Ogle County Finance & Insurance Committee
Tentative Minutes
Wednesday October 14, 2009

1. Call to Order – by Chairman Hopkins at 1:45. Members present: Hopkins, Diehl, Kenney, Rice, White, Gronewold, Saunders. Also present: Boes, Colson, Kilker, Barnes, Heuer, Bauer, DeArvil, Gouker, McKinley, Sheriff, Martin, Finch, Jeanette, Huntley, Myer, Getzleman, Rypkema, Schabacker, McDermott, Dale, members of the public.

2. Approval of Minutes – Motion by White to approve the September 9, 2009 and September 23, 2009 minutes. 2nd by Rice. Motion carried.

3. Approval of Bills

    a) Treasurer – Motion to approve bills in the amount of $9,015.19 by Saunders. 2nd by White. Motion carried.
    b) Finance & Administrator – Motion to approve bills in the amount of $15,377.33 by Kenney. 2nd by Deihl. Saunders asked about legal fees for labor. Coffman noted $165 was for union discussions. The rest is due to a pending employment case in the Sheriff's office. Motion carried.

4. Public Comment – none

5. Insurance Report-
    a) Property & Liability Report – Query reported one deer accident this month, and clarified that he received the Ringland Johnson contact information from McKinley that he needed. Regarding workers comp, Query reported that he, Kenney and Coffman will go back to St. Charles 10/29 to review claims and ensure nothing is paid that shouldn't be. Query then updated the group regarding new legislation regarding rental cars in Florida, Colorado, and a few other states that can impact the county when renting cars to travel. This new law entitles rental car companies to diminished value of the vehicle if it is in an accident during the rental period because they won't be able to sell it for what they could before the accident. The renter could be faced with up to a $10,000 fee as a result. Query noted that Ogle County's insurance has not caught up with this and that anyone renting a car should take the extra rental car physical damage insurance coverage. He noted not to take the extra liability coverage because that is covered. Query noted Illinois does not yet have a diminished use law, and he will confirm for which others do.
    b) Prescription Drug Program – Coffman reported the recommendation to switch the county's prescription drug coverage plan to Wisconsin RX instead of Walgreens and distributed the sheet showing a projected

$45,000 savings on a two year contract. In addition, Wisconsin RX will reimburse us for an implementation fee up to $5 per person as long as we document and submit the expenses for reimbursement. He explained Wisconsin RX is a cooperative like ECHO, a non for profit, and that they've negotiated drug contracts with Caremark for better discounts than what we're getting with Walgreens. He reported that if we do change, they will charge $.20 per member per month to do so, but as a non-profit, they return excess money at the end of the year, usually 70% of the $.20 per member. Coffman also reported that our Walgreens plan had a 90 day prescription supply plan offer with great discounts, and this provider would do the same with Snyder Pharmacy, but Walgreens won't honor the 90 day supply discount if we switch to Wisconsin RX. Coffman reported that Group Administrator has reviewed this, as has ECHO and they all conclude it is a better discount plan than Walgreens. He noted that if we would like to implement this January 1, 2010, we need a decision today. If we postpone the decision a month, we could implement in February. $45,000 savings. White said this would help bring down insurance costs next year, and Coffman clarified it will help the claims fund. He did note we'd lose 25% of our rebates if we switch, which is about $4,000 - $5,000. Rice moved to accept the proposal from Wisconsin RX effective January 1, 2010. 2nd by White. Rice amended his motion to clarify it is a 2 year contract. Motion carried.

6. Finance Report- Coffman updated the revenue spreadsheet to show revenues as of 9/30/09 with few changes from last month. He reported that Jim Harrison has reduced the EAV to 2.0% instead of 2.5%, although the property tax projections had included a 2.0% EAV originally so the revenue projections didn't change. White asked if we've had higher percentage of delinquent taxes than normal and Coffman said not much; we mailed certified mail to about 1200 delinquent payers this year, and we are normally between 1100 – 1200. The slight increase may be due to one of the mortgage companies going bankrupt, and their 2nd installment payments bouncing. We're getting some of those back now. Coffman noted state income tax and other reimbursements are late. McKinley asked if the projected $700,000 overall revenue decrease in 2009 is still accurate, and he said yes, perhaps even more than $700,000. Martin noted he has received no word regarding any additional amount of Probation reimbursements the state will provide.

7. New Business –
    a) County Trustee Resolution- Coffman reported this is a formality to get a property out of the county trustee program in a sealed bid for deed, and that the County Board needs to approve those sales. He noted that if we don't sell the properties, the county trustee picks it up and tries to get the property back on the tax rolls. If the owner doesn't get it, we auction it. We had 8 auctions and the people noted on the resolution bought the

properties. Rice moved to approve the County Trustee Resolution as presented. 2nd by Kenney. Motion carried.

b) Union Discussions Update – McKinley reported that we met with Sheriff's FOP union and that the meeting was professional as we laid out what we were asking for and why and they asked good, clarifying questions. After the discussion, they indicated they would meet with the employees and respond to us shortly. McKinley noted there is a union meeting planned for Friday 10/19 for the employees to vote on a response to us and that we hope we will hear quickly after that meeting, recommending we set a special Finance Committee meeting for Monday to work through the budget with the union response. Rice cautioned we must wait until we get the response and set a meeting then. Hopkins agreed he wants to ensure they have the time they need to respond. McKinley reported that the Circuit Clerk and Health Department unions are waiting to see what the FOP does prior to responding. Gronewold recommended we set a special Finance Committee meeting to allow the 48 hour posting and cancel if it's not needed. Heuer confirmed that is fine as long as the cancellation is posted. Kenney moved to set a special Finance Committee meeting Monday 10/19 at 5:30 pm subject to having the information we need noting we'll cancel the meeting if not. 2nd by White. The meeting will be held in the Sheriff's Training room. Motion carried.

c) 2010 Department Budgets – McKinley distributed the updated New World system General Fund Budget projections report. Saunders noted the Soil & Water reduction was not made as requested at the last meeting. McKinley confirmed that was an oversight and will correct it for the Finance and Board meetings. She clarified the $80,000 County Clerk grant was removed from the General Fund, but that the small Emergency Communication grant was left in because we haven't confirmed how to report all grants in the general fund as of yet. If grants are left in the general fund line items, Coffman will ensure the offsetting dollar amount is included in the revenue projections. McKinley confirmed changes are reflected as requested for Zoning and Judiciary.

d) HEW Levies – Bauer reported to the committee that we are over in our targeted levies due to the commitment to cover the Health Department IMRF and FICA for an offsetting General Fund budget request as well as overall increases set in motion during the HEW funding hearings in August. Bauer summarized that one option is to keep the levies where they are with all taxpayers except Excelon absorbing the increase, and another option is to send the budget back to the HEW committee for them to take another look at the funding distributions to make reductions. Bauer noted the HEW Committee would like the Finance Committee to send it back to HEW for another review and possible reduction. Rice moved to have the HEW Committee look at the funding amounts again. 2nd by Gronewold. White asks for clarification. Bauer said if we levy at what the current HEW recommendation plus cover Health IMRF and FICA and the EAV is set at 2%, we need roughly $132,000 in offsetting

reductions. Coffman distributed and explained the levy worksheet arriving at these numbers. Bauer clarified that in the funding hearings, he communicated all funding decisions are subject to the Finance Committee and Board for full vote as part of the budget. White confirmed none of the entities have it their levies set at the max allowed, and that the process would be for the HEW Committee to re-recommend funding amounts and come back to the Finance Committee. Motion carried with one nay vote by White.

e) Audit Bids & Vendor Selection- McKinley updated the committee regarding the bids submitted in response to the county's request for 3 year audit services proposal. She distributed the summary of results showing LCV's 3 year proposal at $134,150, Clifton Gunderson's at $161,750, and Sikich Group's at $179,199. Lyle Hopkins, John Coffman, and she previously reviewed the information and agreed that while Sikich Group's services and performance have been outstanding, it would be difficult to justify a premium price for audit services in this budget climate. Rice and White agree the committee will recommend what McKinley, Coffman, and the department heads believe they can live with. White notes we've gotten good recommendations from Sikich and it's good to have another set of eyes on the books every contract period. Coffman said the LCV people were good to work with when they previously handled the county audit. McKinley recommends going with the low bid stating any drop in service can be managed for the sake of the budget. Gronewold moves to recommend LCV as the low bid provider. 2nd by Deihl. Motion carried.

8. Long Range Fund Report –

a) McKinley distributed the updated Long Range Fund Budget Report, which now includes more details of the courthouse project budget and line item expenses, and walked the committee through the new format asking for feedback. Discussion followed. McKinley clarified that in the Holabird & Root contract, they receive 8.5% of the cost of work, and so their budget will move with the cost of the project. She also clarified that the contract states they will not receive the 8.5% on any items added due to their omission, and the committee asked for that information to be reflected on the budget sheet in future month. McKinley also noted the contract states Holabird & Root is to receive 30% of any construction cost reductions obtained. She distributed the Long Range Planning bills summary. Kenny moved to approve Long Range Bills in the amount of $336,096.00. 2nd by Saunders. Motion carried with one nay vote by White. Kenny also moved to strike $1459.50 out of the finance committee budget and into the LRP budget because it represents disposal fee for courthouse demolition materials. 2nd by Deihl. Motion carried with one nay vote by White.

b) Steve Rypkema then provided the Finance Committee with an update regarding his concerns over potential reductions to land fill fees in coming years. He first reported that the enforcement grant of $56, 000 was cut for July – June of this coming fiscal year and we don't know if it will be

reinstated next year. He then reported on the recent 4 day landfill audit findings where 43% of waste coming into the Davis Junction landfill was not being reported, so no fees are collected on that amount. Rypkema noted this is due to a "diminished use ruling" that says if materials coming into the land fill can be used for road building material or daily cover, it's not considered waste and isn't subject to fees. He updated the committee on the negative impact of a new beneficial use senate bill 2034 (BUD) stating much has changed since original land fill waste rules were set up and the EPA stopped doing audits 7 years ago. The demolition and recycling industry has made changes such that any project in Chicago must recycle 50% of the waste. Residual materials are being ground up and being sent to land fills and being called recycling if used for beneficial use at land fills. Because of this, they avoid paying fees, even though it's filling up the land fills. Land fills are accepting this at no or low cost because it's easier to get the material delivered right where they need it, versus having to excavate soil on site for daily cover. Rypkema cautions as we look at use of the LRP funds and host fees, we must realize there is potential for reduction. Rypkema notes he may need the board's help in writing letters to the EPA and senators. He updated the group regarding his recent meeting with EPA Director on 9/17 that gave Lee, Will, and Ogle county perspectives on this issue, which seems to be helping the Chicago recycling industry but is cutting local government revenue sources from local host fees. Rypkema reports a potential 10% drop in fees compared to what we're getting today, which already includes missing 43% according to the recent audit. This could amount to $350,000 reduction. White notes this trend is likely to continue as new technologies come forward that will reduce the waste coming to land fills, such as incineration or cellulite processing, etc. McKinley noted she will work with Rypkema and Coffman to revise LRP revenue projections for the 2010 LRP budget.

9. Old Business – none

10. Next Meeting – It was noted our next regular meeting will be moved to Tuesday 11/10 instead of 11/11 due to the Wednesday Veterans Day Holiday.

11. Adjournment – Hopkins adjourned the meeting at 3:40

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