

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, February 6, 2001 at 5:30 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members, Berglund, Rodman, Arnold, Kinzinger

Members Absent: Member Renner

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wood, Administrative Assistant, County Administrator's Office

Elected Officials/

Department Heads: Ms. Janet Smith, Assistant Treasurer; Mr. Don Lee, Administrator, McLean County Nursing Home; Ms. Jackie Dozier, County Auditor; Ms. Jennifer Ho, Risk Manager; Ms. Rebecca Akinfala, Assistant, Risk Management, Mr. Robert Keller, Director, McLean County Health Department; Mr. Derick Love, Superintendent, McLean County Sheriff's Department

Chairman Sorensen called the meeting to order at 5:31 p.m.

Ms. Jackie Dozier, County Auditor, presented a request for approval of an Ordinance of the McLean County Board amending the 2001 Combined Annual Budget Appropriation. Chairman Sorensen noted that the amount of open purchase orders to be reappropriated this year is smaller than in past years. Ms. Dozier stated that her office worked on cleaning up the accounts. Mr. John Zeunik, County Administrator, commended the Auditor's Office on their hard work involved in cleaning up the reappropriations for the open purchase orders.

Motion by Berglund/Kinzinger to recommend approval of an Ordinance of the McLean County Board amending the 2001 Combined Annual Budget Appropriation. Motion carried.

Mr. Robert Keller, Director, McLean County Health Department, presented a request for approval of Pay Adjustments for Registered Nurses at the McLean County Health Department. Mr. Keller indicated that he and Mr. Terry Lindberg, Assistant County Administrator, worked together to bring the pay rates of the Health Department's Registered Nurses (RN) in line with the increases given to the RN's at the Nursing Home. The increases range from \$0.44 to \$0.67 an hour for 23 RN's. This increase effects only the RN's that are in the first half of the pay scale and should bring them to a competitive market level.

Mr. Lindberg stated that the changes in the pay rates of the RN's are consistent with the policies set forth in the PAS Study. The increases avoid compacting employees in their first two years and also take seniority into account. There are nine professional nurses, who will not receive increases.

Mr. Arnold stated that this is an overwhelming reaction to the slow turnover experienced by the Health Department. Mr. Keller replied that the Department experiences a 7% turnover in RN's. This is a highly competitive field, which is only going to become more competitive over the next four or five years.

Mr. Arnold asked if this position was missed in the PAS Study. Mr. Keller stated that he felt the position is classified fairly, but where an employee is in the pay range can affect whether the position is compensated at a competitive salary rate. Some employers are now offering signing bonuses, which could become a problem.

Chairman Sorensen noted that this increase does not impact the Fiscal Year 2001 Adopted Budget. Mr. Keller stated that the increase would have a March 1, 2001 implementation date. The increases can be absorbed through the six different accounting funds.

Mr. Rodman asked why the RN increase does not effect the RN's at the Juvenile Detention Center or Adult Detention Facility. Mr. Lindberg replied that the incumbents in these positions are long-term employees, who would not be effected by the proposed changes. The Jail RN's also receive a differential over and above their salary. Chairman Sorensen stated that he is concerned with consistency. He asked the Committee if they wanted to make the changes across the board. Mr. Kinzinger stated that the Committee needs to be consistent and fair to all the RN positions. Making the change across the board is a low cost change.

Mr. Rodman stated that he thought the plan was consistent and asked Chairman Sorensen to explain the inconsistency. Chairman Sorensen replied that this proposal leaves out two departments. Mr. Rodman stated that the employees in those departments are above the midpoint of the pay range and would not be effected by the change. Chairman Sorensen stated that if there were turnover, the proposal would have to come to the Committee again. Mr. Keller stated that those employees could be brought in under the impacted position policy.

Mr. Rodman asked if these increases are the same as those given to the Nursing Home. Mr. Lindberg replied that the increases for the RN's at the Health Department are less than the increases for the RN's at the Nursing Home. The positions are different. Mr. Keller stated that Mr. Lindberg also compared experience levels.

Motion by Kinzinger/Berglund to recommend approval of the Pay Adjustments for Registered Nurses at the McLean County Health Department.

Chairman Sorensen announced that he would vote on this motion.

Motion carried.

Mr. Keller introduced Ms. Jan Morris, Health Promotion Program Manager, McLean County Health Department. Mr. Keller stated that the Employee Health Wellness Fair program is a tremendous success. Employees with specific health risk have been discovered and referred to their doctors for treatment. Studies indicate that after seven years, these programs pay for themselves due to the savings in employee health cost.

Ms. Morris presented a report on the 4th annual Celebrate Fitness Fair and the Employee Wellness Program. The shock loss claims from August 1998 to February 2000, revealed that \$443,089.00 was spent on medical costs. Much of these costs were related to cardiac and cancer expenses. The Celebrate Fitness Fair focuses on risk factors and stresses exercise, nutrition, stress, and obesity. The costs of the Fitness Fair last year was \$10,000.00, which is less than 2% of the shock loss claims costs. The programs help reduce health costs, reduce sick leave, and disability claims.

Ms. Morris stated that the Employee Wellness Program had screenings, a fitness fair and many other wellness activities. 110 Employees participated in the screenings. Cholesterol Screening revealed that 17 of the 43 men tested had readings higher than 201. 74 of the women screen were over 201. There were 16 abnormal EKG's and 10 boarder line screenings. The body composition screenings showed that 7 men and 40 women were above average body range compositions. Risk Appraisals showed that 19 men and 24 women were a high risk for heart disease. The PSA for men was offered for the first time last year. 29 men were screened and all were in the normal range. The mammogram van was brought on site. Many women commented that if the van were not on site, they would not have had the mammogram done. Six women needed additional imaging and one patient followed up at Proctor Hospital. The rest saw their own physicians.

Ms. Morris stated that the Health Fair had numerous vendors. 158 Employees registered for the fair. The theme for the 2001 fair is "Good Health is always in Season." Ms. Morris requested that the employee Health Fair be approved for this year with health risk appraisals, cholesterol, PSA, mammogram and osteoporosis screenings. Ms. Morris stated that she meets with department heads to encourage them to have their employees participate in the Wellness Programs. To encourage further participation, the Fitness Fair is mobile and goes to the Highway Department. Ms. Morris stated that that she is asking for \$15,000.00 for the 2001 Celebrate Fitness Fair.

Chairman Sorensen stated that the Employee Benefit Fund has accumulated positive balances over the last several years. There is currently a \$423,000.00 Fund Balance, which is unencumbered. This fund has been used in the past to absorb rising health costs and to subsidize the dental plan.

Mr. Keller stated that the \$15,000.00 spent now will show a dividend in decreasing employee health benefits costs in a few years.

Mr. Rodman asked if the program is growing. Mr. Rodman asked if the employees continue the fitness activities after the end of the program. Ms. Morris stated that employees have continued the activities.

Mr. Rodman asked why the increase from \$10,000.00 to \$15,000.00. Ms. Morris stated that the employees paid the costs of the osteoporosis test last year. This year, she would like the costs to be covered by the County.

Motion by Rodman/Berglund to recommend approval of \$15,000.00 for the Celebrate Fitness Fair with the condition that any leftover funds are returned to the Employee Health Benefits Fund. Motion carried.

Mr. Keller presented a report on the relationship of the Finance Committee to the Board of Health as it pertains to County Board Committee restructuring. The report includes grants and contracts. Mr. Arnold asked if the Medicare flu/pneumonia vaccinations were entitlement programs. He stated that there was an article last year that stated that the entitlement programs in McLean County were not publicized. There was not much participation in the services. Mr. Keller explained that marketing is done in The Pantagraph, on the radio, in church bulletins and on posters. The program is limited by the amount of vaccine available. This year, all appointments were filled and referrals were made to those who could not get the vaccine at the Health Department. In the past, the vaccinations were offered to the employees, but due to the shortage, it was not offered.

Mr. Arnold asked if there is a program to address an outbreak of a highly contagious disease. Mr. Keller stated that the County has a Communicable Disease Program, which covers communicable diseases and sexually transmitted diseases (STD). There is a vaccine prevention program for Hepatitis B and measles, and a program for HIV and tuberculosis prevention. Physicians and other health care facilities are mandated to report to the Health Department. The epidemiologists are trained to work with the Illinois Department Public Health. Major outbreaks, such as Anthrax, would need the help of the State and Federal Departments of Public Health.

Mr. Arnold asked if the Health Department works with ISU regarding foreign students. Mr. Keller stated that the Department works with ISU on tuberculosis and STD prevention.

Ms. Janet Smith, Assistant County Treasurer, presented the County's Treasurer's Report as of January 31, 2001, the Investment Report as of January 31, 2001, and the Employee Benefits Fund Report as of January 31, 2001. Ms. Smith stated that she investigated the IPTIP State Investment Fund, It is the same as the Illinois Funds, the name was changed. Ms. Judy Barr Topinka, State Treasurer, who visited McLean County last week, informed Ms. Smith that there is a Prime Fund that offer higher interest rates, however, the money has to be locked in. Ms. Smith noted that the interest rates have decreased as predicted.

Mr. Arnold noted that there was a loan made January 1, 1980 for \$100,000.00. Only \$1,436.42 was paid back before the business went bankrupt. He asked why the money was still on the books. Ms. Smith stated that it is required to be on the State report because the State gave the County the money for the loan.

Mr. Arnold asked why there is a 'no' listed under the current loan. Ms. Smith stated that Victory Enterprises is now current. This was an oversight on the business owner. Mr. Zeunik stated that the revolving loan amount was \$50,000.00 and the non-RLF was from the bank.

Ms. Smith stated that claims information from Health Plans Administrator for the plan year 2000 has slowed down.

Motion by Arnold/Rodman to accept and place on file the Treasurer's General Investment Report as of January 31, 2001, the Employee Benefit Fund Report as of January 31, 2001 and the Treasurer's Report as of January 31, 2001. Motion carried.

Ms. Jennifer Ho, Risk Manager, presented the Risk Management Fund Report for the fourth quarter of Fiscal Year 2000. The report includes the cumulative claims experience of the County since 1992. The cost of risk is the amount of money that the County has paid out in claims. The cost is figured from the time that the claim occurs until the claim is closed, this includes premium dollars and the claims administration fee. The costs in FY 2000 as a percentage of the operational budget compared to FY 1992 as a percentage of the operational budget shows that 2000 was a good year. The cost of risk as a percentage of the budget in FY 2000 was .853%.

Ms. Ho explained the graph of the Cost of Risks as a Percentage of the Operating Budget. The graph includes the cost of the excess insurance carried by the County. The trends, shows that even as the budget for the County grows, the cost of risk has remained at an

average of 1.507%, excluding the highest and lowest years. Over the year, risk management has used automation, standardized procedures, worked closely with department heads, and have long-term relationships with vendors. These practices have enhanced the Risk Management Program.

Ms. Ho stated that the addition of Ms. Rebecca Akinfala to the office has enabled Ms. Ho to broaden the scope of Risk Management Program. Risk Management maintains open channels of communication with departments so that risk management is very accessible.

Ms. Ho stated that because of the growth in the County, the casualty limits for the County has been increased from \$5,000,000.00 to \$20,000,000.00 in excess liability at a lower premium costs. This is due to market trends and consolidation of policies. The County has been able to secure excellent premium rates.

Ms. Ho stated that it is the goal of the Risk Management Program to provide a safety net to enable the County to meet its objectives. Ms. Ho extended her thanks to department heads for their help.

Mr. Arnold asked what happened in 1993 that the Worker's Compensation Claims were so high. Ms. Ho replied that there was a catastrophic incident involving two deputies that were struck by a semi-truck on Interstate 55. The accident requires lifetime maintenance for one of the deputies. The other one had serious internal injuries.

Mr. Arnold stated that in 1998 there were 93 Worker's Compensation cases. He asked if there were unusual circumstances surrounding that year. Ms. Ho stated that in 1998, there was not anything in particular that made the year high. There were a lot of injuries that involved Correctional Officers and Nursing Home employees.

Mr. Don Lee, Administrator, McLean County Nursing Home, presented the General Report for the McLean County Nursing Home. Mr. Lee stated that the December report includes the final payroll allocations. The Outside Auditors may make some audit adjustment.

Mr. Rodman asked if vacancies in the census increase at the end of the month. Mr. Lee stated that it varies. In December, a number of long-term residents were lost. It will take a while to build the population back up. Mr. Rodman asked if more private pay residents are taken during down cycles. Mr. Lee stated that the admissions policy does not restrict anyone. If there are vacant beds, individuals are admitted regardless of their pay status.

Mr. John Zeunik, County Administrator, presented a request for approval of an Interfund Transfer Ordinance for January 31, 2001 to May 31, 2001 for the 2001 Fiscal Year. The Property Tax remains the County's largest source of revenue. Because the County's

Fiscal Year is a calendar year, the period from January 31, through May 31, is difficult for departments that depend on property tax revenue. The Cash Flow for Fiscal Year 2001, for departments that are Property Tax supported, is projected by the actual revenue from the prior year through May 31 multiplied by 2%. This is done for the expenditures as well, but the projected expenses are multiplied by 7.5%. This increase accounts for the salary increases included in the PAS study and approved as of July 1, 2000.

Mr. Zeunik stated that the Highway Department prepares their own Projected Cash Flow Report because their budget is driven by projects. They may have contracts that have already been let and personnel costs are budgeted across multiple funds depending on which, project is being worked on. This year, the Highway Department is projecting that the Department will be able to meet all of their operating expenses during the first 5 months.

Mr. Zeunik stated that the County's General Fund is the County's Bank. The Fund Balance in the General Fund is allowed to be larger than in other Funds for the purpose of interfund loans during the first five months of the year. This year, the General Fund will provide funds to the F.I.C.A./Social Security Fund.

Mr. Zeunik stated that pursuant to Illinois Law the County was permitted to levy for the Working Cash Fund for four consecutive years by statute. The Working Cash Fund will not grow. For this year, \$718,598.00 will be borrowed from the Working Cash Fund and distributed among three funds. The money can be used on a temporary basis and must be returned to the fund. Currently, there is a balance of \$742,439.00 available.

Mr. Arnold asked if the interest is routinely transferred out of this fund. Mr. Zeunik replied that the Working Cash Fund is co-mingled with other funds and does not accrue interest.

Mr. Rodman asked if the Working Cash Fund has always had a balance of \$742,439.00. Mr. Zeunik replied that since the end of the four-year levy cycle, the balance has not changed.

Mr. Arnold asked why F.I.C.A./Social Security are coming up short. Mr. Zeunik replied that the County only levies what it needs. The Treasurer's Office pays the F.I.C.A./Social Security during the year. The only savings that would accrue is from personnel turnover. The County starts the new year with a low balance in the F.I.C.A./Social Security Fund, but has to pay based on the payroll in the first five months.

Motion by Arnold/Berglund to recommend approval of an Interfund Transfer Ordinance for January 31, 2001 to May 31, 2001 for the 2001 Fiscal Year From the County General Fund 0001 to the F.I.C.A/Social Security Fund 0130 and from the Working Cash Fund 0002 to the Persons with Developmental Disabilities Fund 0110; the Health Department Fund 0112; and the I.M.R.F. Pension Fund 0131. Motion carried.

Mr. Rodman stated that he is surprised that the Highway Department is able to fund themselves. Mr. Zeunik stated that he is surprised as well, however that because of the weather, there were several projects that were not completed. The projects are on going, but the Highway Department is not projecting to spend above the amount available.

Motion by Motion by Kinzinger/Rodman to go into Executive Session to discuss Collective Bargaining issues. The following individuals are asked to remain in the Executive Session: Mr. Derick Love, Mr. John Zeunik, Mr. Terry Lindberg, and Ms. Lucretia Wood. Motion carried.

The Committee went into Executive Session at 6:45 p.m.

The Committee returned to Open Session at 7:09 p.m.

Chairman Sorensen presented the bills, which have been reviewed and recommended for transmittal to the Finance Committee by the County Auditor.

Motion by Rodman/Kinzinger to recommend payment of the bills as presented by the County Auditor. Motion carried.

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There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 7:56 p.m.

Respectfully submitted,

Lucretia A. Wood
Recording Secretary