

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

MINUTES OF MONDAY, FEBRUARY 8, 2010

Chairman Salgado called the committee meeting to order at 8:15 a.m. The following members were present: Sandra Fay Salgado, Chairman; Sue Draffkorn; Ed Dvorak; Ersel Schuster; Scott Breeden and Paula Yensen. Robert Bless was absent. Also in attendance: Peter Austin, County Administration; John Labaj, Deputy County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; Tricia Perchotta and Bob Ivetic, Human Resources; Pat McNulty, Health Department; Jim Cornelius and John Rowlette, Corporate Benefit Consultants, Inc.

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

MINUTES OF PREVIOUS MEETING

Committee members reviewed the Human Resources Committee minutes of January 11, 2010. Ms. Schuster made a motion, seconded by Mr. Breeden, to approve the minutes as presented. The motion carried with all members present voting aye on a voice vote.

PUBLIC COMMENT

None

Chairman Salgado stated that she would move the Resolutions forward for consideration so that staff would not be required to sit in on today's presentation.

NEW BUSINESS

Resolution authorizing the transfer of \$11,000 within the Dental Budget and the creation of a part time position in the Dental Care Clinic: Committee members reviewed a Resolution authorizing the transfer of \$11,000 within the Dental Budget and the creation of a part time position in the Dental Care Clinic. Mr. McNulty stated that when this grant funding was originally accepted some of the funds were put into the contractual line. It has been determined that the funds would be better utilized by creating a new part time position to help meet the deliverable of the grant. After review, Ms. Yensen made a motion, seconded by Mr. Dvorak to recommended approval of the above Resolution as submitted. The motion carried with all members present voting aye on a roll call vote (Breeden, Draffkorn, Dvorak, Schuster, Yensen, Salgado).

Resolution authorizing the acceptance of an additional \$26,164 in grant funding from the Illinois Department of Human Services, the creation of a part time position and an emergency appropriation to the Health Department FY2010 budget: Committee members reviewed a Resolution authorizing the acceptance of an additional \$26,164 in grant funding from the Illinois Department of Human Services, the creation of a part time position and an emergency appropriation to the Health Department FY2010 budget. This is additional grant funding that was received from the Illinois Department of Human Services. The acceptance of the grant will help the department improve its ability to provide services to its WIC program with the creation of a new part time Nutritionist position. Ms. Yensen made a motion, seconded by Ms. Draffkorn to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Breeden, Draffkorn, Dvorak, Schuster, Yensen, Salgado)

Resolution authorizing the acceptance of an additional \$5,000 in grant funding from the Illinois Department of Human Services, the reclassification of position 051 0958-09 and an emergency appropriation to the Health Department FY10 budget: Committee members reviewed a Resolution authorizing the acceptance of an additional \$5,000 in grant funding from the Illinois Department of Human Services, the reclassification of position 051 0958-09 and an emergency appropriation to the Health Department FY10 budget. This is additional grant funding received for support of the breastfeeding program by women in the WIC program. Mr. Dvorak made a motion, seconded by Ms. Draffkorn to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Breeden, Draffkorn, Dvorak, Schuster, Yensen, Salgado) Committee members questioned how many persons have received services from this program. Committee members were informed that presentations are provided to the Public Health and Human Services Committee. These presentations are available on the Health Department website. Information on the number of women served through this program will be forwarded to the committee members.

PRESENTATIONS

Group Health Insurance Program – by Corporate Benefits Consultants (CDC): Committee members were joined by Mr. Jim Cornelius and Mr. John Rowlette from Corporate Benefit Consultants, Inc. for a presentation of the Health Insurance

Plan Performance update. Representatives reviewed the trends in the marketplace, first, second and third year performances and recommendations with observations for moving forward with the insurance program. Medical costs are escalating at a higher than normal rate in advance of Healthcare reform. Some of the increases are the direct result of utilization within the job market for the same procedures which are up 10-20% from previous years. The extension of COBRA subsidy as well as the increase in COBRA claims. And, because of insurance mandates, there is an annual trend increase of 1% to 2%. This past year those mandates include HB5285/Dependent Law which requires coverage for dependents age 26/30 and the Mental Health Parity Law. McHenry County has saved, beginning in July of 2007 by changing from a Fully Insured Non-Refund Contract to a cost plus contract. If the County had been on a fully insured basis the renewal increases would have exceeded 35% for the past 3 contract periods. Because of higher utilization of insurance claims, carriers have increased trends drastically and if you were fully insured these costs would have sky rocketed. Because the County is self funded this has resulted in an actual increase of 12% over the three year period. Committee members were cautioned that the prescription costs are trending up. Some of these trends are seen because of specialty drugs and the increase in medical costs. Some of these drugs can run as high as \$15,000 per month. This is an area that the county needs to keep track of in order to manage these high costs. Specialty Drugs and the multi-million dollar proposed tax on Pharmaceutical Companies is causing the cost of drugs to escalate. Prescription drug costs have increased from 4.3% to 35.3% in one year alone. 21% to 25.4% of the medical claims come from prescription drug costs. Committee members stated that the employees need to be aware of the true costs for their drugs and stated it might be a good idea to create a different level of coverage for those that will only use brand name prescriptions versus those that will take generic brand drugs. Committee members also asked if there was someone available on staff that is educated enough to provide information regarding the pharmaceutical costs so that the employee could choose from a cheaper drug that may be available on the website. The County needs to be fiscally responsible so it is very important to educate the employees as to the different costs for brand name versus generic drug costs. Insurance renewal kickoff begins in March or April so the County will have to look at what they can do to bring costs down. It was stated that all the labor contracts would need to be reviewed to see how the labor issues may affect benefit costs. Committee members stated that it is important that we keep the insurance the same across the board for all employees and a decision will need to be made by May in order to have the County Board approval that would be needed for the insurance program sign up. Committee members thanked Mr. Cornelius and Mr. Rowlette for their presentation.

OLD BUSINESS

None

REPORTS

Mr. Ivetic introduced Ms. Tricia Perchotta for an update on the County's wellness plan. Chairman Koehler stated that with diabetes becoming a big issue, along with the wellness testing, invite Representative Tryon, who has severe diabetes, to speak on this topic. The County has a lot of overweight individuals that may become diabetic if their issues are not addressed in a timely manner. Committee members stated it is important to get more employees involved with the health risk assessment program. They questioned if any of the large departments had a large number of participants in the program. Ms. Perchotta stated that there was not a large percentage of participation seen for any of the larger departments. Committee members thanked Ms. Perchotta for her information.

Human Resources Director's Report: Mr. Ivetic provided a Directors report to the committee.

Mr. Ivetic provided committee members with an update to the negotiations for the labor groups for Animal Control and the Deputy Coroners. The County is still waiting to hear from the Labor Board on their ruling concerning the request to identify the deputy coroners as part of the Peace Officers group. The Administrative Law Judge has ruled the deputy coroners are not considered as peace officers and as such are not eligible for interest arbitration. The SEIU wants the whole board to make a ruling on this issue, though the Labor Board generally rules in favor of its Administrative Law Judge, the County is in limbo until a decision is made.

The County and the Animal Control Kennel Techs' are going through a first agreement so it takes time to develop a contract. The County and the group are not close with their money requests. The County is filing for mediation on this issue. Mr. Ivetic reported that we have to go through the process and he will provide updates as they are received.

Committee members were provided with a new two year plan. Chairman Salgado requested these goals reviewed and bring back the information for further discussion in March.

Mr. Austin informed committee members that a tentative agreement has been entered into for the new Valley Hi Administrator. This will be brought before the Valley Hi committee this Thursday. The individual will start in the new position on March 15th. When looking for the new administrator, salary was listed as up to \$100,000, which the new administrator applicant requested. We countered with an offer of \$94,500. He has accepted this offer with a review to be given after 6 months. At that time we will review if the goals set for him has been reached. Since this person has been hired below the midpoint range this item will not be brought back to the committee. The process to hire this individual was a great experience and by hiring the recruiting firm the County was able to be the best candidates available in the area to interview. It was stated that the interview process went well with interviews being held with management staff, County Board Members, the County Administrator and Valley Hi staff. All of the groups were unanimous in the choice for the new administrator.

EXECUTIVE SESSION: None

ADJOURNMENT

Ms. Schuster made a motion, seconded by Ms. Draffkorn to adjourn at 10:00 a.m. The motion carried with all members present voting aye.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

Resolution authorizing the transfer of \$11,000 within the Dental Budget and the creation of a part time position in the Dental Care Clinic

Resolution authorizing the acceptance of an additional \$26,164 in grant funding from the Illinois Department of Human Services, the creation of a part time position and an emergency appropriation to the Health Department FY10 budget

Resolution authorizing the acceptance of an additional \$5,000 in grant funding from the Illinois Department of Human Services, the reclassification of position 051 0958-09 and an emergency appropriation to the Health Department FY10 budget

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