

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, February 6, 2013 at 4:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Wollrab, Rankin, O'Connor, Soeldner, and Erickson

Members Absent: None

Other Members Present: None

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

Department Heads/
Elected Officials
Present:

Ms. Kathy Michael, County Clerk; Mr. Lee Newcom, County Recorder; Mr. Walt Howe, Health Department Administrator; Ms. Becky McNeil, County Treasurer; Ms. Michelle Anderson, County Auditor; Mr. Matt Riehle, Director, Nursing Home; Ms. Jennifer Ho, Risk Management

Others Present: Ms. Jan Morris, Health Promotion Program Manager, Health Department; Mr. Rusty Thomas, Chief Deputy Sheriff, Sheriff's Department; Ms. Rita Bane, Chief Deputy Auditor, Auditor's Office

Chairman Owens called the meeting to order at 4:30 p.m.

Chairman Owens presented the minutes of the January 2, 2013 Finance Committee Meeting and the December 18, 2012 Stand-up Meeting for approval.

Motion by O'Connor/Soeldner to Approve the Minutes of the January 2, 2013 and the December 18, 2012 Stand-up Finance Committee meetings.
Motion carried.

Ms. Kathy Michael, County Clerk, reviewed her December 2012 Monthly Report. She noted that the report should reflect that it is January 31, 2013 and not December 31, 2012.

Ms. Michael advised that she recently attended a Recorder's Conference.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. Michael.

Mr. Lee Newcom, County Recorder, presented his monthly report. He indicated that there was nothing of significance to note in the report.

Mr. Newcom expressed grave concern about the stability and morale of the Recorder's Office. Mr. Newcom indicated that staff members are leaving for other positions because they are frightened about losing their jobs when the merger with the County Clerk's Office takes place in December. Mr. Newcom stated that the positions in the Recorder's Office require highly skilled personnel who are leaving, and it would take months to train new employees. He advised that this is a critical situation that is causing incredible pressure on his staff and himself.

Mr. Newcom stated that it will take two or three new employees to replace the employee that is leaving in three weeks. He indicated that the Chief Deputy will have to train the new people and will not be able to complete her own work. In addition, that employee is also looking for a new job.

Chairman Owens asked if there is a way for an employee from the County Clerk's Office to be trained. Mr. Newcom replied that it is not a possibility. He advised that he runs an ethical, good department and he is not willing to do anything to jeopardize his department. Mr. Newcom added that he will elaborate more at County Board.

Chairman Owens stated that he was concerned that there might be an issue following the election. He indicated that this was why he asked about the process of the change-over. Mr. Newcom replied that there is no process. He added that there is not a single thing in the offices that can be integrated, changed or made more efficient.

Ms. Wollrab asked if the Recorder's Office could get temporary help or if there are any other solutions that Mr. Newcom might have. Mr. Newcom replied that he does not have a solution. Ms. O'Connor suggested that the best possible solution would be for Mr. Newcom to work with the County Clerk.

Chairman Owens asked if the merger done at Tazewell County could be examined to see how it was done. Mr. Newcom responded that Tazewell County is nothing like McLean County as they are an old-fashioned, paper-based office that is 30 years behind McLean County. He added that the County Clerk in Tazewell County doesn't have time to deal with it and has a supervisor running the department.

Chairman Owens pointed out that the people of this County decided the fate of the Recorder's Office. He stated that if Mr. Newcom believes in making sure that these documents are preserved and the department is healthy, it is his responsibility to work with the County Clerk to make sure that happens. Mr. Newcom replied that he cannot

work with the County Clerk. He indicated that the people to ask why are the County Chairman, County Administrator and State's Attorney.

Chairman Owens asked Ms. Kathy Michael to respond to Mr. Newcom's comments.

Ms. Michael stated that if Mr. Newcom would stop telling his employees that they would all be fired, they would not be looking for new jobs.

Ms. Michael advised that she resents the statements made by Mr. Newcom. She noted that she has been meeting with administration to find a way to reassure the Recorder's staff. Ms. Michael further indicated that she is willing to work with the Recorder's Office. She stated she expects the County Board and Administration to assist her.

Chairman Owens reassured Ms. Michael that he knows she will run the Recorder's Office well, just as she has the County Clerk's Office.

Chairman Owens asked Mr. Wasson if a meeting is being arranged. Mr. Wasson replied that Mr. Newcom has discussed different concerns with the Chairman, the State's Attorney and himself. He added that he does not know of any actions pending on anything that has been discussed internally.

Ms. Michael stated that she would like to sit down with the employees as a group or individually. She indicated that she will expect them to earn their jobs, but she will not go in and fire everyone.

The Committee is concerned that there needs to be a plan for transition and a plan to talk with the employees in the Recorder's Office to assure them that will not be fired. Chairman Owens stated that the problem is that both Mr. Newcom and Ms. Michael are elected officials with internal control and cannot be forced to talk or work together. Mr. Wasson added that it has been difficult to find an agreeable way to talk.

Ms. Eisner suggested that it might be possible for representatives from Cott, the Recorder's software company, to train some of the people in the County Clerk's Office.

Mr. Wasson advised that the Administrator's Office has been supportive of Mr. Newcom's request for temporary employee assistance as well as his request for the position that is included in the Critical Hire Request.

Committee members expressed their concern with the morale of the employees in the Recorder's Office, and felt that there should be a way that they can be reassured that they will not lose their jobs. The Committee recognized that there will be some attrition and likely not all employees will be retained, which makes it even more difficult.

Ms. Wollrab acknowledged that Mr. Newcom has done a good job as County Recorder. She stated that he has the opportunity to retain this reputation if he would agree to work with the County Clerk.

Mr. Erickson and Ms. Wollrab asked if the County Board has any statutory authority to compel Mr. Newcom to work with the County Clerk. Mr. Wasson responded that the only authority they Board has is with the budget.

After additional discussion, the Committee concurred that someone needs to talk with the employees in the Recorder's Office, and find a way for the County Recorder and the County Clerk to work together. Mr. Wasson responded that the Administrator's Office has been trying to identify strategies.

Chairman Owens advised that it is important that the transition goes smoothly.

Mr. Walt Howe, Administrator, Health Department, presented the 2012 County Wellness Program Report and a request for approval of the 2013 Wellness Program. He introduced Ms. Jan Morris, Health Promotion Program Manager, who works closely with the County on the Employee Wellness Program. Mr. Howe stated that the Committee packet contains a summary of the 2012 Employee Wellness Program.

Ms. Morris noted that the Wellness Program has been addressing nutrition and physical activity. She indicated that they have had a great 15th year.

Highlights of the report are as follows:

- 513 County employees participated in the Employee Wellness Program in 2012;
- 429 employees completed the Health Risk Assessment (HRA);
- Thirty departments/sections were represented;
- Blue Cross/Blue Shield was the insurance provider in 2012;
- Twenty-two employees participated in Weight Watchers at Work;
- 39 employees enrolled for the Fit Camp Pilot Program;
- 238 employees attended two Employee Wellness Fairs;
- 430 employees received the Flu Vaccine

Ms. Morris indicated that the recommended intervention strategies for the entire workplace population include weight management, stress management, physical activity and better nutrition. She noted that Fit Camp, a fitness program which addresses health risks noted in the assessments will continue. The program is designed to help employees understand the importance of good health as well as physical fitness and the need to take an active role in caring for their health.

Ms. Morris advised that the smoke-free campus has been very successful. She noted that the Health Assessment showed that 13.9% of the persons who completed the Health Assessment were smokers, which was a drop in the number of smokers. Ms. Morris indicated that they would like to expand the smoke-free area to other campuses.

Ms. Morris stated that the stairwell promotion and enhancement program has been successful. She noted that one stairwell was painted green and one was painted blue. The second phase will include vinyl art and motivational sayings. The goal is to have it completed in time for the Health Fair, which is May 22nd.

Ms. Morris indicated that the stair stepping program will be tied into the Fair and the theme will be "your health one step at a time."

Ms. Morris requested that the Committee recommend approval of the 2013 Wellness Program with a proposed budget of \$18,497.52.

Chairman Owens thanked the Health Department for providing this Wellness Program to County employees. He noted that County Board members can also take advantage of the Wellness Program.

Mr. Rankin asked what percentage of the employees took the Health Risk Assessment. Mr. Wasson replied that over 90% of the health plan members took the Health Risk Assessment.

Mr. Rankin suggested that some comparison statistics from year to year, such as weight loss, be included in the report in the future.

Ms. Wollrab praised the Wellness Program. She asked if it would be possible to rank absenteeism in relationship to the program. Mr. Howe replied that they are working on providing this type of additional information.

Motion by Wollrab/Rankin to Recommend Approval of the
Proposed 2013 Employee Wellness Program and the
proposed Budget.
Motion carried.

Chairman Owens asked if there were any other questions or comments. Hearing none, he thanked Mr. Howe and Ms. Morris.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending January 31, 2013, as distributed.

Ms. McNeil reviewed the Summary of Tax Vouchers for Sales, Income, Local Use and Personal Property Replacement Tax. She advised that January is off to a good start with \$911,453.26 revenue in tax vouchers as compared to \$805,237.49 last year.

Ms. McNeil indicated that the County is currently \$57,847.68 over budget.

Ms. McNeil advised that the Investment Report continues to be very dismal. She stated that she continues to work with the banks. Ms. McNeil noted that one of the banks started assessing some fees in November. She indicated that even though McLean County is extremely stable, it is necessary to continue to negotiate with the banks.

Ms. McNeil pointed out that the Chase Bank deficit was due to timing and was in the bank the next day.

Ms. McNeil reviewed the CDAP Revolving Loan Report. She stated that at the end of December there are six CDAP loans. Ms. McNeil indicated that she doesn't know what the fate is of the principal balance with Victory Enterprises as they filed bankruptcy last year.

Ms. McNeil noted that the CDAP Fund currently has \$582,465.16 available for lending. She pointed out that \$381,000 in this fund is earned over time between interest on investments and the interest collected of \$276,000. Ms. McNeil advised that the original grant amount has more than doubled since the beginning of this program. She stated that there are no loans currently in default besides the Victory Enterprise loan.

Ms. McNeil reviewed the Employee Benefit Fund Statement of Revenue, Expenditure and Fund Balance. The beginning Fund Balance for 2012 was \$1,133,777.68 and the 2012 yearend balance was \$1,479,689.78.

Ms. McNeil advised that the October Income Tax was received from the State of Illinois in January. She indicated that these receivables are very important at the end of the year. Ms. McNeil added that she will provide an update next month.

Motion by Rankin/Soeldner to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending January 31, 2013, as submitted.
Motion carried.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. McNeil.

Ms. Michelle Anderson, County Auditor, introduced Ms. Rita Bane who has been with the County for four or five years and has been promoted to Chief Deputy Auditor. She added that Ms. Bane will take over all of the grant work and audit work.

Ms. Anderson presented a request for approval of a Commerce Bank Corporate Resolution. She explained that this resolution is to authorize Ms. Bane to act on any Commerce activity.

Motion by Wollrab/O'Connor to Recommend Approval of a
Commerce Bank Corporate Resolution.
Motion carried.

Mr. Matt Riehle, Director, Nursing Home, reviewed the Nursing Home Monthly Report. He indicated that the Nursing Home is starting off the year very well.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Mr. Riehle.

Ms. Jennifer Ho, Risk Management, presented a request for approval of the proposed Insurance Program for Policy Year 2013. She advised that the insurance renewal in 2013 reflects an insurance marketplace that is in a state of unexpected fluctuation, especially in the area of property, excess workers compensation and professional liability coverage. Ms. Ho stated that the County's renewals for PY'2013 are higher than projected, even if proposed carriers for PY'2013 remain competitive and unchanged.

Ms. Ho reported that overall premiums for PY'2013 are 5% more than PY'2012 at \$515,227.

The renewal program is summarized as follows:

- 1). **Property insurance premiums** – Due to winds and flood exposures, and increased appraised values in 2012, we have an increase by 6%. Overall, the property insurance market is in a state of fluctuation due to higher cat losses.
- 2). **Excess Liability Insurance** – Reinsurance rates for public risks are increasing. We elect to stay with the incumbent, the States program, with a 2% increase.
- 3). **Nursing Home Liability Insurance** – CNA remains competitive for renewal. The nursing home liability insurance market remains a market in turmoil, given the litigious nature of the long-term care industry.

4). **Excess Workers Compensation Insurance** – Excess workers compensation market has been badly impacted by high losses in the public entity market. Carriers are seeking higher retentions and higher premiums from their insureds. Because the County is renewing after a 2-yr policy, the County is in essence, facing a compounded 2-yr rate increase. That the increased renewal premium of \$50,023 with SIR of \$500,000 for non-law enforcement and \$600,000 for law enforcement, remains the most competitive is indicative of the state of the market.

5). **Theft and Bond Insurance** – The County's blanket fiduciary policy is prepaid for three years, effective 3/1/2012. Faithful performance for public officials was endorsed into the County's blanket fiduciary policy December 1, 2010, replacing the need for individual bonds for elected officials. By doing so, the County saves the expense for these bonds, which has ranged from \$3,868 to \$15,000, every two-year, and the time and expense for marketing the bids and securing underwriting approval for higher value bonds. The use of blanket coverage allows for ease of meeting statutory filing requirements.

6). **Brokerage Services** – This is the fifth year of engagement 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 first year of a renewed contract with Brentwood Services Administrators. Brentwood became the County's TPA effective 1/1/2010, following a RFP selection process approved by the Committee in December 2009.

Motion by Rankin/Soeldner to Recommend Approval of the
Proposed Insurance Program for Policy Year 2013.
Motion carried.

Ms. Ho reviewed the Fourth Quarter FY'2012 Risk Management Fund Report. She indicated that since the September 30, 2013 report, the County has incurred an additional 15 claims overall, and a net reduction of 6 claims, for a total increase of \$74,723 in projected incurred costs. Ms. Ho noted that there are currently 72 total claims.

Ms. Ho advised that Table 2 provides the raw claims experience for the first 12 months of the year. The report shows that the auto physical damage claims was the highest of the past 5 years counting, which is an indication of the increased costs of repairs as well as the extent of damages. Ms. Ho indicated that Auto liability claims remain favorable. The County had an increase in workers' compensation claims of the 'Medical Only' variety. Indemnity or 'Lost-time' cases remain constant at 3. Ms. Ho noted that over the past five years, the most lost-time cases in a year have been four cases, in FY 2010. The costs for workers compensation and general liability cases remain favorable in FY 2012.

Ms. Ho presented a comparative study on the Cost of Risk, a measure of claims, premiums and claims administration, as a measure against the County's operating budget for the past five years and as compared to the first year of self-insurance for the County.

Ms. Ho stated that out of all County Department, 15 departments have had some claims of some sort. She noted that the County does not have a triage clinic to provide treatment for employees who get hurt. Rather, they are referred to the County's preferred provider for work injuries.

Mr. Soeldner referred to the highest claims from auto physical damage for the past five years and asked if that is the numbers of claims or more expensive claims. Ms. Ho replied that it is the type of claim that the County has. She noted that there were several significant claims. Ms. Ho added that typical claims are just fender benders.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Ms. Ho.

Ms. Hannah Eisner, Assistant County Administrator, reviewed the list of critical personnel position requests which have been received by the County Administrator's Office through, January 23, 2013. All positions listed below are budgeted and funded through the end of FY 2013.

Sheriff

1) Request to fill 1.0 FTE Deputy Patrol Officers.

The termination of a probationary deputy has created a vacancy in the Sheriff's office. The Sheriff's 2013 budget includes funds for 31 FTE deputy positions. There are currently only 26 FTE deputy positions filled. This will increase by one when a probationary employee currently going through training completes training. One of the 26 FTE deputies is on extended medical leave and it is unknown when he will return to work. The Sheriff cannot meet minimum staffing for all shifts with the current number of deputies and must require deputies to work overtime to fill any gaps. This not only creates additional overtime costs, but it takes a toll on staff who are consistently asked to work additional hours. This position must be filled to insure public safety.

1) Request to fill 1.0 FTE Correctional Officer

The resignation of a corrections officer has created a vacancy in the Sheriff's office. The Sheriff's budget includes funds for 48 FTE correctional officers. There are currently 48 correctional officers on staff and the resignation would reduce that number to 47. The jail must have 48 correctional officers to maintain minimum staffing for all shifts. This position must be filled to maintain jail security.

Facilities Management

1) Request to fill 1 FTE Custodian position

The retirement of 1FTE custodian has created a vacancy in the Facilities Management Department. The individual who retired was assigned to the Law and Justice Center to clean the Sheriff's Department offices daily. This work includes cleaning all hard surface and carpeted floors in the patrol division, records, CID, administration, restrooms, vestibules, visiting areas, all entrances, booking area and hallways. Staff assigned to the other County buildings cannot absorb the work performed by this individual. The position must be filled for Facilities Management to maintain its daily work load.

2) Request to fill 1 FTE Maintenance Mechanic I position

The retirement of 1 FTE maintenance mechanic has created a vacancy in the Facilities Management department. This person in this position is responsible for maintaining and repairing plumbing, sewers, pumps, HVAC, lighting, electrical equipment, IT infrastructure data wiring, AC control systems, energy management, boilers, chillers, lifts, jail mechanical systems, and may other installed systems at all County facilities. The position takes rotating after-hours call for emergencies. The individual in this position must possess a wide variety of specialized skills and the work of this position cannot be redistributed to other staff.

It is essential to have sufficient staff to be able to respond immediately when there is a need for service and avoid unnecessary down time. This position must be filled to maintain the response rate necessary to insure prompt service when needed.

Recorder's Office

The resignation of an Office Specialist II position has created a vacancy in the Recorder's Office. The Recorder's budget includes a total for 6 FTE personnel. With increasing demands for services, this position must be filled to maintain processes within the office.

Mr. Erickson asked who would interview the new employee. Chairman Owens replied that it will be Mr. Newcom as long as he is the County Recorder. Ms. Eisner noted that using temporary employees might be the best solution at this point.

Nursing Home

1) The following positions were vacated and refilled pursuant to the patient care exemption:

1 FTE Registered Nurse, 1 FTE Certified Nursing Assistant and 1 FTE Domestic Services Assistant I.

Motion by Rankin/O'Connor to Recommend Approval of the
Critical Personnel Hiring Requests.
Motion carried.

Mr. Bill Wasson, County Administrator, presented one Resolution and two Ordinances that allow the County to transfer monies between funds until the first installment of property taxes takes place. He noted that these three items are annual housekeeping items that can be acted upon together. They are: Request Approval of a Resolution transferring monies from the Working Cash Fund 0002 to the F.I.C.A./Social Security Fund 0130, Fiscal Year 2013; to Request Approval of an Ordinance transferring monies from the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110, Fiscal Year 2013; and Request Approval of an Ordinance Transferring Monies from the County General Fund 0001 to the Children's Advocacy Center Fund 0129, the I.M.R.F. Fund 0131, and the Tort Judgment Fund 0135, Fiscal Year 2013.

Motion by O'Connor/Rankin to Recommend Approval of a
Resolution Transferring Monies from the Working Cash Fund
0002 to the F.I.C.A./Social Security Fund 0130, Fiscal Year
2013; to Recommend Approval of an Ordinance Transferring
Monies from the TB Care and Treatment Fund 0111 and the
Health Department Fund 0112 to the Persons with
Developmental Disabilities Fund 0110, Fiscal Year 2013;
and to Recommend Approval of an Ordinance Transferring
Monies from the County General Fund 0001 to the
Children's Advocacy Center Fund 0129, the I.M.R.F. Fund
0131, and the Tort Judgment Fund 0135, Fiscal Year 2013.
Motion carried.

Chairman Owens called for a motion to go into *Executive Session*, with the Committee Members; Administration Staff; and Ms. Carrie Haas, Attorney, Costigan and Wollrab Law Firm to discuss Pending Litigation.

Motion by Soeldner/Rankin to Recommend the Finance Committee go into *Executive Session* at 5:40 p.m. to discuss Pending Litigation with the Committee Members, Mr. Pablo Eves, First Assistant Civil State's Attorney; Administration Staff; and legal staff.

Motion carried.

Motion by Rankin/Soeldner to recommend the Finance Committee return to *Open Session* at 6:15 p.m.

Motion carried.

Chairman Owens presented the January 31, 2013 Finance Committee bills for review and approval as transmitted by the County. The Finance Committee bills include a Prepaid Total of \$1,445,190.97 and a Fund Total that is the same.

Motion by O'Connor/Rankin to recommend approval of the Finance Committee bills as of January 31, 2013 as recommended by the County Auditor as well as transfers in the Health Department.

Motion carried.

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Chairman Owens presented the January 31, 2013 Nursing Home bills for review and approval as transmitted by the County Auditor. The Nursing Home bills include a Prepaid Total of \$473,161.76 and a Fund Total that is the same.

Motion by Rankin/O'Connor to recommend approval of the Nursing Home bills as of January 31, 1013 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 6:15 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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