

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

MINUTES OF MONDAY, SEPTEMBER 22, 2008

Chairman Orphal called the committee meeting to order at 8:15 a.m. The following members were present: Lyn Orphal, Chairman; Sandra Salgado; Ed Dvorak and Sue Draffkorn. Anna May Miller arrived at 8:18a.m. Randy Donley and John Jung, Jr. were absent. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; Cindy Kozlowski, Financial Analyst; Pat McNulty, Health Department; John Labaj, Deputy County Administrator; and Bob Ivetic, Human Resource Director.

Lyn Orphal, Chairman
Randy Donley Sue Draffkorn
Ed Dvorak John Jung, Jr.
Anna May Miller Sandra Fay Salgado

MINUTES OF PREVIOUS MEETING

Committee members reviewed the Human Resources Committee minutes of September 8, 2008. Ms. Salgado made a motion, seconded by Ms. Draffkorn, to approve the minutes as presented. The motion carried with all members present voting aye on a voice vote.

PUBLIC COMMENT: None

PRESENTATIONS: None

NEW BUSINESS

Resolution authorizing the reclassification of position #51-0017-99 in the Health Department for FY08: Committee members reviewed a Resolution authorizing the reclassification of position #51-0017-99 in the Health Department for FY08. Mr. McNulty noted that this is a downgrade in a position. The position previously suggested this be filled with a nursing position. The position is working well by being staffed with a family case manager. Mr. Ivetic noted this is primarily a bookkeeping issue and has recommended the change. Ms. Salgado made a motion, seconded by Mr. Dvorak to recommend approval of the above Resolutions as presented. The motion carried with all members present voting aye on a roll call vote (Draffkorn, Dvorak, Salgado, Orphal)

Ms. Miller arrived at 8:18a.m.

Workers Compensation/Medicare Set-Aside: Mr. Labaj joined committee to discuss a requirement to have some Medicare set-aside funds for workers' compensation cases. Medicare began enforcing Federal regulations requiring all Workers' Compensation settlements to consider Medicare's interests. Medicare took the regulations one step further and established their own system to evaluate whether individual settlements adequately considered Medicare's interests by setting aside monies for future medical expenses. These funds are called Medicare Set-Asides. Initially the regional Medicare office was responsible for review of settlements in their area. Medicare quickly realized they did not have the infrastructure to deal with the large amount of settlements pouring into their offices. A contractor was hired to review the Medicare Set-Asides nationwide. To determine whether a claim is eligible for Medicare Set-Aside, the claimant generally must be 60 or older, the potential exists for the claimant to receive Social Security Disability within the next 30 months and the amount of the Worker's Compensation Claim is over \$250,000. To date, the County has no cases involving Medicare Set-Asides, though one case is expected to settle in FY2009. The County's current Third Party Administrator (TPA) recommends using one or two firms, Coventry Co. or American General Life Insurance Company to administer the account. Either firm would be responsible for obtaining Medicare approval, conducting an annuity cost analysis, establishing the life care plan and adjudicating and monitoring the account for the life of the claimant. The Medicare Set-Aside will ultimately increase the County's Workers' Compensation costs. The Set-Aside amounts will be over and above the initial medical, wage and settlement amounts paid on an individual case. If the proceeds in the account are insufficient to pay the long term medical costs related to the injury, Medicare will pay. If the claimant expires with funds remaining in the account, the funds would revert back to the County.

FY08/09 Budget Reviews – IMRF; FICA: Committee members reviewed the FY08/09 maintenance budget for IMRF and FICA. Mr. Sarbaugh presented committee members with the FY2009 budgets for IMRF, FICA and the Employee Benefit Funds. The Social Security Fund has been based upon the approval of 10 new positions. The tax levy was brought up to levels previously used. The projected interest earnings and real estate tax disbursements are less than previously projected in the past years. The IMRF budget includes both the IMRF and SLEP employees. Mr. Sarbaugh noted that even though the Employee Benefit Fund was already approved, he brought forward the information, in budget format for committee member review. The Employee Benefit Fund includes an amount to be paid to an employee's family upon the death of the employee. A resolution will be brought forward to increase the FY2008 amount because more employees passed away than was budgeted for. After review of the funds, the consensus of the committee members was to approve and forward the IMRF, FICA and Employee Benefit FY2009 budget to the Finance and Audit Committee for consideration. Mr. Sarbaugh informed committee members that these budgets have been based upon a 3% merit increase. There has been some discussion that they would like this amount to be up to 3.9%. If additional funds should become available, this would affect these budgets. Committee members questioned if employees are aware of budget constraints and questioned what was being perceived by the employees. They noted concern

HUMAN RESOURCES COMMITTEE

September 22, 2008

Page 2

that more employees might want to unionize if they see buildings built and additional construction going on when they are getting lesser increases. It was noted that these issues are being discussed with the department heads and employees are informed of the goings on of the county through the Monday Morning CAO reports as well. Mr. Sarbaugh noted they would know how much would be available for the increase after the CALF meeting.

Discussion of revised employee evaluation forms for Exempt Performance Appraisal, Managerial Performance Appraisal and Non-Exempt Performance Appraisal: Mr. Ivetic noted when creating these forms they used a three tiered approach, Exempt, Non-Exempt and Managerial. There is a common thread with each of the appraisal forms. The forms focus on the goals of the individual. He noted he would be working with the department heads, managers and supervisors on how to give a performance appraisal. A program has been created, with the forms as a vehicle to encourage good performance. Committee members agreed the forms were very informative and insightful for both the employee and employer. Committee members noted that the forms should require a comment for justification if given a 1 or a 5. Mr. Ivetic stated he would like to see comments for all numbers given, but, would put in a requirement for those receiving a 1 or 5.

Mr. Sarbaugh informed committee members that the County Board Members and the elected officials will be receiving a cost of living increase of 3.9%.

OLD BUSINESS: None

REPORTS: None

EXECUTIVE SESSION: None

ADJOURNMENT: Ms. Salgado made a motion, seconded by Ms. Draffkorn to adjourn at 8:58 a.m. The motion carried with all members present voting aye.

* * * * *

RECOMMENDED FOR BOARD/COMMITTEE ACTION:

Resolution authorizing the reclassification of position #51-0017-99 in the Health Department for FY2008

:ksf