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Through Deferred Comp Promotion, County Finds Employee-Affirming Cost-Cutting Solution

*By: Bob Beasley, CRC, CIC, Communications Consultant,
Nationwide Retirement*

Following the sharp economic downturn of 2008, decision-makers in DeKalb County, Georgia, found themselves staring at a big problem: a spreadsheet a-swim in nearly \$100 million in red ink.

County leaders realized that, to achieve a balanced budget as required by law, a reduction in personnel was needed. They were sensitive to the fact that layoffs were the last thing the local economy needed during a severe recession; nor did they want to irritate the positive working relationship they had established with their employees. They recognized that they needed to do something creative, and do it fast.

The County decided to offer an early retirement package to 1,300 potential retirees, and began researching ways it could help these employees delay the tax consequences that might be triggered by a retirement happening sooner than they had

planned.

Upon approval by the Board of Commissioners, targeted employees were offered one of three retirement-incentive options:

1. No lump sum option, but a full monthly pension benefit accrued to that point;
2. 10% lump sum payment, with a reduced monthly pension benefit; or
3. 25% lump sum payment, with a reduced monthly pension benefit.
4. In addition, employees were offered the option of rolling vacation/sick pay to their DeKalb County 457(b) Deferred Compensation Plan account.

Nationwide Retirement Solutions offered to assist the County in the area of retirement education and communication. Together, representatives of DeKalb County and Nationwide developed strategic steps around providing a consistent message on the benefits of saving for retirement.
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Dental Benefits Help Save Tax Dollars

*By: Steven Fleischer, Vice President, Sales and Marketing,
Delta Dental of New Jersey*

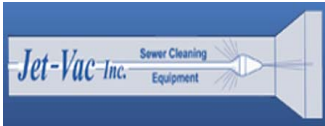
As county officials strive to operate more efficiently, tax dollars can be saved – and employee sick days and long-term health issues reduced – with dental benefits that offer access to preventive care, early detection and treatment. As much as \$4 billion can be saved in the U.S. annually through better dental care, according to a study published in *Public Health Reports*. And every dollar spent on prevention saves \$4 in future dental treatment costs, the study revealed.

Administrators dedicated to crafting initiatives that save valuable taxpayer dollars and better serve county citizenry should consider the payback delivered through customized dental benefit packages that improve employees' oral and long-term health.

Lower Health Insurance Costs: Surprisingly, dental checkups can detect the pres-

ence of several serious medical conditions, from heart disease and cancer to diabetes and viral lung infections. For example, tooth loss increases the risk of stroke, periodontal disease is linked to diabetes, mouth sores may mean viral infections in the lungs, and sensitive or eroded teeth could indicate a stomach hernia. County employees can address these risks early-on with regular dental checkups, available as part of a complete benefits package. Tax dollars can be funneled to programs directly serving local citizens, rather than on high future health bills and medical insurance premiums.

Improved Productivity: More than 164 million work hours are lost each year due to dental problems, according to the U.S. Surgeon General. Work hours also are missed when employees' children suffer from poor oral health. *Continued on Page 2*



Sharing Ideas- Want new ways to cut budgets? Ask your employees!

By: Brendan Tobin, Manager of Demonstrations and Training

The economy is in a shambles, everyone's screaming to "cut costs without raising taxes," and the first place most people suggest is staffing since you can easily measure costs per employee. "We need to cut X dollars and, at X per employee, that's X employees!" But have you ever ASKED your employees where to cut? If not, do so before you make more staffing or service cuts that make the fickle public complain.

When I was in office, I visited every department to find out what they did and ask for any ways to save money. I told everyone to treat their workplace as if it was their home and to look at how to cut back. "You do that at home, so do it here to find ways to avoid cuts." The input was amazing. Many things that sounded great early on turned out to be wasteful and foolish.

One employee suggested repositioning ceiling lights to make them shine over the desks. They were behind the employees, casting shadows, so desk lights were also used, doubling electrical costs. She also suggested motion sensor light switches. If everyone left the room, the lights would shut off. Those two seemingly minor suggestions saved us a fortune because they revealed the heavy amount we paid on outsourced electrical help and the amounts wasted by lights left on in empty offices.

The lighting and other utility changes saved us \$15,000 a month in our borough hall. That's 3 jobs saved. We saved \$1000 per employee per year when it was suggested that we compare the State plan vs. going directly to the provider for the very same insurance. That's 3 more jobs saved. We saved even more by working with employees on time loss and other insurance drags. One staffer

said to review maintenance records to see what we wasted repairing old equipment. Several times, it was cheaper to buy new than it was to keep throwing money into repairs, and that was for all equipment. One older car had \$14,000 in maintenance in 3 years. We replaced it with a newer used vehicle, saving on fuel, too.

I work with people at all levels of government on a daily basis, from the mayor to the mechanic, and it is a regular complaint that nobody in charge ever asks the employees what they think. Remember, you aren't there because you're all answers to all things. Your job is to get details and not just jump ugly, making rush decisions because someone called you out in public. These same people will scream when their needs aren't met for services, so don't just cut to cut.

I know how it feels being in those meetings where people talk to you like you just learned to walk upright, saying "Have you considered _____?" They want answers, NOW, so it's up to you to be the calm, mature one and say "Here are the facts behind this matter." You'll be more respected if you get specifics and explain it to the public so they see the details of things. You won't always have the answer when they show up and, at times, people do suggest things that were overlooked or not gotten to yet. I've yet to meet anyone who knew every detail of how their government worked, so ask your people doing the job what works, what doesn't, and what they'd see as "a better way." The answers, and the savings, might surprise you!

Brendan Tobin is a former councilman and works for Jet-Vac, Inc. Reach him at bptobin@verizon.net or by telephone at 1-800-577-1841

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Employee downtime is reduced, and productivity improved, with access to good dental care that promotes prevention, better overall health and less time away from county jobs.

Finding, Keeping People: Health benefits continue to be a strong employee recruiting and retention tool, with dental benefits key to offering overall value. About 80 percent of prospective workers felt it was important for employers to offer dental benefits, according to a survey by Taylor Nelson/Sofres Intersearch. Respondents also noted they did not view the rising cost of health care as a credible reason for reducing dental coverage.

Among employees that do not have dental insur-

ance, about half do not get regular dental checkups. Conversely, almost three quarters of employees with dental benefits regularly consult a dentist about their oral health, and reap the rewards of prevention and early detection.

Dental benefits go a long way to removing the barriers to avoidable dental treatments, lessening the burden of oral disease, and to saving money in the long run -- and that's something county administrators can smile about. Especially during an economic downturn, when every tax dollar is being squeezed, it's clear that dental benefits can help county governments to operate more efficiently.

Contact Steven Fleischer at 973-285-4027.



Buying Energy is Unique: Savings Comes from Education

By: Michael Fischette, PE, CGD, Chief Executive Officer Concord Engineering

Purchasing professionals face some universal issues, whether they are buying paper, beef or industrial exhaust systems. Everyone wants the lowest possible cost. No one wants surprises in the contract. And everyone knows that more bidders typically bring more competitive pricing. The goals of are no different. However, the path to success explores much different territory.

According to Purchasing Magazine, "Buying energy is like buying any other commodity – except it's different." Finding an integrated energy management solution that maximizes cost savings while identifying ways to improve efficiency is easier said than done. Transforming static utility bills and meter data into actionable insight and intelligence is key to keeping costs under control over a long period of time.

Poor energy procurement decisions can be expensive. Energy prices fluctuate constantly, which can significantly affect energy bills and performance against budget. Energy and other commodities might be as different as apples and oranges, however, by taking a proactive approach to buying energy, sites can better control costs.

To start, geography matters. Unlike other commodities, a facility's location plays a major role in

determining how it can buy energy. Some types of energy, like electricity, may be regulated in a market, but others, such as natural gas, may be deregulated in the same market. These variations make a single approach to buying for multiple markets completely impractical.

Secondly, energy prices can resemble the stock market. This volatility makes energy buying uniquely complicated. Prices are prone to swing, and opportunities can be seized only by acting quickly to buy within a relatively short timeframe. Having a strategic plan is crucial to making informed, quick decisions on a short-term offer.

Additionally, many factors can drive contract preference. In addition to the size of the load, the shape of the load can drastically impact pricing. The time of day when a facility requires the most energy and its pattern of use can significantly impact the site's utility rate, contract terms or price offerings. With most commodities, purchasing professionals are evaluated primarily on how well they reduce costs. But because energy costs vary for reasons far outside of anyone's control, success often comes in the form of staying ahead of the market and taking action to avoid or mitigate a cost increase.

In Passaic County, a newly formed cooperative to
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Early into the program, the team learned that there was no exit process nor paperwork to help affected employees through the early retirement process.

Nationwide associates designed materials for the County that literally walked employees through stops at the Pension Department, Deferred Comp, and Payroll. Careful consideration was given to ensuring the process was as easy for the employees as possible.

The County mailed personalized fliers to encourage employees to set up a face-to-face appointment with a Nationwide Retirement Specialist. In addition, the County distributed email messages to encourage not only participation in one of the retirement-education workshops but also to direct them to the DeKalb County 457 Plan's personalized website, where employees could easily find and download the forms they would need throughout the process.

Nationwide associates met with more than 600 of the 800 employees that chose to accept the early retirement package offered by the County, explaining their options through the deferred com-

pensation plan, and helping them understand their transition into retirement.

The experience with DeKalb County is just one example of how Nationwide is enhancing its support for county leaders, to help them promote deferred compensation as an important benefit their employees should consider taking advantage of.

"As we've seen over the past couple years, it's more important than ever for workers to prepare for their long-term needs by saving and investing on their own," Louie Watson, vice president of NRS Sales Relationships, said.

Watson points out Nationwide Retirement Specialists are available to help county leaders promote their deferred compensation plan through onsite events tied to benefits fairs or programs such as National Save for Retirement Week as well as through group meetings and one-on-one sessions.

For additional information about the NACo Deferred Compensation Program, please contact Lisa Cole by email at lc@naco.org or phone at 202-942-4270; or contact Louie Watson by e-mail at WatsonL2@Nationwide.com or by phone at 614-854-8895.

Mission Statement

NJAC is committed to advocating for legislation, regulations, and policy directives that empower county governments to operate more effectively and efficiently. As a non-partisan organization that represents the only true regional form of government in the State with a unified and proactive voice, NJAC is dedicated to advancing innovative programs and initiatives for the sole purpose of saving valuable taxpayer dollars.

May 18th - June 17th 2011				
Mon.	Tues.	Wed.	Thurs.	Fri.
		18 Legislative Comm.	19 Legislative Comm.	20
23 Leg. Voting Session	24	25 Legislative Comm.	26 Legislative Comm.	27
30	31 Legislative Comm.	1	2 Legislative Comm.	3
6 Legislative Comm.	7	8	9 Leg. Voting Session	10
13 Legislative Comm.	14 - 16 NJAC Annual Conference Bally's Park Place, Atlantic City			17

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buy electricity will save taxpayers more than \$500,000 a year. "We believe there's a big opportunity for savings in natural gas, too," Freeholder Bruce James said. "The more who participate, the lower the price. It offers stability in a volatile market. It's a big deal, because all the towns are looking for ways to save."

While intelligent energy procurement can be integral to achieving real savings for taxpayers, counties must also continue to implement energy-efficiency technologies and practice simple, common-sense methods to reduce consumption. But it can't be a part-time business, so partner with someone who has that core competency along with market intelligence and accessibility to monitoring data. Otherwise, a lot of opportunities will be missed along the way.

Concord Engineering is a full service MEP/FP

engineering, energy consulting, construction management and commissioning firm offering the high quality specialized products and services required by today's market. These include energy master planning, turnkey design build, facility design, power and utility infrastructure, grid interconnection, energy auditing, procurement and risk management, renewable technologies (solar, wind and biogas gas), combined heat and power, geothermal heating and cooling and full-building commissioning. Concord is the leader in alternative financing and State/Federal incentives for energy conservation and power generation projects. Concord's experienced professionals are renowned for solving the problems affecting facilities in a constantly shifting energy and regulatory climate.

Contact Mike Fischette at 856-427-0200

From the Executive Director's Desk

By: John Donnadio, Executive Director New Jersey Association of Counties

As local governments across the State continue to struggle to make ends meet, NJAC is committed to providing our valued business associates with progressive networking opportunities designed to showcase business ventures that empower county governments to operate more efficiently and save valuable taxpayer dollars.

As you continue to navigate an uncertain economy, make it a point to take advantage of NJAC's comprehensive network of county officials, businesses, trade associations, and statewide leaders through innovative networking events and communication mediums that include: our new legislative breakfast forum series, workshops, and continuing education training seminars; host of our board of directors' meetings, business-to-business networking events, and county affiliate group meetings; advertisement in our annual directory of county officials; publication in this monthly e-newsletter; and, our highly anticipated golf outing and annual conference.

Speaking of which, we expect to host an outstanding celebration of county government this year. Our conference kicks off with a "Meet and Greet" reception on Tuesday night and ends with the President's "Awards Dinner and Dancing" on Thursday evening. In between, you'll enjoy many outstanding opportunities to attend cutting edge workshops and informative seminars; and, to network with county officials, businesses, trade associations, and statewide leaders. We look forward to seeing you next month.