

LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS COMMITTEE
McHenry County Government Center – Administration Building
667 Ware Road
Woodstock IL 60098

MINUTES OF THURSDAY FEBRUARY 24, 2011

Chairman Heisler called the meeting to order at 8:31 a.m. The following Committee members were present: James Heisler, Chairman; Ersel Schuster; John Jung, Jr.; Kathleen Bergan Schmidt; Pete Merkel and Marc Munaretto. Nick Provenzano was absent. Also in attendance: Ken Koehler, Chairman, McHenry County Board; Peter Austin, County Administrator; John Labaj, Deputy County Administrator; Charlie Eldridge, McHenry County EDC; Julie Courtney, Workforce Network; Tom Annarella, Valley Hi Administrator; and the press.

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| James Heisler, Chairman | |
| John Jung, Jr. | Pete Merkel |
| Marc Munaretto | Nick Provenzano |
| Kathleen Bergan Schmidt | Ersel Schuster |

MINUTES

Committee members reviewed the committee minutes from January 27, 2011. Ms. Schuster made a motion, seconded by Mr. Jung to recommend approval of the minutes as presented. The motion carried with all members present voting aye on a voice vote.

PUBLIC COMMENT

Mr. Charlie Eldridge informed committee members that he was joining the committee meeting today on behalf of the McHenry County Economic Development Corporation. He stated that the EDC has sought help with the lobbying efforts and supports the County's agenda wherever it can. He stated he is a member of the EDC and they welcome any input to support the business community in the future.

PRESENTATION

Workforce Investment Act Cuts: Ms. Courtney from the Workforce Network joined committee members to inform them that the House of Representatives passed its spending bill last week which zeroed out all funding for WIA programs. Effective July 1st, over 600 McHenry County residents who are being served with WIA funds, would lose their services if the bill is passed by the Senate and is signed by the President. Many individuals are in the middle of training programs or placed at work experience sites. All job club meetings, seminars, workshops and training options for the WIA customers will end. This Bill has the potential to close 3,000 One-Stop centers across the country, including the one located in McHenry County. This Bill also takes back \$65,000,000 of unobligated funds from FY2010. The Senate still has to approve this bill so there is still time to show support for the WIA. Individuals are signing petitions in support of the Workforce Network. In this County alone, they have seen a 148% increase in requests for services. 26,000 residents have been served at McHenry County's site. 340 residents have been able to increase their skills at 21 businesses to keep that business competitive and able to remain in business. Over \$289,000 was reimbursed in training costs. 1263 people obtained employment and 89% of these individuals have retained those jobs. Over 75% of funds have been used for direct training and support services. For every \$1 spent for services \$2 has been put back into the economy. Ms. Courtney stated that the facility was prepared for cuts but this totally eliminates the program. She noted there may be enough funds to continue to close out the programs through October of this year. Committee members were informed that Senator Durbin is scheduled to join the McHenry County Workforce Network center on Friday to discuss the impacts this will have on the County. Ms. Courtney stated at least he is listening to the concerns and this issue is on his radar. EDC representatives will join Ms. Courtney for this meeting. Ms. Courtney stated that Senator Durbin sits on some very important committees, including those that affect these programs. He is scheduled to attend the Crystal Lake Chamber of Commerce luncheon to discuss this issue as well. A Workforce Investment Board member will attend this luncheon. Ms. Courtney stated it is important that support is shown and individuals speak on behalf of these programs in order for the Legislators to know how important these programs are. She asked committee members where the unemployed community members are supposed to go to help them find a job. There will no longer be help with assistance to find jobs, no job enhancement programs, search assistance or job training. Ms. Courtney thanked the committee members for their support.

Proposed Nursing Home Cuts: Mr. Annarella joined committee members to discuss the proposed Nursing Home Cuts of 6% in the Governor's Budget. The cut includes payments to nursing homes, hospitals, health care

providers, Supportive Living Facilities, and other non-institutional providers. The long term care line item looks to lose approximately \$100 million dollars. Last year the Governor signed the Nursing Home Reform bill with mandated increased staffing levels each year for the next few years with no reimbursement mechanism tied to it to fund the increase in staffing.

The Governor signed the bed tax proposal immediately following his budget announcement which increases the bed tax by \$6.07 per occupied bed effective July 1st. This will net the State approximately \$145 million in new tax revenue. Using the tax, the state receives additional funding through the FMAP (Federal Medical Assistance Percentages) program. The enhanced FMAP has dropped from 61% to 59% effective January 1, 2011, on April 1st the FMAP will drop to 57% and on July 1st the FMAP will drop to 50%. Illinois ranks 49th out of 50 for reimbursements. A majority of the states in the country have a daily reimbursement rate that is 50% higher than Illinois. Illinois has a higher cost of living than most and a higher rate of pay for nurses than most. The State of Illinois is looking to balance its budget on the backs of the nursing homes.

The Governor's budget calls for the elimination of the Circuit Breaker program which many of the Valley Hi residents use to pay for their medications and supplement their social security amounts, amounts which save the State money in the resource calculation process for Medicaid residents. The Governor's budget also calls for the elimination of the Illinois Cares Rx program, which will on its face save the State \$107 million dollars, however, without the program, Medicaid could potentially be responsible for paying for medications for Medicaid residents. The State is moving hard and fast on maximizing the federal matching dollars through the FMAP and bed tax program while eliminating or cutting expenses to those that participate in the State Medicaid program as either a provider or a recipient. The legislators need to be made aware of what is going on. The State was supposed to fund 100% for Medicaid recipients. This is now down to 80%. Facilities are now being built without Medicaid beds. With the expected increase to the system where are these individuals expected to go? These cuts affect any facility that provides services to Medicaid residents.

Committee members questioned what qualifies a person to be a Valley Hi resident. Committee members were informed that the individual's power of attorney must be a County resident, which are Valley Hi's rules. Committee members stated that the "waiting list" should be abandoned and changed to the "prospective resident pool". A waiting list implies the next person in line would be accepted as a resident and this is not the case. It would be depend on the type of bed available. If a bed is open for a "male" resident and the next four in line are female, the waiting list theory cannot be followed. Committee members suggested the Operating Board look into this change. Committee members questioned if there are any residents at Valley Hi that are able to take care of themselves. Mr. Annarella stated that there are, but, these residents have no way to pay for alternate facilities. These residents could be moved to a supportive living facility for Medicaid patients, but there are not a lot of these facilities available. Committee members stated that Valley Hi needs to work in association with these facilities. Another issue is that the residents of Valley Hi do not want to leave the facility. Valley Hi is currently at 100% occupancy without a decrease in the waiting list. There is currently a push to get individuals back into "home care" as it is cheaper to pay for these seniors if they remain in their homes.

OLD BUSINESS

State Legislative Update: Committee members were provided a list of bills that are being followed at the State level that may affect McHenry County. Chairman Koehler informed committee members that he attended a McCog meeting yesterday where they are proposing through House Bill 222 that a list be published of what each government employee makes and their titles. He questioned what purpose this serves. It was stated that this type of list would allow for all teachers salaries to be found as well as other elected officials. Mr. Austin stated that this type of list would be easy to provide, but questioned if the County wants to be told when and if to do this. Committee members stated that the State has also proposed elimination of the Regional Office of Education. If this should occur, the duties of these offices would fall to the local school districts. Some of these duties include truant duties, substitute teacher certificates, bus driver testing, and background checks.

Committee members noted that additional legislation that is not listed that should be included, is if a township road district has less than 100 miles of roads that they are responsible for, the road districts would be abandoned. This could require the county to be responsible for maintenance of more roads. Committee members reviewed the list

beginning with:

- House Bill 9, this Bill the Metro County Legislative Committee supports which states that a county of less than 3,000,000 may publish the assessment rolls on its internet website rather than in the newspaper. This Bill was assigned to the Revenue & Finance Committee on February 8th
- House Bill 146 is being reviewed. The Bill amends the articles of the Illinois Pension Code that would cap the highest salary for annuity purposes, final rate of earnings, final average compensation and final average salary for current members, participants and participating employees of the affected systems at \$106,800 but authorizes that amount to be increased annually by the lesser of 3% or ½ of the annual percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1st. This requires employee contributions to also be based on these capped amounts. This would be effective July 1st. This Bill has been assigned to the Executive Committee.
- House Bill 156 is supported by the Metro County Legislative Committee. This amends the Counties Code which provides that 30 days prior to the issuance of a building permit for a facility necessitating the erections of a new tower, the applicant shall provide written notice of its intent to construct the facility to the State Representative, State Senator and County Board Member of the district in which the subject facility is to be constructed. This would be effective immediately. This Bill has been assigned to the Counties and Townships Committee and is set for its third reading.
- House Bill 213 is supported by the Metro County Legislative Committee. This Bill amends the Illinois Income Tax Act and provides that if the rate of tax is reduced because the State has exceeded the State spending limit, then, beginning with the first distribution to occur after the affected date of the reduction the State Comptroller shall order transferred and the State Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/10 of the net revenue realized under the Act during the preceding month. This would be immediately effective. This was been assigned to the Revenue and Finance Committee.
- House Bill 216 is supported by the Metro County Legislative Committee. This amends the Clerks of the Courts Act. It provides that the clerk of the circuit clerk, if authorized by ordinance, by the County Board, may collect a fee up to \$10 for court interpreter services, in addition to other fees or costs allowed or imposed by law, in all criminal and quasi-criminal cases from each person convicted or sentenced to supervision in a case arising from a felony, misdemeanor, business offense, or petty offense complaint or arising from a minor traffic or ordinance violation. This has been assigned to the Counties and Townships Committee.
- House Bill 222 is opposed by the Metro County Legislative Committee. This amends the Department of Central Management Services Law of the Civil Administrative Code of Illinois. This Bill would provide that the Illinois Transparency and Accountability Portal (ITAP) shall also include a searchable database of all county, township, and municipal employees sorted by the employing unit of local government, employment position title and current pay rate and year to date pay. This limits home rule powers. This has been assigned to the State Government Administration Committee.
- House Bill 242 is opposed by the Metro County Legislative Committee. This amends the Township Code. The bill provides that in townships of less than 200,000, a township board may file suit with respect to a nuisance occurring within the unincorporated area of the township if a township requests that the County Board of the County in which the township is located commence specified proceedings and the county board does not commence proceedings to demolish, repair or enclose the nuisance within 60 days after receiving the request. This sets forth the types of relief the township may seek. This provides that the defendants shall be the owner or owners of the property and that any legal fees or costs incurred by the township may be assessed by the court against any or all of the defendants. This would be effective immediately. This Bill has been assigned to the Counties and Townships Committee.
- Senate Bill 42, is opposed by the Metro County Legislative Committee. This amends the Counties Code and requires a county board create a uniform application process for all appointed county positions. This defines an "appointed county position" as a position on a board or commission authorized or created by State law or county ordinance or resolution to which the county board, one or more members of the county board, the county board chairperson, or any combination of those persons, has the authority to make the appointment. This bill provides that, if a county maintains a website, the county must create and maintain on that website a centralized, searchable database, freely accessible to the public, of information concerning appointed county positions. If a website is not set up, the county must publish the information in a newspaper of general circulation within the county. This limits home rule powers and amends the State Mandates Act to require implementations without reimbursement, effective immediately.
- Senate Bill 134 is supported by the Metro County Legislative Committee. This amends the Illinois Income Tax Act which provides that beginning on the first day of the month to occur not less than 30 days after the effective date of the amendatory Act, the State Comptroller and the State Treasurer shall transfer each month from the

- General Revenue Fund to the Local Government Distributed Find an amount equal to 1/10 of the income tax proceeds collected during the previous month, minus certain amounts paid as refunds. This would be effective immediately. This has been assigned to the Revenue sub-committee on Special Issues.
- House Joint Resolution Constitutional Amendment 5. This is supported by the Metro County Legislative Committee. This proposes to amend the General Provisions Article of the Illinois Constitution. This provides that a bill shall not become a law without the concurrence of three-fifths of the members elected to each house of the General Assembly if the bill increases a benefit under any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof. This has been referred to the Rules Committee. Committee members thanked Mr. Austin for this information.

Federal Legislative Update: Committee members were provided a list of House-passed program funding levels proposed for FY2011. The House passed bill is getting little traction in the Senate. While the Senate has acknowledged that difficult cuts need to be made, they want more modest reductions to ensure sufficient funding for programs that promote job creation, education and economic recovery. Mr. Austin reminded committee members that next week a group of county delegates would be going to Washington DC to meet our legislators and staff members to learn how the new rules will affect how the County obtains any Federal funding. The delegates will met with either the Federal Highway Authority or US Department of Transportation to find out what the County needs to do to get some of these federal highway funds. The County couldn't access previous funds that were available. Mr. Austin noted that it is important to get some face time with each of the legislators to talk about our county issues.

NEW BUSINESS

Discussion on Redistricting: Committee members were informed that the Redistricting process would be handled by this committee and forwarded on to the County Board. There is GIS Software, which is the same as the State that can help with this process. It has been suggested that a Committee of the Whole (COW) be held within the next six weeks to kick off the redistricting process. There will be many questions that need to be asked before we can begin this process. Mr. Austin stated that when he spoke to a consultant, they spoke about the steps that the County would need to take in order to apply the new data to the districts. The County must identify principles this County Board wants to follow. Some of the questions are whether the board wants to follow township and municipal boundaries, consider incumbent addresses, follow current or change precinct lines. There will be a change to the State Senate lines, does the County Board want to wait for these changes, which are due in May. It was stated they might want to have the process completed by August or September as they would like the redistricting completed before the Spring primaries. Committee members questioned if there would be a benefit to wait for the State lines and if these would matter. Committee members stated that we shouldn't wait for the State. The software provides different options that can be considered. There will be additional precincts, should some of the precincts be split? The census results will determine where the additional precincts will be needed. There will be some smaller precincts than others.

Additional updates will be provided at the next committee meeting on this issue as well as an update regarding the Washington DC visit.

EXECUTIVE SESSION: None.

REPORTS TO COMMITTEE:

Mr. Merkel informed committee members that a Parks and Recreation Conference will be held in Washington DC in March. Ms. Kessler, Executive Director, has been very active with the County's MCCD will attend this conference with additional trustees to lobby for the McHenry County Conservation District's efforts. They will discuss issues that benefit the residents of the county. Mr. Merkel stated he would get a legislative agenda from the MCCD for presentation to this committee.

ADJOURNMENT:

Noting no further business, Ms. Schmidt made a motion, seconded by Mr. Merkel to adjourn the meeting at 10:00 a.m.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

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