Ogle County Finance & Insurance Committee
Tentative Minutes
Wednesday, January 13, 2010

1. Call to Order by Chairman Hopkins at 2:34
   - Members present: Hopkins, Diehl, Kenney, Rice, White, Gronewold, Saunders
   - Members absent: none
   - Others present: Lynne Kilker, Marcia Heuer, Jim Barnes, Bob DeArvil, Meggon McKinley, Doreen O'Brien, Ron Colsen, Don Huntley

2. Approval of Minutes: December 9, 2009
   - Motion by Kenney
   - 2nd by White
   - Motion carried

3. Approval of Bills -
   - Treasurer
     - Motion by Kenney to approve bills in the amount of $4,175.61
     - 2nd by Diehl
     - Motion carried. Coffman noted the renewal fee has been locked in for 5 years.
   - Finance & Administrator
     - Motion by Saunders to approve bills in the amount of $38,801.08
     - 2nd by Rice. McKinley noted IT Cisco routers maintenance contract expires 1/18 and that we got bids to ensure best prices; worked with Dynamic Horizons to confirm we needed all these switches. Noted this amount wasn't budgeted in the network IT budget this year, but it must be paid.
     - Motion carried

4. Public Comment –
   - None

5. Insurance Report –
   - Property/Liability- Greg Query reported that there was one minor fender bender which shouldn't exceed $3,000-$4,000.
   - Health Insurance- John Coffman reported that there have been some big claims and we're at a loss ratio of 90%. He reported our health insurance was transitioned to CVS Caremark for discounts on prescriptions (instead of Walgreens) and that there has been one area of problem with an item not being coded correctly in the conversion - the 90% mail prescription wasn't handled properly and will be corrected this week. White asks if anything that might trigger a laser at our next renewal. Coffman does not think so. Rice would like this committee to start now for the renewal of

our group health noting we ‘ve had the same benefits on this plan since 1997, with a $500 deductible and many good benefits. To properly manage this, Rice notes we need to now consider larger deductibles, health savings plans, and start early. Rice noted we must have any changes to the plan ready before union negotiations so we know what we are bringing to the table. Rice will work with Query and Coffman now and start reporting back into the committee.

6. Finance Report – Hopkins noted expenses are up at the beginning of the year because of the quarterly payments that come right away. Coffman noted the $1mm transfer from the County Officers fund will come in January and that income is still down particularly since we’ve received nothing from the state since July or August, with the exception of sales tax and one payment for income tax. White noted he met with a group of manufacturers this year, who don’t have much optimism for 2010 or 2011. They are expecting to see commercial real estate go down the tubes the way residential did last year with commercial default loans high. Mid west realtors estimate real estate values will drop to 2000 levels. White suggested revising this year’s budget now instead of waiting to make hard decisions at the last minute if revenues decline further. White would like to understand how revenue cuts would impact our departments? He suggested reconsidering projections for sales tax and income tax. He noted unemployment may recover in the summer and likely get worse again next winter. He said from the meeting he had, it was clear many manufacturers are just hanging on and close to losing their grip. He’d like to review the scenarios of 15% cuts. White is concerned we’ll use the $200,000 loan from solid waste and more. Kenney noted Textron laid off 8000 people earlier, but is hiring back 600 now. Hopkins noted inventory is low, and so just-in-time manufacturing is the norm now. White also noted there are commodities going high, such as brass, whose cost has hit White’s manufacturing business. Coffman noted commodities tend to run together as they hedge against inflation. McKinley noted unemployment in Ogle County is at 12.9% and still climbing. Coffman noted car dealers in Ogle County aren’t carrying all the brands they used to, which can hurt sales. Hopkins noted Woods is calling back a few employees. Unemployment rate in Ogle County reflects the address of those laid off in other counties, like Stephenson and Winnebago.

7. Administrator Report –
   - Long Range Planning Fund Reports – Meggon McKinley distributed the monthly budget reports. Rice gave a brief project progress update noting Ringland Johnson is innovative, flexible, and excellent to work with. He noted Holabird & Root has gotten better with Jeff Case on the job. He noted Friday morning at 9:30 the Historical Society will be touring the courthouse and that 23 News wants to come through also. Rice noted that he discussed with Ringland Johnson who pays if there are delays in the project. Ringland Johnson indicates whoever causes the delay pays the extra fees. McKinley reported we are set for a mid-May move in, out from the original March projection.

8. New Business –
   - Tools for 2011 Budget Planning – McKinley identified budget tools the Finance Committee should have in order to be properly equipped to make 2011 budget decisions per department, such as staffing plans, service levels, job levels, market data, and salary ranges. She noted that while department heads have much of this information in their heads, it should be on paper and available to the board for a clear understanding of the impact of various budget decisions because without it. McKinley noted the Personnel and Finance Committees need to work together to evaluate all these tools and the impact of decisions jointly. White noted he wants to ensure nothing is so set in stone there is no flexibility, to which the committee agreed. Kenney said the committee shouldn't micro manage operations, rather set the budget based on data and facts. Kenney noted that this past year, some departments didn't follow the set budget parameters and that next year, we need more data and tools to better manage things. He noted we also need to move away from across the board increases and other tactics of the past. He noted that with new tools, each department head will receive a budget and will have discretion how to distribute it. Saunders noted it allows the department head to distribute based on their judgment and what the employee earned, and that it also supports union negotiations. Saunders noted such data and approaches help bring downward pressure on salary expenses, which is the goal of the Finance Committee. Rice would like to see us provide union negotiators with information about what we can and can't offer the unions based on the data and money we have prior to negotiations. White noted this remains difficult because we don't know our revenues and would like to see us put something in the contracts that say terms are subject to revenues. White also noted we had approved appointed and elected official raises over 4 years and wants to ensure we reevaluate these. Kenney noted in Personnel that discussed it has to be passed 180 days before election, so it needs to be in April Board meeting for final action with the committees working on it February and March. Kenney noted this topic should be a joint meeting with Personnel and Finance. Discussion followed, confirming the Circuit Clerk salary can be set annually, but the rest must be set before elections. The Sheriff indicated you can't change an elected officer's salary while they are in the office. Hopkins asked for a motion for McKinley to work with the department heads in gathering staffing plans and identifying desired service levels per department. Kenney moved to recommend that McKinley work with department heads to document staffing plans and service levels by department. 2nd by Gronewold. Motion carried. Gronewold asks what the sick day policy is per union contract. McKinley will provide that information to him.
   - Early Retirement / Buy Out Strategies- McKinley distributed and reviewed a summary of sample buy out options crafted by Lake County

and the City of St. Charles, and then reviewed the potential for such plans in Ogle County. Based on high level assumptions and preliminary data, it appears Ogle County could see a net benefit of $200,000 or more in savings if people took early retirement options. She noted that the hand out provided assumes we would eliminate 100% of the positions identified, but cautioned that is not possible. She said part of the process would have to be working with each department head to confirm on a position by position basis which positions could be eliminated and which could be replaced with lower paid employees. McKinley reported this appears to be a worthwhile evaluation, and the committee agreed noting we probably can't implement such a program until after the Personnel Committee work on job levels, market data, and pay ranges is ready. McKinley confirmed she will work with Coffman and all the department heads to keep refining the information and bring it to the Committee for assessment and next steps.

9. Old Business –
   - McKinley distributed the Probation account transfer letter of explanation from Judge Pemberton confirming no funds were able to be transfered from DC account at the end of year and the reasons why, per the committee's request.
   - McKinley reported that the Finance Committee will see a bill from the Circuit Clerk in the next few months for an employee for whom we want to get a doctor's second opinion on a health condition and how the county can help this employee succeed in her job as a result. Query confirmed we don't have any insurance coverage for the second opinion unless there is a filing of a law suit, which there is not.
   - Hopkins reported the tax assessment for Orchard Hills came in at $10,000 assessed value from the appraised $26 million of recent. Rice reports this will be going to civil court. Hopkins confirmed the County share is $35,000 of tax money for one year.

10. Adjournment by Chairman Hopkins at 3:58

Respectfully submitted,
Meggon McKinley, Ogle County Administrator

Lyle Hopkins – Chairman
Sheriff's Department Training Room 103 Jefferson St in Oregon, Illinois
Public Entrance – gated entrance off Jefferson Street – use East door of building