ASSISTANT

9

10

DR. DOMINIC J. NOVELLI
COUNTY ADMINISTRATOR

11

EDWARD J. FLORIO, ESQ.
COUNSEL TO THE BOARD

12

13

JARED LAUTZ
DIRECTOR OF COMMUNICATIONS & POLICY

14

JOHN DANUBIO
DEPUTY DIRECTOR OF COMMUNICATIONS & POLICY
and DIRECTOR OF POLICY RESEARCH

15

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KIM O. FURBACHER, C.C.R., R.M.R.
P.O. BOX 213
ROCHELLE PARK, NEW JERSEY 07662-0213
201-226-9218

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I N D E X

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2 24 2016 Freeholders WS
5 4:32 PM REVIEW OF RESOLUTIONS AND ORDINANCES 6
6 Gerald T. Reiner, Jr., CCPO, QPA
Purchasing Agent
7
8 Chris Davies, Warden
Bergen County Sheriff's Office
9 Robert Abbatomarco, Executive Director
Open Space Trust Fund
10
11 Joseph Luppino, CFO
County Treasurer
12 Ryan J. Tola, President
Doyle Alliance Group, Inc.
13
14
15 5:02 PM CLOSED SESSION 33
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1 CHAIRMAN TANELLI: The meeting is
2 called to order.

3 Before we begin the meeting, could you
4 please turn your cellphone off or put it on vibrate.

5 Thank you.

6 will the Clerk please read the Sen.
7 Byron Baer Open Public Meetings Act.

8 MS. SCIANCALEPORE: In accordance with

9 Section 5 of the Sen. Byron Baer Open Public Meetings
10 Act, adequate notice of this meeting has been
11 provided in the Annual Notice Schedule, which
12 contained the time, date, and location of this
13 meeting, copies of which Notices were forwarded to
14 the official County newspapers, to wit: The Herald
15 News; The Record; and the Star Ledger, and a copy of
16 which was posted on the bulletin board in the Bergen
17 County Justice Center and Administration Building,
18 One Bergen County Plaza, Hackensack, New Jersey, and
19 filed with the Office of the Bergen County Clerk.

20 ROLL CALL:

21 CHAIRMAN TANELLI: Please call the
22 roll.

23 (At this point in the proceeding roll
24 call is taken with Freeholders DeNicola, Felice,
25 Ganz, Sullivan, Voss, Vice-Chairwoman Zur, and

5

1 Chairman Tanelli present.)

2 PLEDGE OF ALLEGIANCE:

3 CHAIRMAN TANELLI: Please rise for the
4 pledge.

5 Mayor Ragueseo, would you lead us in
6 the Pledge, please.

7 (At this point in the proceeding all
8 rise for a recitation of the Pledge of Allegiance,
9 led by Mayor Ragueseo.)

10 MOMENT OF SILENCE:

11 CHAIRMAN TANELLI: Please remain
12 standing as we observe a moment of silence in memory

2 24 2016 Freeholders WS
13 of Phyllis Scott, who served in 1981 as the county's
14 Affirmative Action Officer, investigating employees'
15 complaints of bias and monitoring county policies.
16 She was active in organizations ranging from the
17 Coalition of Black Women, to the Fair Housing Council
18 of Bergen County, to the United way.

19 (Whereupon a Moment of Silence is
20 observed.)

21 CHAIRMAN TANELLI: Thank you.

22 Just one announcement tonight.

23 In order to give the Freeholders an
24 opportunity to meet with local community members and
25 allow them to participate in our Public Meetings

6

1 closer to home, I'd like to announce that the
2 Freeholder Board will be holding its first 2016
3 Freeholder meeting on-the-road. Our first meeting
4 on-the-road this year will be March 9, 2016, at
5 7:30 p.m. in Emerson, at the Emerson Council
6 Chambers. This is our first announcement on this
7 meeting. We will, of course, have more announcements
8 and we will be advertising well in advance to alert
9 the county and the community of this change of
10 location for the Public Meeting. The 4:30 work
11 session on that day will be held here as usual in
12 Hackensack in our Caucus Room.

13 4:32 PM REVIEW OF RESOLUTIONS:

14 CHAIRMAN TANELLI: We will now review
15 resolutions to be voted on tonight.

16 MS. SCIANCALEPORE: Page 1.

17 VICE-CHAIRWOMAN ZUR: Mr. Chairman, may

18 I sponsor #164?

19 FREEHOLDER DeNICOLA: I'll co-sponsor

20 that, please.

21 CHAIRMAN TANELLI: I was wondering if

22 we could do #164 and #165 as Body of the Whole, if

23 everybody would be okay with that?

24 FREEHOLDER VOSS: Absolutely.

25 FREEHOLDER DeNICOLA: Absolutely.

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7

1 Mr. Chairman, I'd like to sponsor #160,

2 please.

3 CHAIRMAN TANELLI: I'll co-sponsor that

4 with you.

5 FREEHOLDER DeNICOLA: Thank you.

6 MS. SCIANCALEPORE: Page 2.

7 VICE-CHAIRWOMAN ZUR: Mr. Chairman, may

8 I sponsor #170?

9 FREEHOLDER DeNICOLA: I'll co-sponsor

10 that with you.

11 And I'd like to sponsor #171, please.

12 VICE-CHAIRWOMAN ZUR: I'll co-sponsor

13 that.

14 FREEHOLDER DeNICOLA: Thank you.

15 MS. SCIANCALEPORE: Page 3.

16 #173 was pulled today.

17 CHAIRMAN TANELLI: I'd like to sponsor

18 #178-16.

19 FREEHOLDER SULLIVAN: I'll co-sponsor

20 that with you, sir.

2 24 2016 Freeholders WS

21 FREEHOLDER DeNICOLA: I did have a
22 question on #175.

23 CHAIRMAN TANELLI: Okay. Public Works.

24 COUNTY ADMINISTRATOR NOVELLI: I'm
25 sorry, if I have to turn to Gerald, I will.

‡

8

1 FREEHOLDER DeNICOLA: That's okay, I
2 can follow-up. It was specifically in regard to what
3 the changes in the specs were for.

4 MR. REINER: That one is easy actually
5 to answer, Freeholder.

6 FREEHOLDER DeNICOLA: Okay.

7 MR. REINER: What happened when we
8 initially bid this and we received bids, the way the
9 bids were evaluated in the past, we felt it wasn't a
10 good indicator of how to judge apples to apples in
11 order for cost savings for the county. For example,
12 what we did is we based it off a percentage discount
13 off parts and the hourly rate, only one hour, and we
14 used the \$10,000 figure for the discount to calculate
15 the parts and then the one hour.

16 So then if someone had a one percentage
17 point difference in the discount, it almost negated
18 anything that was the savings on the hourly rate. So
19 when we send the car out for the hourly rate, the
20 hourly rate was almost sometimes more important than
21 the discount off the parts.

22 So when we put out again, we're going
23 to use an evaluation on 200 base hours against the
24 same \$10,000, so that way we can actually get a real

25 figure that isn't swayed by just a minor change.

♀

9

1 FREEHOLDER DeNICOLA: Okay. I think I
2 understand what you just said.

3 MR. REINER: I'm sorry.

4 FREEHOLDER DeNICOLA: But thank you.

5 MR. REINER: All right.

6 FREEHOLDER DeNICOLA: So you rewrote
7 them differently with that minimum 200 hours?

8 MR. REINER: Correct, in order so that
9 way we could really gauge what the effect would be on
10 our budget dollar line and really be able to decide,
11 you know, is this discount in the parts relative to
12 the cost of the labor.

13 FREEHOLDER DeNICOLA: Okay. I see.
14 Good then. Thank you.

15 MR. REINER: Thank you.

16 MS. SCIANCALEPORE: I also wanted to
17 note on #171-16, it's a revised cover sheet. The
18 totals on the match county portion was changed, so
19 they revised that number.

20 FREEHOLDER DeNICOLA: I also had a
21 question on #173, please.

22 CHAIRMAN TANELLI: That's been pulled.

23 FREEHOLDER VOSS: It's pulled.

24 FREEHOLDER DeNICOLA: Oh, okay. Right,
25 you did say that. Thank you.

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1 MS. SCIANCALEPORE: Page 4.
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2 24 2016 Freeholders WS

2 FREEHOLDER DeNICOLA: I had a question
3 on #180.

4 WARDEN DAVIES: #180, you said,
5 Freeholder?

6 CHAIRMAN TANELLI: Yes.

7 WARDEN DAVIES: Hello.

8 FREEHOLDER DeNICOLA: How are you?

9 WARDEN DAVIES: Good. How you doing?

10 FREEHOLDER DeNICOLA: Good.

11 My question is about the
12 responsibility. I know this is the fourth option for
13 the medical services --

14 WARDEN DAVIES: Yes.

15 FREEHOLDER DeNICOLA: -- for the jail.

16 Is it their responsibility in
17 negotiating the contracts for the pharmaceuticals and
18 the lab?

19 WARDEN DAVIES: No, Corizon will just
20 provide the medical director, our jail physician,
21 full-time, and they handle all the medical billing
22 and claims.

23 FREEHOLDER DeNICOLA: Okay. I think in
24 the backup it did include that as one of their
25 responsibilities, and that was my concern. I know

11

1 you do it independently, and then we see a resolution
2 for each of those services, but it was in there.

3 WARDEN DAVIES: Okay. All right. I'll
4 look into that and get back to you on that.

5 FREEHOLDER DeNICOLA: Okay. But they
Page 9

6 don't, it's just for the full-time physician and all
7 of the billing?

8 WARDEN DAVIES: Yes.

9 FREEHOLDER DeNICOLA: Thank you.

10 WARDEN DAVIES: Okay.

11 MS. SCIANCALEPORE: Anything else on
12 four?

13 Page 5.

14 CHAIRMAN TANELLI: I'd like to
15 sponsor --

16 FREEHOLDER SULLIVAN: Mr. Chairman?

17 CHAIRMAN TANELLI: Go ahead.

18 FREEHOLDER SULLIVAN: I would like to
19 sponsor #188-16.

20 CHAIRMAN TANELLI: I'll co-sponsor that
21 with you.

22 FREEHOLDER SULLIVAN: Thank you.

23 FREEHOLDER DeNICOLA: I did have a
24 question on #188-16.

25 CHAIRMAN TANELLI: Okay.

♀

12

1 FREEHOLDER DeNICOLA: And the question
2 is, I had mentioned it before, associated with the
3 Oakland acquisition of the property on High Mountain.

4 COUNTY ADMINISTRATOR NOVELLI: Robert
5 Abbatomarco is here representing Open Space.

6 FREEHOLDER DeNICOLA: Hi, Robert. How
7 are you?

8 MR. ABBATOMARCO: Good evening.

9 FREEHOLDER DeNICOLA: I know this is
Page 10

10 coming back to us and that's the only change that's
11 on it, is that acquisition has been removed for the
12 last parcel that needs to be purchased to connect all
13 of the county property on the other side, from the
14 top of the mountain down to the Ramapo preserve.

15 MR. ABBATOMARCO: There are actually
16 two parcels that are still privately owned in that.
17 This is one of those two.

18 FREEHOLDER DeNICOLA: Okay. But this
19 will connect the two? This will connect two pieces
20 of property that we currently own as a county, right?

21 MR. ABBATOMARCO: No. It abuts a piece
22 of property owned by the Borough of Oakland and this
23 other private piece of property that's still on the
24 mountain. The county-owned property is north of all
25 of these parcels.

13

1 FREEHOLDER DeNICOLA: Okay.

2 MR. ABBATOMARCO: These are the
3 properties along the southern ridge, southern part of
4 Bergen County, where it meets up with Passaic County.

5 FREEHOLDER DeNICOLA: Right.

6 MR. ABBATOMARCO: Bergen County does
7 not own any parkland in this specific part of
8 Oakland, but the borough does.

9 FREEHOLDER DeNICOLA: Okay.

10 MR. ABBATOMARCO: And the State of New
11 Jersey does farther to the west.

12 The county-owned parkland in Oakland
13 is, I guess it's west of Ramapo Valley Road and Long
Page 11

2 24 2016 Freeholders WS

14 Hill Road, north of Long Hill Road.

15 FREEHOLDER DeNICOLA: Yes, north of
16 Long Hill, west of Ramapo Valley and south, sort of,
17 of Skyline Drive, would you say, or southeast?

18 MR. ABBATOMARCO: Yes.

19 FREEHOLDER DeNICOLA: I didn't see the
20 application, so I was thinking it was that piece up
21 there.

22 MR. ABBATOMARCO: It is not, but it
23 does abut property that the Borough of Oakland
24 preserved for conservation purposes.

25 FREEHOLDER DeNICOLA: Okay. Thank you.

14

1 If I could follow-up with you --

2 MR. ABBATOMARCO: Certainly.

3 FREEHOLDER DeNICOLA: -- outside of the
4 meeting.

5 Thank you.

6 CHAIRMAN TANELLI: Thank you.

7 MS. SCIANCALEPORE: Page 6.

8 FREEHOLDER GANZ: On Ordinance 16-4.

9 FREEHOLDER FELICE: You read my mind, I
10 was going to say the same thing.

11 MR. LUPPINO: Good afternoon, Joseph
12 Luppino, CFO.

13 MR. TOLA: Ryan Tola; Doyle Alliance
14 Group.

15 FREEHOLDER GANZ: Delighted to see some
16 familiar faces. Welcome back.

17 MR. TOLA: Thank you.

18 FREEHOLDER GANZ: \$24.8 million as a
19 self-insurance fund reserve, what has it been over
20 the last, say, five years?

21 MR. LUPPINO: Well, let me just tell
22 you the history of it.

23 The last time the Freeholder Board
24 voted on a reserve was back in 2009, and that was
25 approximately \$60 million, and that ordinance did not

15

1 have a prescription. The prescriptions were not
2 taken into effect in building up that reserve
3 calculations. However, as we all know, prescriptions
4 now are a huge part of our health care, besides our
5 claims. So also coupled with obviously the inflation
6 of 2009 to today's date, there's inflation in claims
7 and also usage on that. So the amount now is almost
8 \$24,880,000. But I can tell you right now, our
9 self-insurance reserve right now is \$377,000, which
10 is probably like two hours' worth of claims.

11 FREEHOLDER GANZ: Well, let's get a
12 real number for the claims, if we can.

13 MR. LUPPINO: All right.

14 FREEHOLDER GANZ: Looking at the
15 \$24 million, that's \$2 million a month, in round
16 numbers. What are your claims running per month?

17 MR. LUPPINO: Well, Freeholder, also
18 this includes, the health piece is \$10,328,000. It
19 also encompasses the workers' comp. There's also
20 reserve for workers' comp.

21 FREEHOLDER GANZ: How much is that?

22 MR. LUPPINO: That's \$8,853,000. And
23 as we know, workers' comp is also tied to medical
24 claims.

25 what we're doing is encompassing all

16

1 three parts of our self-insurance.

2 The liability is \$5,478,203.

3 And these calculations were
4 calculated -- well, the health piece, the
5 \$10 million, was calculated by Doyle & Associates on
6 that, so I don't know if you wanted to talk on that.

7 MR. TOLA: Sure.

8 The comment on that is that up to this
9 point, as far as we know and from what we had
10 learned, that there was no terminal reserve liability
11 for the health insurance plan at the county
12 whatsoever. So what that amount is --

13 FREEHOLDER GANZ: What does that mean?

14 MR. TOLA: Terminal reserve liability
15 is if you stopped your health insurance plan as of a
16 certain date, you would still have to pay all of the
17 claims that were incurred prior to that date over the
18 course of the next, usually three months, but overall
19 through the course of the next 12 months, as far as
20 what your overall liability would be.

21 FREEHOLDER GANZ: What has that number
22 been historically? Even though it hasn't been set,
23 you were drawing on it?

24 MR. REINER: Sure.

25 Usually, what it is, it equates to, I

1 believe it's roughly around 18 percent or so of
2 claims. So probably roughly five years ago or so,
3 your reserve number probably would have been
4 somewhere closer to half that amount, just based on
5 the inflationary cost of claims over the course of
6 the last 5 to 7 years.

7 FREEHOLDER GANZ: How long do you
8 anticipate -- if I may, Chairman?

9 CHAIRMAN TANELLI: Sure.

10 FREEHOLDER GANZ: How long do you
11 anticipate that this \$24.8 million is going to last?

12 MR. LUPPINO: I don't think we can
13 predict that, because that's based too on claims.
14 You know, it would be hard to predict that.

15 FREEHOLDER GANZ: Well, if you can't
16 predict that, then how do you come up with a number
17 of \$24.8 million? That's somewhat predicted, don't
18 you think?

19 MR. LUPPINO: Well, yes, the way we
20 come up with our reserve is based on prior years'
21 claims. So we know the prior year numbers, for sure.

22 FREEHOLDER GANZ: Okay.

23 MR. LUPPINO: But I don't know if we
24 can -- you know, I guess we have a handle on
25 projecting the future, but, you know, I don't know --

1 FREEHOLDER GANZ: Could we have the

2 24 2016 Freeholders WS
2 last five years for each of those three categories?

3 MR. LUPPINO: Yes.

4 FREEHOLDER GANZ: With totals.

5 MR. LUPPINO: You want five years' of
6 claims?

7 FREEHOLDER GANZ: For the --

8 MR. LUPPINO: For health?

9 COUNTY ADMINISTRATOR NOVELLI: Claims'
10 experience.

11 FREEHOLDER GANZ: Claims' experience.

12 MR. LUPPINO: Okay.

13 FREEHOLDER GANZ: What was the number
14 last year, if you know?

15 I'm sorry to continue this, Chairman.

16 CHAIRMAN TANELLI: Freeholder Felice is
17 waiting patiently.

18 FREEHOLDER FELICE: I will wait for
19 you.

20 FREEHOLDER GANZ: Okay. I will yield
21 the balance of my time to Freeholder Felice.

22 FREEHOLDER FELICE: While you're maybe
23 doing that as well -- thank you, Mr. Chairman -- is
24 that at the workers' comp and liability as well, to
25 get a real sense of what this cost was and projection

♀

19

1 of it, this \$24 million, but what has been the
2 increase from year-to-year, from last year to this
3 year, if you can maybe share with us, the Board, that
4 percentage, because it has gone up.

5 MR. LUPPINO: Yes. Okay. Maybe this

6 is it.

7 MR. REINER: We're looking at about
8 15 percent on medical.

9 MR. LUPPINO: And prescription is 21.

10 MR. TOLA: About 21 percent on
11 prescription drugs.

12 FREEHOLDER VOSS: That's tremendous!

13 FREEHOLDER FELICE: There's some
14 comments I'm going to make and some recommendations,
15 but I'm going to hold, Mr. Chairman, until the public
16 session.

17 CHAIRMAN TANELLI: Sure.

18 FREEHOLDER FELICE: But I think it's
19 very important that we have as much information,
20 because information is power, and we want to be able
21 to have a grasp of what we're doing with this
22 \$24 million.

23 Thank you, Mr. Chairman.

24 FREEHOLDER DENICOLA: Could I
25 follow-up?

20

1 CHAIRMAN TANELLI: Freeholder Denicola.

2 FREEHOLDER DENICOLA: My question is,
3 if the county went out for \$60 million in 2009 and
4 now we're going out for \$24 million today, where are
5 we seeing the increases, outside of the overall
6 year-over-year costs? Is it an increasing number of
7 claims? Will we find that information when you get
8 those numbers that Freeholder Ganz had requested?

9 MR. TOLA: What primarily is causing it

10 is not as much the increase in the number of claims,
11 that will go up slightly each year, as the overall
12 population ages and the overall population utilizes
13 services at a higher rate as it goes along, but the
14 main component of trend is that the cost of care
15 continues to rise each and every year. The same care
16 that's given a year prior can cost 8 to 12 percent
17 more in the following year, as it goes on.

18 So just on medical trend cost alone,
19 that's one of the reasons why we see such a higher
20 cost in the overall claims, and that's just on the
21 medical side.

22 On the prescription drug side, you see
23 it more so on not only the increasing cost of the
24 ingredient cost of prescriptions that are being
25 filled, but also the additional prescriptions that

21

1 are being filled, and, lastly, and most importantly,
2 the new types of medications that are coming out over
3 the past couple of years that are at a far greater
4 cost than what was previously built into the system
5 of prescription drug treatment prior. So a lot of
6 the new specialty compound medications, which we're
7 taking a look at, a lot of the new injectable
8 medications and specialty medications that can go
9 anywhere from \$500 to \$1,000 a month up to 10 to
10 \$20,000 a month for certain treatments.

11 CHAIRMAN TANELLI: Freeholder Sullivan.

12 FREEHOLDER SULLIVAN: So we're a
13 self-insured unit, correct?

14

MR. TOLA: Correct.

15

FREEHOLDER SULLIVAN: So the increases that we're getting, 15 percent, 21 percent, if we're self-insured, we rent the networks, is that how we do it, we rent the networks being that we're self-insured?

20

MR. TOLA: You pay an administrative fee to a third party administrator to pay the claims and use the network and network discounts, correct.

23

FREEHOLDER SULLIVAN: Why haven't we gone out for a two-year contract? Why do we always go year-to-year?

25

22

1

In my business, we're self-insured. We go out for a two-year contract every time, and right now our increase is only four percent. Obviously maybe this is a much better plan than what we have, so maybe there are some costs incurred there, but why aren't we shopping a multiyear to get a better discount?

8

MR. TOLA: I'll try to answer in two parts, first on the medical and then on the prescription drugs.

11

So, on the medical end, you can negotiate multiyear deals on the actual third party administration fees that are part of your plan.

14

So Horizon Blue Cross administers the plan here for you. You can negotiate, and in the past it may have been negotiated where you get a two-year deal or a three-year deal on the actual cost

17

2 24 2016 Freeholders WS
18 of the administration of those claims.

19 FREEHOLDER SULLIVAN: So stop right
20 there.

21 where is the increase coming from, is
22 it coming from Horizon?

23 MR. TOLA: It's coming from the claims,
24 from the cost of the care.

25 FREEHOLDER SULLIVAN: It's not coming

23

1 from the network?

2 MR. TOLA: Correct, it's not coming
3 from a network.

4 The second part too is that you use
5 Horizon's networks and Horizon's discounts and
6 Horizon's contracts with their hospitals, doctors,
7 providers, facilities, etc., to discount the claims,
8 and then pay the component the plan is responsible
9 for. Those contracts are negotiated inside within
10 Horizon and with those direct providers of those
11 contracts.

12 FREEHOLDER SULLIVAN: So who do we have
13 to watch to make sure we are getting our discounts,
14 is that what you do?

15 MR. TOLA: Well, as the consultant
16 broker, we:

17 A. Make sure you have the best TPAs
18 and networks with the highest discounts. We check
19 that each and every year.

20 And, B. We can audit claims that the
21 carriers are paying to ensure that they are paying

22 appropriately and that the proper discount has been
23 achieved.

24 FREEHOLDER SULLIVAN: I don't mean to
25 take up too much time, but these new medications that

24

1 come out, who says that they're covered under the
2 plan? If it wasn't a prior medication covered, why
3 are we covering that type of medication, if it's a
4 new drug?

5 MR. TOLA: Part of the contracts that
6 are in place are that you cover prescription drugs,
7 you cover FDA prescription, FDA legend approved
8 prescription drugs. When new ones are approved by
9 the FDA, they do become a part of your plan.

10 FREEHOLDER SULLIVAN: That's
11 contractually?

12 MR. TOLA: Correct, and fairly
13 standard.

14 Now, within that, there are things that
15 you can do to control some of the costs of the new
16 drugs that are coming out. Eliminating compound
17 medications is something that a lot of different
18 people are doing. It's something that we're looking
19 at here and maybe something down the road that is
20 recommended based on the work of the committee, and
21 that's just one example, but there are other things
22 to look at within the contract as well.

23 FREEHOLDER SULLIVAN: I think we need
24 to take a closer look to make sure our discounts are
25 being honored.

1 MR. TOLA: Sure.

2 FREEHOLDER SULLIVAN: Because this a
3 tremendous, tremendous increase. I run an insurance
4 plan with my union, and our increase is not this
5 high. Again, we have restrictions on what
6 prescriptions you can use, and prescriptions are the
7 No. 1 abuse, I understand that, but I think maybe we
8 need to sharpen our pencils and take a look at this.

9 MR. TOLA: It's also part of
10 negotiating with the unions during the collective
11 bargaining process.

12 FREEHOLDER SULLIVAN: I'm talking about
13 our third party administrator who's checking Horizon
14 to make sure we're getting the right thing, to make
15 sure we're not getting double billed. A new ploy by
16 the companies is now they'll send you to a doctor
17 that's not network. The doctor's network for a
18 surgeon, then you get a bill because the assistant is
19 not in that network. I think we need to educate our
20 members to let them know that we can't fall privy to
21 these scams.

22 FREEHOLDER GANZ: I --

23 CHAIRMAN TANELLI: Administrator.

24 Hold on, Freeholder.

25 COUNTY ADMINISTRATOR NOVELLI: Just one

1 other thing.

2 Freeholder Sullivan, you raised some
Page 22

3 good issues there, and that's part of the charge that
4 we've given to Ryan and Doyle, and if they actually
5 have others that may be able to do some of the audits
6 for us, because not only are we looking to do claims
7 audits, but a dependent audit here has not been put
8 in place since 2008, Ryan?

9 MR. TOLA: Correct.

10 COUNTY ADMINISTRATOR NOVELLI: And,
11 Ryan, you know, in a different world, in a different
12 time, actually conducted that dependent audit. It
13 hasn't been done in eight years. So we're not saying
14 we're going to save millions upon millions of dollars
15 and that Mr. Luppino's hair is going to turn black
16 again.

17 (Laughter.)

18 COUNTY ADMINISTRATOR NOVELLI: But we
19 will find within the numbers of bellybuttons,
20 right --

21 MR. TOLA: Right.

22 COUNTY ADMINISTRATOR NOVELLI: --
23 terminology, that we will find some belly buttons
24 that don't belong as part of our plan.

25 FREEHOLDER SULLIVAN: I think we're

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1 also going to find that we're being charged a couple
2 of different times for the same procedure.

3 COUNTY ADMINISTRATOR NOVELLI: It could
4 be.

5 FREEHOLDER SULLIVAN: And that's the
6 biggest part of why I want to do this.

7 MR. TOLA: Sure.

8 CHAIRMAN TANELLI: Freeholder Ganz.

9 FREEHOLDER GANZ: I want to talk about
10 the unsung heroes in this. You talk about how
11 everything is going up, you didn't mention workers'
12 comp, that I understand that our outside firm is
13 doing so well that it consistently goes down. Is
14 that true?

15 MR. TOLA: I can't answer to that, I
16 don't really do anything on the workers' comp.

17 MR. LUPPINO: I'll go over the claims.
18 I haven't seen really a decrease in claims.

19 FREEHOLDER GANZ: No, it's not a
20 decrease in claims, it's a decrease in the amount of
21 the bill, because they negotiate each of the large
22 bills separately.

23 MR. LUPPINO: Yes.

24 CHAIRMAN TANELLI: Freeholder DeNicola.

25 FREEHOLDER DENICOLA: Thank you.

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1 Mine is, I guess, a follow-up question
2 then to understand that you will be doing an audit of
3 the claims? So that shortly, I would hope, I know it
4 may take a good amount of time, but we will see what
5 we had talked about, actually Freeholder Sullivan and
6 I had discussed this, so we would see essentially
7 what was pitched to us at a presentation at another
8 work meeting, what the landscape is of our employees,
9 what kinds of medications, what kind of illnesses,
10 what kind of procedures, if there were significant

11 areas of commonalities, and if there things that we
12 could do or help direct so that the medical services
13 were more efficient and certainly more
14 cost-effective, I'll say, in the end.

15 So that's a yes, you will be doing
16 that?

17 MR. LUPPINO: Yes.

18 MR. TOLA: Yes, and we're reviewing all
19 of that now.

20 COUNTY ADMINISTRATOR NOVELLI: Claims
21 audit and dependent audits, those are two separate
22 audits --

23 MR. TOLA: Separate.

24 COUNTY ADMINISTRATOR NOVELLI: -- that
25 we are going to put in place, because we need to.

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1 And to Freeholder Sullivan's point, we
2 do believe that we're going to see, you know, the
3 larger catch in the net will be on the actual claims
4 audit, but we still believe that we're going to find
5 dependents too, which are a savings nonetheless too,
6 if we can get those folks out of the system.

7 CHAIRMAN TANELLI: Freeholder Ganz,
8 excuse me.

9 FREEHOLDER DeNICOLA: Sorry, I just
10 wanted to know when, that's all.

11 MR. TOLA: We're in the process of
12 working with the administration to get that going.

13 COUNTY ADMINISTRATOR NOVELLI: Exactly.

14 We had a meeting about that about a
Page 25

15 week and a half ago.

16 FREEHOLDER GANZ: Let me try and be
17 very bottom line.

18 Of the 24.8 million that's there, how
19 much of that in this very tight budget year can be
20 deferred by the processing time itself, which
21 certainly can be done in workers' comp and in
22 liability, because it's managed based on court
23 appearances and things like that, and to some extent
24 the pharmaceutical, how much of this could be pushed
25 into the next budget year to give us a little more

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1 room to work with?

2 MR. LUPPINO: Freeholder, this is a
3 bond, this is going to be a capital ordinance, this
4 is not a current, you know, so it's really sitting
5 out there as an ordinance and, if we need to access
6 it, we can access it.

7 FREEHOLDER GANZ: So that goes to my
8 original point, that if you can give us what the
9 amount is, then we would be able to control what
10 amount is actually expended.

11 MR. LUPPINO: Right.

12 FREEHOLDER GANZ: Because you're not
13 anticipating, I don't believe, based upon what you
14 just said, that you're going to have \$24.8 million
15 expended by 12/31 of this year.

16 MR. LUPPINO: No, no.

17 FREEHOLDER GANZ: So this will
18 carry-over?

19 MR. LUPPINO: This will carry-over,
20 right.

21 Like I said, last time this was done
22 was 2009, so there's about six years. Before that, I
23 think it was 2001, you know, so this is historic.
24 what we're doing here, this is not new territory for
25 us, numbers are a little larger because of, you know,

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1 the obvious.

2 CHAIRMAN TANELLI: Okay. That's it.
3 All right. Thank you.

4 FREEHOLDER GANZ: One last question,
5 Chairman.

6 Is there a down payment associated with
7 this?

8 MR. LUPPINO: Yes, there will be a down
9 payment. There will be a five percent down payment,
10 yes.

11 FREEHOLDER GANZ: So if that number
12 were reduced, say, if the number were cut in half and
13 you bonded again at another time, you would save at a
14 minimum the five percent?

15 MR. LUPPINO: I mean, right now I need
16 \$1.2 million, and as a down payment, we can utilize
17 our existing insurance reserves, a portion of it.
18 I'm analyzing that right now, maybe having a
19 combination of funding it through the current fund,
20 and also maybe using some of it through the insurance
21 reserves.

22 FREEHOLDER DeNICOLA: Okay.

23 MR. LUPPINO: Okay.
24 FREEHOLDER GANZ: I would like to have
25 a conversation.

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1 CHAIRMAN TANELLI: With me?

2 FREEHOLDER GANZ: Yes.

3 CHAIRMAN TANELLI: Okay.

4 Thank you.

5 MR. LUPPINO: Okay.

6 MS. SCIANCALEPORE: There's an
7 additions list starting with --

8 CHAIRMAN TANELLI: Can we go back to
9 #192 and #193. I would like to sponsor them.

10 FREEHOLDER VOSS: I would like to
11 sponsor those with you.

12 MS. SCIANCALEPORE: Okay.

13 FREEHOLDER DeNICOLA: Could I ask that
14 #191 be placed on Nonconsent, too, it's on Page 5 of
15 the new agenda list.

16 FREEHOLDER VOSS: Page 5 on the bottom.

17 CHAIRMAN TANELLI: Very bottom.

18 FREEHOLDER DeNICOLA: Thank you.

19 CHAIRMAN TANELLI: That's it, right?

20 Any questions on the additions?

21 (No response.)

22 CHAIRMAN TANELLI: Any other questions?

23 FREEHOLDER GANZ: Chairman, if there
24 are no objections to these two additional
25 nominations, perhaps it could be by the Board.

1 CHAIRMAN TANELLI: Anybody have any
2 objection to the two additions as Body of the Whole?

3 FREEHOLDER VOSS: No.

4 CHAIRMAN TANELLI: Okay.

5 You want to read the ordinances.

6 MS. SCIANCALEPORE: Yes.

7 CHAIRMAN TANELLI: Please.

8 MS. SCIANCALEPORE: Two ordinances,
9 that we have, 16-3, First Reading, was the guaranty
10 ordinance for BCIA (Village of Ridgewood project) for
11 \$12,300,000.

12 And 16-4 was a First Reading to fund
13 self-insurance funds reserves of \$24,880,000.

14 5:02 PM CLOSED SESSION:

15 CHAIRMAN TANELLI: Okay. We'll now go
16 into Closed Session and return to public session.

17 Will the attorney briefly state the
18 matter for which we will be discussing in Closed
19 Session.

20 MR. FLORIO: It is a legal matter,
21 Chairman. A status report on the case of Sherman vs.
22 County of Bergen, which would be presented by County
23 Counsel, Julien Neals.

24 FREEHOLDER GANZ: I'd also like to
25 discuss the second ordinance that we've been just

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1 discussing with respect to the drugs and medical.

2 CHAIRMAN TANELLI: Okay.

2 24 2016 Freeholders WS

3 FREEHOLDER GANZ: And legal
4 implications concerning that relative to our union
5 contracts.

6 MR. FLORIO: Okay.

7 CHAIRMAN TANELLI: Can I have a motion,
8 please?

9 FREEHOLDER VOSS: So moved.

10 VICE-CHAIRWOMAN ZUR: Second.

11 CHAIRMAN TANELLI: All in favor?

12 (All present Freeholders respond in the
13 affirmative.)

14 CHAIRMAN TANELLI: Opposed?

15 (No response.)

16 CHAIRMAN TANELLI: The ayes have it.

17 We're now in Closed Session.

18 (Whereupon, Closed Session is held.)

19 (Open Session resumes at 5:25 p.m.)

20 MR. FLORIO: Chairman, we are back on
21 the record.

22 CHAIRMAN TANELLI: Motion to go back to
23 the regular order of business.

24 FREEHOLDER GANZ: So moved.

25 FREEHOLDER SULLIVAN: Second.

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1 CHAIRMAN TANELLI: With no further
2 business before us, I will take a motion to adjourn.

3 FREEHOLDER VOSS: So moved.

4 FREEHOLDER SULLIVAN: Second.

5 VICE-CHAIRWOMAN ZUR: Second.

6 CHAIRMAN TANELLI: All in favor?

7 2 24 2016 Freeholders WS
8 (All present Freeholders respond in the
9 affirmative.)
10 CHAIRMAN TANELLI: we are adjourned.
11 (Whereupon, the work session is
12 adjourned at 5:26 p.m.)
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1 C E R T I F I C A T I O N
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3
4 I, KIM O. FURBACHER, License No.
5 XIO1042, a Certified Court Reporter, Registered Merit
6 Reporter, Certified Realtime Court Reporter, and
7 Notary Public of the State of New Jersey, hereby
8 certify that the foregoing is a verbatim record of
9 the testimony provided under oath before any court,
10 referee, board, commission or other body created by

11 2 24 2016 Freeholders WS
12 statute of the State of New Jersey.

13 I am not related to the parties
14 involved in this action; I have no financial
15 interest, nor am I related to an agent of or employed
16 by anyone with a financial interest in the outcome of
17 this action.

18 This transcript complies with
19 Regulation 13:43-5.9 of the New Jersey Administrative
20 Code.

21

22

23

 KIM O. FURBACHER, CRCR, CCR, RMR
 License #XIO1042, and Notary Public
 of New Jersey

24

25 My Commission Expires:
 7/11/19