



2009 Annual Report

WE KNOW LOCAL GOVERNMENT

2009 Annual Report

From the Interim Executive Director



2009 has been a year of transition for the New Hampshire Local Government Center, with the retirement of its long-term executive director, the appointment of an interim director and the beginning of a comprehensive review of services and programs in order to better meet the growing needs and demands of our membership. LGC continues to be a leader, offering innovative and award winning programs to serve members and to assist local governments in the areas of training, consulting resources, publications and benefits. With your continuing input and direction in 2010, we at LGC are confident that positive things are ahead and recommit our resources and energy to serve the distinctive and specific needs of New Hampshire local governments, looking beyond the recession and preparing necessary innovation for the years ahead.

I am pleased to present the 2009 Annual Report of the New Hampshire Local Government Center.

Human Resources and Member Personnel Services

Personnel Services

The personnel services staff strive to provide quality assistance to all members of the Local Government Center (LGC). Personnel assistance is extended to the state's municipalities, school districts and local officials.

LGC's professional recruitment service offers technical assistance to members to aid in the recruitment and selection process of filling vacancies in local government. Our well-qualified staff strives to ensure that municipalities will hire a skilled and qualified individual as well as someone who is a good fit for their community and its unique needs. For vacancies in law enforcement, we are fortunate to have partnered with the New Hampshire Chiefs of Police Association. Working closely with Scott Weden, risk and health manager, and Al "Butch" Burbank, risk management representative, the Chiefs Association Professional Standards and Conduct Committee lends their expertise in reviewing applicants, conducting oral boards, rating candidates and performing background checks. Five communities contracted for recruitment services this year for the positions of police chief and fire chief.

Pay and classification studies continue to be in demand. These studies provide communities with a solid foundation for compensating their employees, with a suggested pay and benefit plan based on market comparisons with other municipalities. An equitable compensation plan is essential for attracting and retaining the best employees possible. Ten compensation studies were conducted this year.

Four members contracted to have their personnel policies and procedure manuals updated to reflect current human resource practices and legislative changes.

The staff responded to more than 150 phone and e-mail inquiries for the year, assisting members with a wide range of human resource issues including the FLSA, FMLA, ADA, personnel policy

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and procedure, collective bargaining, performance evaluation and job descriptions.

Other personnel services included providing a union negotiator and an interim human resource director for the City of Concord, and consulting on an employee investigation and termination for one of the state's planning commissions.

We are proud to offer our members professional expertise at reasonable or no cost.

Now into our fifth year of the new format of the annual *Wage, Salary and Benefits Survey*, it continues to be enthusiastically received. One major benefit to the database format is that we are now able to produce a multitude of reports particular to a community's needs. More than 165 customized reports were compiled for members this year. The entire survey is also available for viewing on the LGC website.

There is a special section on LGC's website dedicated to human resource information, and our field services have been amplified.

Human Resources

The human resources staff supports the development of LGC's departments and employees. In addition to improving the efficiency and effectiveness of technology and policies to enhance service, communication and productivity, we try to make our organization a great place to work--professionally and personally. We are proud of the dedicated and talented people in our organization, and we work hard to attract and retain employees who are loyal, energized and resourceful.

Human resources staff coordinated four in-service staff trainings this year. Topics included in-house information technology services; work-life courses on budgeting, saving and investing; and a seminar on respect and civility in the workplace.

In-house recruitment remained an important focus this year. LGC human resources staff recruited, screened and hired 15 new employees this year, and we had three staff members leave the organization, including John B. Andrews, Executive Director. At year's end, LGC had 135 employees--126 full time and nine part-time, with one part-time vacancy.

Our human resources and personnel services department has grown, too; we now have a staff of six. We collaborate to create a sensitive, confidential, inviting environment where we can assist and support LGC employees.



Donetta J. Haley
Director of Human Resources

Finance; Information Technology; Risk and Control Assessment; and Building Maintenance

Finance

Finance staff stays very busy processing more than 125,000 cash receipts (a 14 percent increase from 2008) and more than 35,000 payables transactions on an annual basis. Annualized for 2009, the dollars expected to be processed for these transactions is as follows:

Cash Receipts	\$390,800,000
Payables Transactions	\$360,000,000

Electronic processing of payables and receivables remains an important means of efficiently and accurately handling financial transactions. Inputting electronic files directly into the payables area and electronic processing of funds to and from the Local Government Center (LGC) results in faster and more accurate handling of transactions.

Through LGC's Affiliate Group Services Program, finance staff provides cash receipts, payables, financial statements and tax return preparation for a total of 20 affiliate groups. Finance staff also processes the New Hampshire Retirement System payments for more than 7,500 spouses and retirees on a monthly basis, 25 percent more than in 2008. This very involved work requires great attention to details.

Finance was involved with the new HealthTrust enrollment system implementation, converting account numbers from the old format to the new. Staff also worked with information technology staff to establish a new process to transfer outstanding balances from the account receivable module to invoices and to insure the current amount invoiced was correctly integrated into the accounting software.

Information Technology

Information technology (IT) was instrumental in completing two major software implementations in 2009. The new HealthTrust enrollment system went live in 2009. IT's involvement included converting more than 100,000 records, billing testing, report writing and developing processes and procedures for various new departmental tasks. The second software implementation was an upgrade of the RiskMaster software that included implementing the modules needed to bring workers' compensation claims processing in-house January 1, 2010.

With a new website set to launch in the first quarter of 2010, IT staffs' responsibilities include the technical foundation and programming of the website. Staff is working closely with the communications department on the design and implementation of new features.



Sandal R. Keeffe
Deputy Director, Chief Financial Officer

To address the increasing importance of LGC's web-based services and software, LGC upgraded its network access to the outside Internet. This included installing and configuring a new firewall to increase the security of our network as well as reconfiguring the network switches to increase the network efficiency and speed within the building.

A new network closet in the new expansion was implemented to better handle all of the network traffic for the new offices and cubicles. This area became the first phase of our conversion to an IP phone system, which allows for new options and flexibility for LGC's phones.

2009 saw the beginning of re-configuring LGC's server environment to "blade" servers. These use virtualization technology to condense multiple servers onto one physical server. This results in lower power consumption and decreased demand for temperature cooling while increasing hardware redundancy and providing the ability to take "snapshots" of a server and roll back to those time periods if a problem occurs. This process will continue in 2010.

Risk and Control Assessment

During 2009 Nancy Cone CIA, manager of risk and control assessment, focused on evaluating internal and external risks to LGC, and recommending solutions to mitigate those risks by strengthening controls. She performed an audit of LGC's third party claims administrator for dental insurance. Based on the results of the 2008 audit of LGC's third party claims administrator for Workers' Compensation, considerable time was spent regularly monitoring their claim processing. Nancy continues to participate in the preliminary development of several entity-wide policies and procedures that will strengthen LGC's internal controls. Additionally, she developed reporting for LGC's external actuaries and auditors that significantly increased their efficiencies, and assisted the external auditors in their testing.

Building Maintenance

During 2009, the LGC facility expanded by 13,738 square feet. This expansion allowed staff to move from very crowded areas (a conference room with seven workstations, an office with five workstations, and other "shared" or very small spaces) to areas more conducive to productive work. Additional space was also

Continued on page 9

Legal Services and Government Affairs

2009 brought considerable change in the legal services and government affairs department. Former general counsel Maura Carroll left us to become interim executive director of the Local Government Center. Judy Silva stepped into Maura's position under the title of acting director of legal services and government affairs and Cordell Johnston took over as acting government affairs counsel. Barbara Olson left her position as legal assistant/executive secretary to become assistant to the executive director. That left two vacant positions which were filled in the fall by Joan Clark as legal assistant/executive secretary and Mike Williams as government affairs attorney. In her typical quiet and capable manner, Pam Valley, administrative secretary, kept us all on track and running while we were shorthanded.

Throughout all the upheaval, the department continued to provide timely and effective legal services and legislative advocacy to New Hampshire Municipal Association (NHMA) member municipalities and local officials. Staff responded to legal inquiries, provided education and training seminars to a broad cross-section of local government officials, and represented the interests of local government before the legislature and state agencies, boards and commissions.

The legal hotline continues to be one of the most utilized services offered by the department. During the last year, legal services attorneys responded to a monthly average of more than 430 telephone, e-mail, and written requests for legal advice, preparing more than 800 written legal opinions. Staff also wrote articles, court updates and legal Q & A columns for each issue of *New Hampshire Town and City* magazine, and provided articles for the *New Hampshire City Views* newsletter. In cooperation with the communications department, many publications were updated, including *Knowing the Territory* and *The Basic Law of Budgeting*, and the second edition of *Basic Financial Policies* was issued.

In the legislature, 2009 was a state budget year—a very difficult state budget year. NHMA members held two special membership meetings in the late winter/early spring—an unprecedented occurrence for NHMA—to address state budget concerns and provide direction to the advocacy staff. In addition to the state budget, legislative staff tracked more than 275 bills during the session, including over twenty that were relevant to NHMA policy positions. During the summer and fall we worked with the many study committees established by the legislature, following topics and bills on subjects ranging from the New Hampshire Retirement System to automobile recycling to wetlands regulation.

Members of the department presided over or presented at the *Moderators Workshop*, *Local Officials Workshops*, *New Tax Collectors Workshops*, the *Welfare Administrators Workshop*, *Budget and Finance Workshops*, the *Municipal Law Lecture Series*, the Office of Energy and Planning Spring and Fall Conferences, the *Risk Management for the Recreation Professional Workshop*, the *Internal Control and Fraud Prevention Workshops*, the *Emergency Preparedness Workshop* and the *Town Meeting Workshop*. Staff

members present on an ongoing basis at the *Selectpersons Institute*, and made more than 25 focused presentations at the request of individual communities and regions on subjects including charters, land use, regionalization, SB 2 and the Right to Know Law. A number of staff participated in the LGC Academy, developing live and online programs, and providing narration. As always, the department staff presented at numerous workshops during the 2009 LGC Annual Conference.

Staff also provided legislative updates to members and affiliate groups, including regional selectmen's meetings, the New Hampshire Government Finance Officers Association (NHGFOA), and the New Hampshire Bar Association. Several staff members continued to attend meetings of the Assessing Standards, Equalization Standards, and Current Use Boards and served on a variety of committees and commissions such as the Commission on Large Groundwater Withdrawals, the Workforce Housing Advisory Committee and the Energy Efficiency and Sustainable Energy Board.

The department staff is a dedicated group who is hard-working and work well together. Their combined experience provides members with a wealth of knowledge and understanding of local government. Cordell Johnston, acting government affairs counsel, coordinates the development of legislative policy, preparation of the *Legislative Bulletin*, and various projects during the legislative session. Mike Williams, government affairs attorney, has learned much about our legislative issues in his less than two month tenure with us.

Susan Olsen, government affairs advocate, provides direct legislative advocacy on behalf of our members, particularly on energy, public works and telecom issues. Barbara Reid, government finance advisor, is another integral part of our advocacy program, particularly on financial matters. She has also offered training for treasurers, town clerks and tax collectors, programs on internal controls and financial reporting, and individual member advice, and she works closely with the NHGFOA's legislative and training committees and the Public Finance Consortium.

Chris Porter, researcher, has generated supporting data and historical research in support of both legal services and government affairs staff members, is a part of our advocacy team and has also played a key role in the NHGFOA's Public Finance Consortium. He spent innumerable hours compiling information about ARRA and creating our public information about the many ARRA programs and requirements.



Judy Silva
*Acting Director of Legal Services
and Government Affairs*

Continued on page 9

Communications

The Communications Department enjoyed a busy and successful year, engaging in projects supporting both LGC's mission and goals as well as LGC's affiliate groups.

Affiliate Group Services Program

In 2009, 25 of LGC's 37 affiliate groups participated in LGC's Affiliate Group Services Program (AGSP). The AGSP provides services designed to free up precious board and volunteer time from administrative and routine tasks and remain a popular program for LGC's affiliate groups.

Services include database management, event planning, finance, graphic design, website design and maintenance, and mailing services. During 2009, staff managed 23 affiliate group member databases; collected membership dues for 18 groups; designed and maintained 14 websites; and designed and published 22 newsletters and four membership directories. Staff planned and/or staffed eight affiliate group conferences with attendance totaling more than 2,300 people. Communications staff processed payments and registrations for 55 monthly, quarterly and annual affiliate group workshops with attendance of 2,800 people. As 2009 draws to a close, we're on track to process and mail approximately 25,000 pieces of mail on behalf of LGC affiliate groups.

Member Outreach

LGC communications staff, working together with a cross-departmental team representing all LGC departments, is preparing to launch a redesigned website in February 2009. The new website will feature enhanced interactive features, much improved site navigation and search capability, RSS feeds, improved publications sales functionality and more. With the help of member survey and focus group input, we're confident that the new site will better meet member needs.

“The new website will feature enhanced interactive features, much improved site navigation and search capability, RSS feeds, improved publications sales functionality and more.”

During 2009, more than 12,000 educational and informational publications—all written and produced in-house—were distributed to LGC members and others. *New Hampshire Town and City* magazine continues to improve both its content and layout, with input from readers, and reaches a circulation of approximately 3,700. A comprehensive reader survey is planned for 2010. LGC remains grateful to its loyal advertisers; advertising completely funds printing costs for *New Hampshire Town and City*. In addition to the magazine, LGC publishes six targeted, quarterly newsletters, four of which transitioned from print to electronic during 2009.

Conferences and Events

Communications staff provide centralized registration services for LGC trainings and events, providing a one-stop service for member registration needs. More than 2,700 registrations processed by communications staff for local officials and others attending LGC trainings and conferences during the past year.

LGC's conference rooms were busier than ever in 2008. More than 1,600 meetings were held at the Local Government Center in 2009, with nearly 19,000 people attending. The Local Government Center continues to be a center of activity for LGC affiliate groups and other municipal, school, county and other community groups.

Communications Staff

The communications department staff provides services to LGC departments, members and affiliate groups through a staff of 15 individuals. The staff includes: Judy Blossom, communications secretary; Julie Dietz, communications associate; Jeni Eldridge, communications manager; Christian Pearsall, program administrator; AnnMarie French, communications specialist; Lynn Sperl, communications specialist; Audrey Bentley, communications data specialist; Erin Batstone, event planner; Stacy Koscielniak, graphic design coordinator; Scott Gagne, graphic designer; Joanne Brunk, graphic designer; Ashley Monier, event planning associate; Judy Pearson, program associate; and Sharon Hazeltine, program associate.

The communications department team looks forward to bringing programs, publications and services to LGC member and affiliate groups in 2010 as LGC hears more from you, our members, about your needs from us as an organization.



Eleanor M. Baron
Director of Communications

Member Relations

The year 2009 has been—in a word—challenging, both for our membership dealing with tough budget issues and for the member relations department working to provide value at the lowest prudent cost. Our challenge was not totally unexpected however, as we all need to be creative in this tough economy. The economic climate also was responsible for an increase in the volume of unemployment compensation claims and subsequent rate increases. Throw in higher than expected health rate increases and, not surprisingly, members have been looking in the marketplace to see how they can cut their overall insurance costs.

The focus of our staff transitioned this past year to service and retention. Even with the difficult market, we have managed to enroll new property-liability, workers' compensation and unemployment compensation members. Total membership now stands at 361 for property-liability, 226 for workers' compensation and 111 for unemployment compensation.

Even when we are not able to offer the lowest price in a bidding situation, we believe we have helped the cities, towns, schools, counties and districts by being a stable and viable long term option. Our goal has always been to be sustainable over the long term and to provide value. We feel strongly that members should be treated fairly when they shop their coverage and we are here to help. This philosophy has served us well in the past and we will continue to operate professionally in the members' best interests.

In addition to insurance costs, our members' governing boards have, understandably, been looking at ways to cut costs. This means that every line item in their budgets, including New Hampshire Municipal Association (NHMA) dues, have come under scrutiny. We continue to meet with governing boards to promote all of the benefits and services they receive through their membership in the NHMA. This has helped show the members that they receive a great value for the dues they pay. As a result, we have not lost a single NHMA member this year.

Member relations staff made many visits to members, welcoming administrators who were new to the state and educating them on the resources available to them through the Local Government Center (LGC) and its affiliate groups. We have heard from many of them that they appreciated our efforts. Member relations staff

also participated in training committees of our affiliate groups, presented and moderated at conferences and seminars, and played an active role in enhancing the coverage provided by our coverage programs.

The 8th Annual LGC Scholarship Golf Tournament was again a great success despite the tough economy and we cannot thank our sponsors and golfers enough for their loyal support. We had over 100 golfers again, which the tournament host said was remarkable given most other tournaments were having difficulties getting players signed up for their tournaments. We again raised over \$10,000 for scholarships for college age children of local officials.

This past year, the member relations staff said goodbye to our administrative assistant, Mary Jo Hansen, and hello to our new assistant Lizzie Lizotte. Lizzie brings a great deal of enthusiasm and a fresh perspective with solid ideas on ways to do things and is a welcomed addition to our staff.

While rates can fluctuate from year to year and members may come and go and come back again, one thing that will not change with us is the service that members have come to expect. We look forward to serving them in the coming year.



Jonathan G. Steiner
Associate Executive Director for
Member Relations

“Even when we are not able to offer the lowest price in a bidding situation, we believe we have helped the cities, towns, schools, counties and districts by being a stable and viable long term option.”

Risk Services

In 2009, the risk and health management department offered 406 workshops, trained 7,208 municipal, school and county employees through the month of September, and conducted just over 2,000 member visits. A sampling of the workshops that were offered are *Employment Practices*, *Driving*, *Law Enforcement Liability*, and *Understanding Your Health*. These workshops included information relative to weight management and nutrition, stress management, dealing with depression, smoking cessation and physical activity, to name a few.

The Local Government Center (LGC) continued its partnership with Municipal Resources, Inc. (MRI), a regional consulting firm dedicated to providing support services to municipalities and schools, to offer the *LGC Academy* that began in September of 2008. The *LGC Academy* offers a convenient learning structure for today's busy employees and elected officials by combining online learning tools and face-to-face classroom experiences with highly qualified instructors. It also helps meet the demands of complicated legal and accounting requirements by keeping key staff educated and empowered. Today's local governments, including schools, counties and municipalities, face increasingly complex laws, regulations and policies in addition to human resource, leadership and job skill challenges. The *LGC Academy* assists members in learning how to effectively deal with various issues through a variety of comprehensive trainings. As of December 1, 2009, the *LGC Academy* online program has 302 members that are enrolled and have completed classes, and the financial liability hybrid classes have 311 with the same status. Online programs that were new for 2009 are as follows: *Emergency Vehicle Liability – Police & Fire*; *Enhancing Your Resiliency by Managing Stress*; *Fundamentals of Ergonomics*; *Orientation for Municipal and School Treasurers*; *Preventing Workplace Harassment and Discrimination*; *Principles of Employment Law*; *Right to Know (91-A)*; *Zoning and Planning Basics*; *Bloodborne Pathogens*; *Building a Respectful School Community* and *Back Care and Injury Prevention*.

This year the *Slice of Life* program's *Personal Health Analysis* (PHA) participation has been the highest since its inception in January 2004. For 2009, year to date, 23,883, which represents 57 percent of eligible members, have participated. The deadline for 2009 participation was March 31, 2009. As of that date, there were 16,453 individuals that stratified for health coaching and as of September 30, 2009, 13,487, representing 56.4 percent of those that completed a PHA, participated in individual health coaching programs.

Over the past year, LGC has been very active in pursuing a variety of risk management tools for schools. The risk and health management department continues to participate at the *Education Law Conference* and the *New Hampshire Principals Association* conference with presentations on school risk management, and health and safety issues. Programs related to slips, trips and falls, and facility management have been developed and presented, which is LGC's number one workers'

compensation claim. *Crisis Prevention and Intervention*, and *Train the Trainer* instruction is being provided for school districts' special education supervisors to be able to train paraprofessionals. LGC's second leading workers' compensation claims are related to human contact with these individuals in the schools. There is continued focus on the issue of school bullying, and programs have been created and presented relative to building a respectful school community.



Wendy Lee Parker
Assistant Executive Director for
Risk Services

We continue to have exceptional participation in our *Car Control* program, which is a hands-on training program, designed to provide drivers with the skills, information and tools necessary to manage difficult situations while on the road. This training allows employees to actually drive vehicles in simulated situations such as straight-line braking, steering, tailgating, backing up, emergency lane changes and cornering drills. The program has been a great success with just over 600 drivers having participated in 2009, and success stories continue to be received relative to how the program has saved lives.

LGC's Simunitions – Interactive Use of Force workshop provides students with hands-on instruction in the use of force continuum and allows students to escalate and de-escalate through it. The class is designed to be a "step up" from training received at the recruitment level. Participants are presented with real-life scenarios based on situations facing communities today. This onsite workshop is held at facilities that meet training site requirements. Very supportive feedback has been received from members that have participated, stating that this truly was some of the best scenario-based training they had ever attended in their careers. In 2009, it was possible to provide training to 32 police agencies, resulting in 271 officers participating. Requests have been received for 14 two-day sessions in 2010, which fills the schedule.

“The LGC Academy offers a convenient learning structure for today's busy employees and elected officials by combining online learning tools and face-to-face classroom experiences with highly qualified instructors.”

During 2009, the strategic account management team, which consists of account management, risk management and health management representatives, was directed to develop and deliver stewardship reports to all LGC TRiM® member groups with over 100 medically-insured employees. The *Stewardship Report* reflects aggregate claims and utilization data for all three lines of coverage—workers’ compensation, property-liability and medical. The purpose of the report is to provide member groups with comprehensive data that includes recommendations for health and risk improvements specific to the groups’ current and historical outcomes. Many of the members who took advantage of the data found the *Stewardship Report* helpful and utilized it to direct risk reduction activities. We encourage even more groups to allow staff to present this report to them this year.

2009 federal legislation, Section 111-MSP, mandated the use of an individual’s Social Security Number (SSN) for health, workers’ compensation and property liability. This regulation requires the identification of claims that may have coordination of claims with Medicare. While the law requires medical insurers and other payers to report potential Medicare COB situations, it did so through very different mechanisms. For workers’ compensation and liability programs, the notification to CMS happens following the filing of a claim; the claim will be handled on an individual basis without employer impact beginning on January 1, 2010. In contrast, CMS requires medical claims administrators to submit quarterly eligibility files for members over 45-years of age, and for their spouses or dependents.

In light of the above-mentioned legislation, LGC reached out to member groups to obtain a Tax Identification Number (TIN or EIN) and SSN for all LGC HealthTrust covered employees between the ages of 43 and 64; SSNs were also requested for all over age 43 spouses and incapacitated dependents. LGC HealthTrust’s *Medical and/or Dental Enrollment Application and Change Form* was revised to capture this information for all future enrollees.

Mental Health Parity legislation was also passed in 2009 with implementation beginning January 1, 2010. The legislation requires that coverage for mental health and substance abuse treatment be subject to the same rules and guidelines that are in effect for other medical conditions.

In the late fall of 2007, HB 790 expanded access to medical and/or dental coverage for young adults allowing access to coverage through a parent’s plan until age 26. HB 330 further defined dependent eligibility as follows.

A dependent child is one who is unmarried and is:

- Under age 19; or
- Under age 25 as a full-time enrolled student at an educational institution; or
- Under age 26, a resident of New Hampshire, and not provided coverage under any other health plan.

Essentially, HB 330 now requires dependent children living out-of-state to be fulltime students enrolled at an educational

“A total of \$2.8 million in pre-tax elections were made by employees participating in either the Healthcare FSA or Dependent Care Reimbursement Account program in 2009, bringing to just under \$8 million the pre-tax savings to employers and employees handled by LGC since implementing the program in 2006.”

institution. While HB 330 further adjusted the age qualification for out-of-state full-time student dependents to age 25, LGC will continue to allow access to coverage through age 26 for these dependents. However, LGC will adhere to the new full-time student definition and will begin monitoring residency status with each dependent certification processed after January 1, 2010.

LGC continues to see steady growth in its Flexible Benefits Administration (FSA) program. Currently services are offered to over 120 member groups, either administering their full flex plan or maintaining the documents needed for premium conversion. A total of \$2.8 million in pre-tax elections were made by employees participating in either the Healthcare FSA or Dependent Care Reimbursement Account program in 2009, bringing to just under \$8 million the pre-tax savings to employers and employees handled by LGC since implementing the program in 2006.

Changes during 2009 include a new IRS rule affecting the use of FSA debit cards in pharmacies and the implementation of direct deposit of FSA payments. The IRS proposed final regulations issued in 2007 with a proposed effective date of January 1, 2009 (which to date they are still not final) as well as changes to flex plans resulting from the Healthcare Reform bill, both of which could require significant modifications to our *Plan Documents*.

Flexible spending accounts are a smart choice for both employers and employees, and LGC continues to encourage member groups to implement plans at their workplace.

The underwriting department established an enhanced online system in 2009 whereby member groups can easily add, update and edit all property and vehicles covered by the program, and can send in wage and salary information for the *Workers’ Compensation* and *Unemployment* programs. These expanded features allowed mem-

ber groups to easily transfer to the new methodology of using payroll instead of net expenditures in determining Property-Liability Trust (PLT) rating – saving group members time and expediting earlier renewals by the underwriting department.

In 2009 the claims department faced new challenges. While frequency and severity in some lines of business decreased, it rose in others relative to the activity in 2008.

Short-term disability claims frequency fell by 22 percent; however, the average claim cost rose by 12 percent, which is most likely attributed to longer periods of disability.

Property and liability claim frequency fell by 7 percent and severity by 8 percent despite the devastating December 2008 ice storm which fell within PLT FY 2009 (July 1, 2008 – June 30, 2009). The ice storm hit PLT members hard, resulting in at least 65 claims and \$240,000 in property damage.

Workers' compensation claims frequency rose by 8 percent; however, the average claim severity fell by 37 percent. It is known that workers' compensation claim values increase over time and it is recognized that the severity will correspondingly deteriorate, but we believe these early figures are encouraging. Year after year approximately 85 – 88 percent of LGC's workers' compensation claims are medical only. Medical only claims do not involve sufficient lost time from work to cause indemnity payments to be made; an indication that the occurrence of serious injuries is low, employee medical treatment plans have been effective and employees consistently want to return to work. It appears loss prevention training is helping to mitigate occurrence of serious injuries and that the employee/employer relationships remain healthy.

Unemployment compensation claims have increased by 29 percent in frequency and by 36 percent in severity. This is measured as a function of the funds paid by PLT on behalf of members and does not include the additional unemployment benefits paid by the federal government in connection with the stimulus efforts. The economy continues to struggle.

PLT worked through 2009 to enhance programs and services, and successfully managed the relationships with long-term excess and reinsurance partners. Very favorable renewals were negoti-

“Through November 2009, the member care center has handled almost 27,000 phone calls, with an average speed of answer of nine seconds and a call handling rate of 97.8 percent.”

ated while also expanding protection to all members through the *Member Agreement* and *Educators' Member Agreement*.

In early 2009, LGC's board of directors approved bringing workers' compensation claims administration in-house by January 1, 2010. Therefore, 2009 was a year of preparation for this undertaking. The necessary software and hardware upgrades were completed to support workers' compensation claims handling. PLT converted its 9-year claims history from Cannon, Cochran Management Services, Inc. (CCMSI) to LGC's claims information system to allow for seamless claims transition and the ability to provide members, actuaries, excess insurers, and the PLT risk and health management staff with consistent historical claim reporting. In 2009, PLT issued a Request for Proposal and identified a medical bill re-pricing company and discount provider network that will provide much more aggressive discounts in 2010; this is a further effort to assist members with controlling workers' compensation costs.

The member care center continues to provide valuable inquiry assistance to LGC's member groups and individual members with questions regarding employee benefits, such as eligibility, coverages, claims, health management programs, etc. The member service performance standards are:

- Average Speed of Answer: nine seconds or less
- Call Handling Rate: 96 percent

Through November 2009, the member care center has handled almost 27,000 phone calls, with an average speed of answer of nine seconds and a call handling rate of 97.8 percent.

In 2009, more than 27,000 enrollment requests for individual members applying for, or making changes to, medical, dental, life insurance, long-term disability and/or short-term disability coverages have been processed.

In the fall of 2007, LGC began work on the implementation of HEALTHsuite®—a comprehensive, enrollment management system from RAM Technologies, Inc. (RAM) of Fort Washington, Pennsylvania; in short, this is a new enrollment and billing system.

The initial efforts involved working with RAM to define the business and technical requirements, and system enhancements that would be necessary. Based on the identified requirements, RAM worked on the design and development of the specifications for the various system components (enrollment, billing, letters, fulfillment, etc.). LGC staff began configuring HEALTHsuite® in May 2008 and completed this activity in late July 2008, which was followed by system testing. In January 2009, a full data conversion was completed and then extensive group and enrollee data comparisons were done. During the next ten months, there was continued review of enrollment and the corresponding billing program in HEALTHsuite® to achieve a high degree of accuracy in transition to the new system.

The full transition to the new HEALTHsuite® enrollment and billing system occurred in mid-November of 2009.

Finance; Information Technology; Risk and Control Assessment; and Building Maintenance, *continued from page 2*

needed to accommodate the nine new staff handling workers' compensation in-house claims administration. The expansion included the addition of one meeting room.

The expanded facility includes a geo-thermal HVAC system and energy-efficient lighting. In addition, LGC continues its recycling efforts and instituted a "power down" program in 2009. "Power Down" advisories are posted throughout the facility to help staff understand when to "power down" equipment and lights.

Thanks to the hard work and care of our dedicated maintenance staff, our facility remains in excellent condition. They are also responsible for custom set-up for meeting rooms that sometimes includes daily alterations. The staff takes great pride in the appearance and cleanliness of the LGC facility and we are extremely proud of the work they do.

Legal Services and Government Affairs, *continued from page 3*

Dave Connell, legal services counsel, coordinates the delivery of legal services, including responses to legal inquiries and the development of training programs. Working with Dave, legal services staff attorneys Kim Hallquist, C. Christine Fillmore and Paul Sanderson are the voices members hear on the phone when they call with legal inquiries. These four provide daily, direct legal services and a myriad of ongoing training opportunities to member municipalities. They have traveled the state to meet with groups of local officials both day and night.

Pam Valley, administrative secretary, along with Barbara Olson, before her reassignment, coordinated the preparation of the legislative bulletins, issued weekly during the legislature's sessions.

They also kept up with the production of materials needed for our many workshops and presentations while providing day-to-day assistance helping us all serve the needs of our members. Joan Clark, our new legal assistant/executive secretary, is quickly learning the ropes for the many tasks required to support our busy staff.

We have accomplished much this year with the active involvement of local officials and we are always grateful for the participation and feedback we receive from our members. We look forward to continuing our mission in the year ahead and thank all who assisted in our achievements in 2009.

The LGC Mission

The New Hampshire Local Government Center's mission is to provide programs and services that strengthen the quality of its member governments and the ability of their officials and employees to serve the public by being a catalyst for dialogue and action, an advocate on issues, an advisor on problems, a provider of benefits and risk management services, an educator/trainer in skills and a resource for information.

W E K N O W L O C A L G O V E R N M E N T



Local Government Center

New Hampshire Municipal Association
Workers' Compensation Trust
Property-Liability Trust
HealthTrust

New Hampshire Local Government Center
25 Triangle Park Drive • PO Box 617 • Concord, NH 03302-0617
Tel: 603.224.7447 • Fax: 603.224.5406 • NH Toll Free: 800.852.3358
Website: www.nhlgc.org