

HUMAN RESOURCES COMMITTEE
McHenry County Administration Building
667 Ware Road, Woodstock, IL 60098

MINUTES OF MONDAY, AUGUST 23, 2010

Chairman Salgado called the Committee meeting to order at 8:17 a.m. The following members were present: Sandra Fay Salgado, Chairman; Ed Dvorak; Ersel Schuster; Scott Breeden; Sue Draffkorn and Paula Yensen. Robert Bless arrived at 8:19a.m. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Robert Ivetic, Human Resources; and Cindy Kozlowski, Financial Analyst.

Sandra Fay Salgado, Chairman	
JS "Scott Breeden	Robert Bless
Sue Draffkorn	Ed Dvorak
Ersel Schuster	Paula Yensen

MINUTES

Committee members reviewed the minutes from the Human Resources Committee of August 9, 2010. Ms. Schuster noted some typographical errors. After review, Ms. Draffkorn made a motion, seconded by Ms. Yensen, to approve the minutes as amended. The minutes were approved with all members present voting aye on a voice vote.

PUBLIC COMMENT

None

Mr. Bless arrived at 8:19a.m.

PRESENTATION

None

Chairman Salgado requested information on what overtime costs are for the departments in the County. She stated she would like to find out how much overtime is being paid, and the reasons for the overtime payments. She stated that right now is a critical time in our economy and the County union employees will be getting raises based on their contract. She stated it is important to invest in the regular employees of the County as well as those employees that are guaranteed increases because of the contracts. She stated she would have a hard time awarding a raise to anyone getting overtime payments. Committee members stated that the County should re-enter into negotiations with the unions for some "give backs" to the County since raises during these economic times do not look good for anyone, especially when the funds for these increases are coming from the people that can least afford it. All employees need to be made aware that now is not a good time to be giving raises and the people of the County are against anyone getting increases. The unions need to understand they need to renegotiate contract increases to be more in line with what is going on elsewhere in the community. Committee members stated they need to review some issues where low performing departments are giving increases to employees, during a time when the workload within the department has decreased.

NEW BUSINESS

FY10-11 Budget Reviews (not in packet): Employee Benefit Fund, Social Security Fund and IMRF Fund: Mr. Sarbaugh stated that it has been hard creating a budget without knowing what will happen in the future with the economy and insurance costs. The health insurance numbers have been reviewed extensively and even though the county is self funded we still have to account for the cost of the premium. The changes are based on information currently being received. The forecast for the next year indicates a 9 to 12% increase so 12% has been forecasted into the budget. The employees have done a great job in keeping claims down for the past year. Committee members questioned how departments are doing once a grant has been expended. When the resolutions for accepting a grant is approved, they stipulate that once the grant goes away, any position created with the grant would go away as well. They stated they want to make sure this happens and these employees are not getting placed on the regular department roster. They stated they need to keep a close eye on this issue, especially with the decrease of grants being seen. Other County's have been laying off staff because of these grant decreases. Mr. Sarbaugh stated that IMRF, Social Security and Health Insurance costs are not distributed into each budget and are kept in a separate fund. Committee members were reminded that there will be changes made to the insurance program and some of the stipulations state that they employee cannot be charged extra for these costs. Starting on July 1st, any employee can enroll an adult independent up to the age of 26 onto their policy and the County will have to pick up these costs. He stated he has not seen a large increase in requests yet but they are unsure what will happen in July. It is important to minimize the cost of these increases through education of the programs for the employees and pushing the importance of participation in the wellness programs. Mr. Sarbaugh stated that he has budgeted for nine vacant positions in the special revenue funds and nine in the general fund. These positions are vacant, not frozen so they have been budgeted for. There are also 5 new positions that need to be accounted for. The sheets being reviewed represent the costs for Social Security, IMRF and Health Insurance for each department. The Sheriff's Department numbers could change once the department rosters have been reviewed for any final changes to the positions. Committee members questioned if the County Board Members health insurance benefits could be changed. They were informed that the benefits could change as the Resolution regulating these benefits state they can "get the

same benefits as the employees of the County". Committee members were reminded that an employee must work at least 30 hours per week to qualify for benefits. If they are part time, they do not qualify for any benefits. Committee members were informed that out of 1300 employees, 975 employees are on the insurance plan. Committee members requested a breakdown of how many employees in each department carries insurance. Personnel costs are the largest cost to the County. The next meeting they will show the Special Funds with updates to the numbers. We can't do too much with the calculations until all the numbers have been received. Mr. Dvorak made a motion, seconded by Ms. Draffkorn to recommend approval of the current FY10/11 budgets for the Employee Benefit Fund, Social Security Fund and IMRF Fund, with an understanding that the final numbers may change and be brought back to committee for final review. The motion carried with all members present voting aye on a voice vote.

Income tax revenues are still behind. The Treasurer is holding the tax sale in October instead of later in the year. This action would result in lost interest on late fees, but, would show the results of having the tax sale twice in one year. The county is currently \$3.9 million dollars behind but, \$16 million in tax revenue is expected in September. The departments have done a great job in keeping costs down in their departments and the County is on target with what has been budgeted versus what has been spent. Sales tax revenues are still declining. Part of the reason is that the unincorporated area of the county no longer has any car dealerships so the amount received is from the incorporated areas of the county accounting for a lesser tax rate. The car dealerships in the incorporated area have shown small increases in sales. The RTA sales tax has shown a slight increase as well though they are not sure if this will continue into the future.

OLD BUSINESS:

None

REPORTS TO COMMITTEE:

Human Resources Director's Report: Mr. Ivetic stated he will bring forward any information on insurance pension reform as soon as the information is received. He will review any impact these changes may require. Committee members requested a summary of changes for review by the committee. Mr. Sarbaugh reminded committee members that he has built in an increase for the health insurance costs and he could decrease these costs if they are not increased by the projected amount.

EXECUTIVE SESSION: None.

ADJOURNMENT: Ms. Draffkorn made a motion, seconded by Ms. Yensen, to adjourn the meeting at 9:34a.m. The motion carried with all members present voting aye on a voice vote.

* * * * *

RECOMMENDED FOR BOARD ACTION:

:ksf