

Minutes of a Special Meeting of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, February 15, 2011 at 8:00 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Butler, O'Connor, Wollrab, and McIntyre

Members Absent: Member Rankin

Other Members Present: County Board Chairman Sorensen; Board Members Soeldner and McKibbin

Staff Present: Mr. Terry Lindberg, County Administrator; Mr. Bill Wasson, Assistant County Administrator and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials

Present: Ms. Jennifer Ho, Risk Management; Mr. Tony Cannon, Director, Metcom

Others Present: None

Chairman Owens called the meeting to order at 8:00 a.m.

Chairman Owens presented the minutes of the January 5, 2011 Finance Committee Meeting for approval.

Motion by O'Connor/Wollrab to approve the Minutes of the January 5, 2011 Finance Committee Meeting.
Motion carried.

Mr. Bill Wasson, Assistant County Administrator, presented the request for approval of the Critical Personnel Hiring Requests which have been received by the County Administrator's Office through January 27, 2011. He indicated that all positions listed below are budgeted and funded through the end of FY'2011.

Mr. Wasson noted that in addition to the Nursing Home Critical Patient Care Exemption position re-fills, there is a 1.5 FTE request from the State's Attorney's Office. He indicated that funds are budgeted for these positions in 2011. These are positions that have been vacated within the last 30 days.

State's Attorney's Office

- 1) Fill 1.0 FTE Legal Assistant II Position which has been vacated

The State's Attorney's Office has previously had a 1.0 FTE criminal division reduction in the January, 2010 Budget and an additional 1.0 Assistant State's Attorney FTE position reduction in June 2010. The vacated Legal Assistant position has taken on a portion of the redistributed workload of these two criminal division FTE reductions. This position provides daily maintenance of Court files and assists in court work previously performed by eliminated positions. Criminal division caseloads continued to increase in 2010.

All positions listed below are budgeted and funded through the end of FY'2011 and identified as falling under the "contracted services-grant funding exemption" section of the hiring freeze guidelines.

State's Attorney Office

- 1) Fill 0.5 FTE Office Support Specialist I Position which has been vacated

The McLean County Child Support Program is a joint venture between the McLean County State's Attorney's Office and the Illinois Department of Healthcare and Family Services. The venture is contractual and controlled by Title IV-D of the Federal Social Security Act. Services are available to any individual who has a minor child in his or her care and who has applied for Title IV-D child support services through the Department of Healthcare and Family Services. This position provides support for two Assistant State's Attorneys, processing an average of 96 cases set for hearing per month.

All positions listed below are budgeted and funded through the end of FY 2011 and identified as falling under the "critical patient care exemption" section of the hiring freeze guidelines.

Nursing Home

- 1) Fill 2.0 FTE Certified Nursing Assistant Positions which have been vacated
- 2) Fill 1.0 FTE Food Services Assistant Position which has been vacated
- 3) Fill 1.0 FTE Cook Position which has been vacated

The Nursing Home has filled 2 Certified Nursing Assistant position and 1 Food Services Assistant positions and 1 Cook position that have been vacated and filled to provide sufficient personnel to meet critical minimum staffing levels required to meet state guidelines. These positions fall under the "critical patient care exemption" section of the hiring freeze guidelines.

Motion by McIntyre/Wollrab to Recommend Approval of the
Critical Personnel Hiring Requests.
Motion carried.

Ms. Jennifer Ho, Risk Management, presented a request for approval of the proposed Insurance Program for Policy Year 2011. The cost of the proposed renewal is 0.32% more than costs in PY'2010, totaling \$450,301, which remains within the PY'2011 budget.

Ms. Ho included a brief summary of the renewal for each line in the packet, as follows:

- 1) **Property Insurance premiums** – Premiums were increased due to increased construction costs, increased rates for auto physical damage costs for County vehicles while stored, and for contractor's equipment.
- 2) **Excess Liability Insurance** – The program was marketed to four other carriers in addition to the incumbent. The incumbent's competitive quotation allows the County to secure an additional \$5,000,000 limit per occurrence limits and retroactive coverage to 1/1/92, as compared to their competitors' quotations for \$10,000,000 limits without coverage enhancements. The ability of the incumbent to remain competitive is due to the excellent loss experience of its member insureds and its long-term relationships with the three major financially stable reinsurers backing the program. The presence of multiple reinsurers further increases the financial stability of the program.
- 3) **Nursing Home Liability Insurance** – CNA remains competitive for renewal. No changes were made.
- 4) **Excess Workers Compensation Insurance** – Marketed to four carriers for renewal, with the incumbent carrier providing the most competitive quote for a two-year policy with split retentions for law enforcement at \$500,000 and another split retention of \$425,000 for non-law enforcement personnel.
- 5) **Theft and Bond Insurance** – Due to the multi-year policy purchased in 2009, it was not necessary to purchase a fidelity policy. Coverage has been endorsed to provide coverage for newly elected public officials in the 2010 elections.
- 6) **Brokerage Services** – This is the third year of a three-year agreement with Arthur J. Gallagher Risk Management Services, Inc. (AJG), which includes resources to augment the County's efforts in loss control, safety and risk management.
- 7) **TPA Services** – This is the second year of a three-year engagement with Brentwood Services Administrators. Costs for 2010 reflect the start-up and taking over of old claims.

Ms. Ho pointed out that there was one significant change in "Excess Liability coverage." She indicated that she investigated what insurance could be secured to handle claims from "prior acts." Prior Acts is any potential claim from situations that weren't previously reported to any excess carrier. Ms. Ho stated that she was able to get Prior Acts coverage and the \$50 million in policy limits that can occur. This is the equivalent of a coverage limit of \$10 million per occurrence that competitors were able to offer as compared to the incumbent insurance.

Ms. Ho reported that Property Insurance is still with CHUB even though there is a percentage increase in the County's premium. She noted that the County shares the policy with the Public Building Commission ("PBC") for the properties of the Lincoln Deck and the Law and Justice Center. There were increases in coverage that did not involve the PBC. Ms. Ho indicated that the rate increases are for physical damages for County parked vehicles. All of the County vehicles are covered for property damage should a building or garage burns down, etc.

Ms. Ho recommended that the proposed Insurance Program be approved.

Mr. Butler asked if the "Prior Acts" coverage is for past events where no claim has been made. Ms. Ho replied that excess coverage will cover any event that occurred as far back as 1991-1992.

Mr. McIntyre asked for an explanation of the property insurance premiums for physical damage insurance coverage for autos that are stored. Ms. Ho indicated that automobiles that are in use are covered under automobile insurance; the property insurance coverage is for automobiles that are being stored.

Motion by Butler/McIntyre to Recommend Approval of the
Proposed Insurance Program for Policy Year 2011.
Motion carried.

Mr. Terry Lindberg, County Administrator, presented a request for approval of an Ordinance providing that the Indemnity Required pursuant to 35-ILCS 200/21-300 shall be provided by and through the Tort Liability Fund – County Administrator's Office. He explained that the funds in this Tax Sale Indemnity Fund will be moved to the General Fund and that coverage for indemnity will be provided through the Tort Liability Fund. Mr. Lindberg stated that the Tax Sale Indemnity Fund is not seen in the General Fund or reported anywhere except by itself. The Fund collects a fee on delinquent properties. Mr. Lindberg advised that the balance in this Fund is \$332,000. He indicated that there has never been a claim on this Fund. Mr. Lindberg noted that this Fund is used to pay claims on property that may have been sold in error and a claimant wanted to reclaim the property.

Mr. Lindberg reiterated that this Fund has never been used. The statute recognizes and provides that as long as the liability will be paid through the Tort Fund, these funds can be rolled in the General Fund as well as the approximately \$25,000 per year in fees that accrue during this process.

Mr. Lindberg recommended that the Committee approve this transfer. He advised that the County Treasurer concurs with this recommendation. Mr. Lindberg stated that with approval of this Ordinance, the \$332,000 in the Tax Sale Indemnity Fund will become part of the General Fund Balance and the \$25,000 per year fee will become revenue to the General Fund from now on.

Motion by O'Connor/Wollrab to Recommend Approval of an Ordinance providing that the Indemnity Required pursuant to 35-ILCS 200/21-300 shall be provided by and through the Tort Liability Fund.
Motion carried.

Mr. Lindberg presented an Emergency Appropriation Ordinance for Fiscal Year 2010 Year-end adjustments for General Fund 0001 – Bloomington Elections Commission 0048. He advised that there will be a number of budget amendments for 2010 in the Board Packet. These are year-end adjustments. Mr. Lindberg stated that the Bloomington Election had a mid-year change in the Executive Director position and a resignation from an employee. Funds were added to the budget to accommodate the salary adjustment and termination payouts.

Motion by Butler/Wollrab to Recommend Approval of an Emergency Appropriation Ordinance for Fiscal Year 2010 Year-end Adjustments for General Fund 0001 – Bloomington Elections Commission 0048.
Motion carried.

Chairman Owens called for a motion to go into *Executive Session*, with the Committee Members and the Administrator's Staff to discuss Collective Bargaining.

Motion by O'Connor/Butler to Recommend the Finance Committee go into *Executive Session* at 8:15 a.m. to discuss Collective Bargaining with the Committee Members, the Administrator's Office Staff and Mr. Tony Cannon, Director, Metcom.
Motion carried.

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Motion by Butler/McIntyre to recommend the Finance Committee return to *Open Session* at 8:26 a.m.
Motion carried.

Chairman Owens called for a Motion to approve the Collective Bargaining Agreement by and between the McLean County Board and the Laborers' International Union of North America Local #362.

Motion by Butler/McIntyre to recommend Approval of the Collective Bargaining Agreement by and between the McLean County Board and the Laborers' International Union of North America Local #362.
Motion carried.

Chairman Owens presented the January 31, 2011 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Prepaid Total of \$1,335,085.82 and a Fund Total that is the same.

Motion by Butler/Wollrab to recommend approval of the Finance Committee bills as of January 31, 2011 as recommended by the County Auditor.
Motion carried.

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The Nursing Home bills include a Prepaid Total of \$307,834.11 and a Fund Total that is the same.

Motion by McIntyre/Butler to recommend approval of the Nursing Home bills as of January 31, 2011 as recommended by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 8:28 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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