

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, December 2, 2009 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Rackauskas (4:20 p.m.), Caisley (4:30 p.m.), Butler, O'Connor and Moss

Members Absent: None

Other Members Present: None

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. Michelle Anderson, County Auditor; Ms. Becky McNeil, County Treasurer; Mr. Matt Riehle, Administrator, McLean County Nursing Home; Ms. Jennifer Ho, Risk Management

Others Present: Ms. Megan Nelson, Chief Deputy County Clerk; and Ms. Cathy Dryer, Fiscal Services Supervisor, Health Department

Chairman Owens called the meeting to order at 4:00 p.m.

Chairman Owens presented the minutes of the November 2, 2009 Finance Committee Meeting.

Motion by Butler/Moss to approve the Minutes of the November 2, 2009 Finance Committee Meeting.

Motion carried.

Ms. Michelle Anderson, County Auditor, distributed her Quarterly Report for the Nine Months Ended September 30, 2009. She noted that the Report includes the following:

- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Year to Year.
- General Fund by Department.
- Special Revenue Fund.
- Chart

Ms. Anderson reported that all of the departments are trending fine, except the County Board, which is trending over budget. She explained that this budget trend is due, in large part, to fleet acquisitions which occur in January or February. Budget amendments are made after the completion of the fiscal year in the budget to address any required adjustments.

Ms. Anderson advised that she has received 27 applications for the Internal Auditor position in the Auditor's Office, which will be reviewed in the coming weeks.

Chairman Owens asked if there were any questions. Hearing none, he thanked Ms. Anderson.

Ms. Megan Nelson, Chief Deputy County Clerk, presented the County Clerk's Monthly Report for October 2009. She indicated that there is nothing out of the ordinary on the report.

Ms. Nelson advised that the State has mandated that the County Clerk's Office modify their optical scan machines to no longer accept an over-vote beginning in the February election cycle. She indicated that the modification was approved by the State Board of Elections last Wednesday and the County Clerk's Office is in the process of working with its vendor for possible updates to the machines.

Chairman Owens asked if there were any questions. Hearing none, he thanked Ms. Nelson.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending November 30, 2009, as distributed.

Ms. McNeil reviewed the Summary of Tax Receipts through November 30, 2009 report, which reflects how financial conditions are affecting revenue on our Sales and Income tax receipts. She noted the following:

		<u>% of change vs. 2008</u>
<b>November 2009 Revenue:</b>		
Sales Tax	\$386,625.17	-13.2%
Revenue Sales Tax	51,787.14	-31.1%
Local Use Tax	17,633.33	-37.7%
Income Tax	108,089.42	-4.8%
PPRT		0.0%
Total	<u>\$564,135.06</u>	

**Monthly Comparison**

November 2009 Revenue	\$564,135.06	
November 2008 Revenue	<u>662,328.71</u>	
Difference	(\$94,193.65)	-14.8%

**YTD Comparison**

YTD 2009 Revenue:	\$7,847,782.73	
YTD 2008 Revenue:	<u>8,818,459.58</u>	
YTD Difference:	<b>(\$ 970,676.85)</b>	-11.0%

**Budget Comparison**

2009 Annual Budget:	\$9,545,150.00	
Budgeted Revenue Per Month:	\$ 795,429.17	
Budgeted revenue thru 11/30/09:	<b>\$8,749,720.83</b>	
YTD Actual Receipts	<b>\$7,847,782.73</b>	-11.5
Amount Over (Under) Budget:	<b>(\$ 901,938.10)</b>	

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance. She stated that we are 92% through the year. Ms. McNeil noted the following:

- Total Revenue year to date as of November 30, 2009 was \$27,581,678.84, which is 84.14% of budget;
- Expenditures were \$28,349,907.93, which is 87.07% of budget;
- The Fund Balance as of November 30, 2009 was \$8,989,159.82;
- The YTD Net Fund balance shows a decline of \$768,229.09.

Ms. McNeil indicated that a lot of the revenue that will be accrued for November is not on this report as it is too early to make the accruals. She noted that this the number will change. Ms. McNeil added that, last year, this report reflected all of the income coming in from the Collector for late charges. She stated that this income will be coming in December.

Ms. McNeil advised that the final tax distribution was done yesterday, which will be reflected in the December report.

Ms. McNeil reviewed the Investment Report, noting that there was very little activity this month. She noted that we continue to experience historically low rates.

Ms. McNeil presented the State of Illinois Receivables Report as of October 30, 2009. She indicated that the balances due to the County continue to grow. Currently, there is \$1,374,431.48 due to the County from the State. Ms. McNeil stated that this report has not been updated for November. She noted that she is hopeful that the State will release some of this money that was due back from June, July and August as soon as early December.

Chairman Owens asked if the State has released the approximately \$300,000 anticipated from a couple months ago. Ms. McNeil replied that those funds have not yet been received.

Mr. Butler asked if the Fund Balance on the previous report reflects the money due from the State, but not received from the State. Ms. McNeil replied that these amounts are accrued to revenue. She added that if these funds do not come in by March 31<sup>st</sup>, the County will be backing them off and deferring that revenue to 2010. Ms. McNeil advised that if we do not see any of this money, it could significantly impact the County's Fund Balance as of December 31, 2009.

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

Mr. Matt Riehle, Administrator of the McLean County Nursing Home, reviewed his General Report. He expressed his appreciation to the County Administrator's Office for assisting the Nursing Home with their Transfer Agreement with the State. He noted that this process is on-going. Mr. Riehle added that the State is in an emergency rule making process. He noted that the Nursing Home does not see any affects from that process except for the bonus payment that is expected.

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

Chairman Owens presented the Assessment Status Report as submitted by Mr. Robert Kahman, Supervisor of Assessments, who was unable to attend the meeting. There were no questions on the report.

Chairman Owens presented the County Recorder's Monthly reports as submitted by Mr. Lee Newcom, County Recorder. There were no questions on the report.

Ms. Jennifer Ho, Risk Management, advised that she has two contracts for consideration by the Committee. She stated that these contracts are part of an effort to enhance the County's third-party claims administration services for workers'

compensation. Ms. Ho indicated that in order to accomplish this objective, it was necessary to engage two companies.

Ms. Ho advised that the first request is for approval of a three-year contract with Brentwood Services Administrators, Inc. to provide Third-Party Administrative Services for Workers' Compensation claims. She noted that Brentwood would provide this service over three years at a projected cost of \$48,665 per year.

Ms. Ho stated that a Request for Proposal for workers compensation consulting services was recently issued. The objective of the RFP was to determine whether our third-party administrator (TPA) services could be enhanced. Ms. Ho indicated that it has been 13 years since the County last sought proposals for this service. She noted that selection criteria included the following:

- Nursing triaging;
- Online claims reporting; online access to claims information on a departmental basis;
- Ability to assist in the event of contingent claims overload, such as handling third-part liability bodily injury claims.

Ms. Ho stated that the Advisory Committee consisted of Mr. Matt Riehle, Administrator, Nursing Home; Ms. Becky McNeil, County Treasurer; Ms. Karen Swick, Highway Department; and Ms. Jennifer Ho, Risk Management, with input from Mr. Greg Allen and Jamey Kessinger from Jail Operations. Ms. Ho indicated that the Committee interviewed the top three choices selected by each member, tested their online capabilities, performed reference checks on prior and current clients, and followed up with discussions about the selections.

Ms. Ho advised that the costs for the three-years in consideration include:

- Cost of claims administration;
- Cost of "Run-off" claims administration;
- Administrative costs.

Ms. Ho explained that "run-off" claims administration is the cost of taking over and managing the old claims from the old TPA. This is necessary for the sake of continuity. Ms. Ho noted that the costs for run-off claims administration are projected based on claims information as of November 23, 2009 for seven medical-treatment only claims and 32 lost time or litigated cases, also called "indemnity" claims.

Ms. Ho stated that, with reference to Exhibit A: Summary – RFP for Workers Compensation Administration, November 2009, Brentwood was selected for its familiarity with the workers compensation arena in Central Illinois, as it is based out of Champaign, Illinois. Ms. Ho indicated that the Committee considered this advantage to be worthy of the additional \$1,560 cost as compared to Claims One out of Charleston, Illinois. She added that another advantage is that Brentwood has also simplified its claims reporting format so that supervisors will spend less time completing forms.

Ms. Ho indicated that, in the analysis of the eight proposals received, it was apparent that the proposal submitted by RTWI was an enhancement over the typical array of services provided by a third party claims administrator. RTWI was ranked as the second choice due to its projected cost of \$77,972 and its inability to provide access to its claims information system on a department level.

Ms. Ho advised that the Committee feels very strongly that the program with Brentwood will enhance the County's self-insured workers compensation program, while saving costs and enhancing the service for injured County employees.

Ms. Ho indicated that the second request for which she is seeking approval is for a Contract with RTW, Inc. ("RTWI") to provide limited scope consulting services for Workers' Compensation Claims.

Ms. Ho stated that, in conjunction with the evaluation of the proposals for TPA services, RTW, Inc. ("RTW") offered their proprietary ID 15 nursing care program on a stand-alone basis. The Selection Team of Becky McNeil, Karen Swick, Matt Riehle, and Ms. Ho were impressed with the value-added service that this would add to the County's self-insured program. Ms. Ho recommended approval of the service contract with RTWI and its inclusion to our self-insured workers compensation claims program. The service contract is a renewable annual contract.

Ms. Ho indicated that charges for services will be on a per case basis. Engaging RTWI would add a high estimate of \$ 6,000 at \$200 per case for 30 cases, to our upfront claims administration program, but would still result in an overall savings of \$ 8,335 over three years from our current program as follows:

	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>Total (3 Years)</b>
CCMSI	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000
Brentwood	\$ 22,915	12,875	12,875	48,665
RTWI	\$ 6,000	6,000	6,000	18,000
Total:	\$ 28,915	18,875	18,875	66,665
Difference	\$ (3,915)	\$ 6,125	\$ 6,125	<u>\$ 8,335</u>

Ms. Ho noted that the true value of utilizing RTWI is in the savings to be realized from reduced claims dollars, reduced lost work days, and improved delivery of medical services. References from Will County, IL and United Airlines, Chicago, IL all indicated that their use of RTWI has resulted in these positive changes in using RTWI's proprietary ID 15 program. Ms. Ho indicated that an additional advantage is that injured employees have access to a medical professional to discuss their condition.

Ms. Ho advised that high risk cases that are highlighted by the ID 15 program will receive prompt additional attention. For such cases, RTWI will work with Brentwood adjustors to manage the cases from the start. Ms. Ho noted that the Committee considered this to be an enhancement to the process. Additionally, where needed, RTWI nurses and Medical Director are available to ensure the delivery of medical care. Ms. Ho stated that, at the same time, employees can access RTWI nurses as a resource to answer questions on their care.

Ms. Ho indicated that the Committee firmly believes that engaging RTWI will pay off in terms of reduced claims costs while enhancing the care for our employees. She added that the Committee strongly recommends the approval of the contract for services with RTWI.

Ms. Ho concluded that the two contracts under consideration by the Finance Committee are with Brentwood Services Administrators, Inc. to manage the Workers Compensation aspect and a contract with RTWI to provide the medical consultation, working in conjunction with Brentwood. Ms. Ho anticipated that, with these contracts, the County will reduce its medical expenses and lost work days, and will provide a needed medical advocate for County employees.

Ms. Ho reminded the Committee that the contract with Brentwood Services is a three-year contract and the contract with RTWI is a one-year renewable contract.

Chairman Owens asked if Ms. Ho anticipates using these companies for the next several years or if she has other potential alternatives in the future. Ms. Ho responded that she will monitor the program and continue to look at other ways to improve these services.

Ms. O'Connor pointed out that RTWI is a company from Minneapolis. Ms. Ho responded that the company has nurses and personnel that work in Illinois and have been highly recommended.

Ms. Rackauskas expressed concern that these companies may not be paying Illinois income tax since they are out of state. Ms. Ho replied that employees of these companies live and work in Illinois and pay taxes as Illinois residents. Mr. Butler added that the

company would also pay some Illinois income tax as they would have earned a portion of their income in Illinois.

Ms. Rackauskas asked why the contract with Brentwood is three years rather than a one year trial basis. Ms. Ho responded that the three year contract provides continuity with the claims administration part of the program. She added that there is an escape clause in the contract. Ms. Ho indicated that the contract with RTWI is a one-year renewable contract so that it would be possible to monitor the amount of savings the County can realize and the success of having RTWI nurses available for consultation.

Motion by O'Connor/Moss to recommend Approval of a Contract with Brentwood Services Administrators, Inc. to Provide Third-Party Administrative Services for Workers' Compensation Claims.

Motion carried.

Chairman Owens asked for a motion on the contract with RTWI.

Motion by Butler/O'Connor to recommend Approval of a Contract with RTW, Inc. to Provide Consulting Services for Workers' Compensation Claims.

Motion carried.

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

Ms. Cathy Dryer, Fiscal Services Supervisor, Health Department, presented a request for approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0102 (Dental Services). She explained that the continued demand for both children and adult dental services led to the decision to add an additional 1.5 days each week of dental services at the Health Department beginning in July 2009. All increased expenses associated with adding these clinic days balanced with additional revenue from the Illinois Department of Health & Family Services.

Ms. Dryer stated that because of the increased activity, the supply line has had additional expenses. She noted that there is also an increase in the Rent, Utilities and Maintenance, which is associated with replacing the stairs in the Dental Clinic portion of the Health Department. Ms. Dryer indicated that the Dental Services line is expected to exceed the budget by \$35,000. This is the line from which the contractual dentists are paid and also goes along with the increase in the Dental Clinic activities. Ms. Dryer



advised that the Non-Contractual Services line is projected to go over by \$14,000, which is due to the increased need for interpretive services.

Ms. Dryer stated that the Part-Time Salary line will need an additional \$10,000 to cover the expenses with the additional hours that the hygienist is working due to the additional days.

Chairman Owens asked if there are any educational programs in the schools to help educate the children on good dental hygiene. Ms. Dryer responded that the Health Department has a Dental Sealant Grant where the Health Department goes to the schools, and the students that are financially eligible receive the dental sealant. Ms. Dryer indicated that she does not know if the Health Department provides dental health education at the schools, but she noted that she will find out and let the Committee know. Chairman Owens suggested that education in the schools may alleviate some of the trips to the Dental Clinic. Ms. Dryer responded that the increase in activity is due to the Public Aid clients.

Mr. Caisley stated that he believes this proposal is commendable and is a good proposal because it carries revenue to offset the expenditure. He added that the Health Department has been deficient in providing adequate dental care.

Mr. Butler asked if the clients pay anything for this service. Ms. Dryer replied that the clients are on Illinois Public Aid and do not pay for the dental services. Mr. Butler expressed concern that this increase in dental care need reflects the appetite people have for free services. Mr. Moss responded that not only is there an appetite for these kinds of services, there is a definite need. Mr. Butler questioned what the demand would be if there was a \$5 charge for the service. He added that people on Public Aid are not always spending their money wisely. Ms. Rackauskas pointed out that the dental community is not welcoming to the welfare patient, so there is no other place for the Public Aid patients to go for dental health. She added that the Dental Clinic is targeting the children, which might alleviate adult dental care needs in the future.

Chairman Owens noted that the State is currently \$24,000 behind in funding the Dental Services in the Health Department.

Motion by Caisley/Moss to recommend Approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0102 (Dental Services).

Motion carried – member Rackauskas abstained.

Ms. Dryer presented a request for approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0105 (Vision and Hearing). She indicated that, during FY'2009, the Vision & Hearing Program experienced a significant increase in vision and hearing screening services for both school based programs and clinic service programs in McLean County. Due to fiscal constraints in the schools districts, many of the routine screening programs that were normally conducted by school nurses were found to be beyond the capabilities of reduced staffing compliments. Ms. Dryer stated that the Health Department offers to provide school based screening programs via contract for an hourly rate including travel costs. Due to this increased demand for contract service hours and the increased demand for clinic screening services, a temporary adjustment in the part-time Vision and Hearing Technician hours were required. Ms. Dryer advised that the increase in salary expense will be offset by the additional revenue generated in the contract revenue from the schools and Medicaid revenue associated with clinic based services.

Ms. Rackauskas asked if all of the students are screened for hearing and vision. Ms. O'Connor commented that it must be cheaper to have the Health Department provide the screening that the school nurse.

Mr. Caisley asked if the school districts pay the Health Department to provide the screening. Ms. Dryer replied that the school districts contract the Health Department Vision Technician for \$25 per hour.

Chairman Owens called for a motion on the two action items regarding Fund 0105 (Vision and Hearing). The first is for approval of the Budget Ordinance and the second is a request for approval of a Resolution amending the FY'2009 Full-Time Equivalent Ordinance for Fund 0105 (Vision and Hearing).

Motion by O'Connor/Moss to recommend Approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0105 (Vision and Hearing); and to recommend Approval of a Resolution Amending the FY'2009 Full-Time Equivalent Ordinance for Fund 0105 (Vision and Hearing).  
Motion carried.

Ms. Rackauskas asked if the Health Department could provide a report on how much it cost to screen each child. She also expressed concern that the vision and hearing screening may be redundant if the students are already being screened when they have their school physical examinations. Ms. Dryer responded that, once the schools are billed and the number of children that have been screened is established, the Health

Department could determine an average cost per student. Chairman Owens recommended that they look at the past couple of years as well so that there is a comparison.

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

Mr. Terry Lindberg, County Administrator, asked Mr. Wasson to present the next few action items.

Mr. Bill Wasson, Assistant County Administrator, advised that he has three action items. The first is a request for approval of a Resolution to approve the Fiscal Year 2010 General Compensation Plan for Non-Union Employees. The second item is a request for approval of an Ordinance Amending Chapter 10 of the McLean County Code to suspend Merit Increases for Non-Union Employees. This Amendment suspends the clauses dealing with merit increases for non-union employees for January 1, 2010 through December 31, 2010. Mr. Wasson indicated that those components were included in the budget development and the approved Recommended Budget that was passed in November. The final request is for approval of Position Classifications and Pay Ranges for Fiscal Year 2010. Mr. Wasson advised that there are no changes in the position classifications and pay ranges from 2009 to 2010. He added that the Position Classification and Pay Range expires on December 31<sup>st</sup>. Mr. Wasson noted that this is a housekeeping matter. He noted that normally these would change with an across-the-board increase, but no across-the-board increase is being implemented in 2010. Therefore, the Classifications and Pay Ranges will remain the same for 2010. Mr. Wasson indicated that this was part of the FY'2010 Recommended Budget that was approved in November.

Ms. Rackauskas expressed concern with the County Board members receiving a salary increase when County employees will not. She pointed out that some of the contracts approved at the Justice Committee meeting were for companies/individuals who accepted a smaller percentage of an increase due to the economic times. Ms. Rackauskas asked if it was possible to reduce the County Board salaries. Mr. Lindberg responded that salaries for all County elected officials must be established by ordinance no less than 120 days prior to the next election. This was last done in the summer of 2008, and will be brought to the Board again in May of 2010 for terms beginning December, 2010. Once the salaries are set for both the County Board members and the County-wide elected officials, they cannot be changed until 120 days prior to the beginning of the next new term. Mr. Lindberg noted that neither a County Board member nor a County-wide elected official can have their salary cut during their current term.

Chairman Owens called for a motion on the request to recommend approval of a Resolution to approve the Fiscal Year 2010 General Compensation Plan for Non-Union Employees.

Motion by Rackauskas/Butler to Recommend Approval of a Resolution to Approve the Fiscal Year 2010 General Compensation Plan for Non-Union Employees.  
Motion carried.

Mr. Caisley commented that it is regrettable that it is necessary to suspend merit increases to County employees. He stated that there are a lot of County employees who work very hard at their jobs and their costs are not going down any. Chairman Owens responded that the County was able to keep the health insurance premiums the same as last year, which was helpful to the employees. He added that the County was able to avoid letting any employees go or having forced furloughs.

Chairman Owens called for a motion on the request to recommend approval of an Ordinance Amending the Chapter 10 of the McLean County Code to suspend merit increases for non-Union employees.

Motion by Caisley/O'Connor to Recommend Approval of an Ordinance Amending the Chapter 10 of the McLean County Code to Suspend Merit Increases for Non-Union Employees.  
Motion carried.

Chairman Owens called for a motion on the request to recommend approval of Position Classifications and Pay Ranges for Fiscal Year 2010.

Motion by O'Connor/Moss to Recommend Approval of Position Classifications and Pay Ranges for Fiscal Year 2010.  
Motion carried.

Chairman Owens called for a motion to go into *Executive Session* to discuss Collective Bargaining.

Motion by Moss/Butler to Recommend the Finance Committee go into Executive Session at 5:05 p.m. to discuss Collective Bargaining with the Committee Members and the Administrator's Office Staff.  
Motion carried.

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Motion by Moss/Butler to recommend the Finance Committee return to *Open Session* at 5:35 p.m.  
Motion carried.

Chairman Owens presented the November 30, 2009 Finance Committee bills for review. The Finance Committee bills include a Pending Total of \$201,874.52 and a Prepaid Total of \$772,145.42 for a Fund Total of \$974,019.94.

Motion by O'Connor/Butler to recommend approval of the Finance Committee bills as of November 30, 2009 as recommended by the County Auditor.  
Motion carried.

The Nursing Home bills include a Prepaid Total of \$534,177.34 and a Fund Total that is the same.

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Motion by Moss/O'Connor to recommend approval of the Nursing Home bills as of November 30, 2009 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 5:46 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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