

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

MINUTES OF TUESDAY, SEPTEMBER 13, 2011

Chairman Jung called the Committee meeting to order at 8:30 a.m. The following members were present: John Jung, Chairman; Scott Breeden; Sue Draffkorn; Diane Evertsen; Marc Munaretto and Barb Wheeler. Paula Yensen was absent. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Cindy Kozlowski, Financial Analyst; Tricia Pechotta and Bob Ivetic, Human Resources; and Sandy Lewis, Mental Health Board.

John Jung, Chairman	
Scott Breeden	Sue Draffkorn
Diane Evertsen	Marc Munaretto
Barb Wheeler	Paula Yensen

MINUTES

Committee members reviewed the minutes from the Human Resources Committee of August 23, 2011. Mr. Munaretto made a motion, seconded by Ms. Draffkorn, to approve the minutes as presented. The minutes were approved with all members present voting aye on a voice vote.

PUBLIC COMMENT

None.

PRESENTATION

None.

NEW BUSINESS:

Committee members were informed that they would bring the 360 Evaluation forward first for discussion, in order to allow Mr. Sarbaugh time to join the committee for budget reviews.

*360 Evaluation:* Committee members reviewed information brought forward by Mr. Ivetic on a proposed 360 Evaluation process for McHenry County. This process is a process that is used as a developmental tool for professional/leadership development. This goes hand in hand with performance goals.

Committee members were informed that this can be an expensive product to use. Mr. Ivetic stated that based on his knowledge and research with other consultants, he developed a shortened 360 evaluation tool that could be used here in the County. This could be a pilot program, put out on survey monkey, for a much cheaper cost.

Mr. Austin stated he would like to choose a department head for this process. Several Board Members and Department Heads could then fill out the information concerning this department head. This information would then be sent to an outside source in order to get a whole 360 viewpoint on this department head. This would provide a "snapshot" of what this 360 evaluation would look like. This would be totally anonymous.

It was stated that this evaluation is a good idea because we as individuals often see ourselves as very different as from outside perceptions or what others perceive us to be.

Mr. Austin stated that he is very excited to have this process available for his reviews of the department heads. He stated that this product would allow for valuable input from others. He suggested that the County use this process for about 5 evaluations for the next few years to use as a trial group for use of this process.

Committee members were reminded that this is not intended to be an evaluation process but to be used to augment the process. This process could be used, starting in October to help set the goals for the coming year. He stated that he would work with the chairman of the standing committees to review a list of participants to get additional peers for review of each participant. The individuals used for the review process should include individuals outside the organization that may have contact with this participant. These individuals may have a different view of the participant than those that work directly with the individual.

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Committee members questioned if the results would be forwarded to the participant for review. Mr. Ivetic reported that the results would be compiled in one place in order to receive a snapshot of these results. They would see a rating and they would be able to go through the questions to see an analysis of the results.

Committee members were reminded that this is a separate component of an overall evaluation. This is only used as a developmental tool and can be improved over time.

Committee members questioned what the objective is for this product. They were informed that this product would be used for leadership and staff development and provides a supplement to the evaluation process. This is not to be used in lieu of the evaluation process.

Mr. Austin stated that he took part in a 360 evaluation process previously as part of his continued education. The results were sent to the University with 24 people, including department heads and County Board members. He stated he had 11 of the 24 respond. Committee members questioned why more people did not respond to these questions.

Committee members questioned if they could make the questioner more specific to an individual or department. They were informed that this could require involvement of more staff. It was noted that they could cap the evaluation form to 20 (twenty) questions in order to get feedback from the majority of persons included in the evaluation.

Committee members agreed that this was a good product to try and requested feedback on the process.

### *FY11-12 Budget Reviews:*

*Health Insurance, Social Security Fund and IMRF Fund:* Mr. Sarbaugh and Mr. Austin joined committee members to discuss these budgets. Mr. Sarbaugh stated that the budget includes the addition of five new positions. He stated that this is the result of adding two new judges to the County, which requires additional staff. Committee members were informed that the Health Insurance, IMRF and Social Security budgets includes vacancies from the employment roster. Mr. Sarbaugh stated that some of these positions could be filled as they are not frozen positions.

Committee members were reminded that they have reviewed these budgets once already. There may need to be some small changes as information is brought forward. Mr. Sarbaugh stated that this is the first time he has built in expenses for these budgets. These expenses include health insurance payments, claims and amounts if an employee should die while an active employee. If an active employee dies, the county provides funds to the family of up to \$15,000, depending on the grade of the employee. Mr. Sarbaugh stated that he budgets approximately \$30,000 per year for this.

Committee members reviewed the budget for IMRF. Mr. Sarbaugh stated that he will have to continue to monitor this fund because the employer rate depends on how IMRF has done in the market. The fund balance is still decent so the County should end up with four months reserve in this fund.

Committee members were informed that the Social Security Fund budget has been bumped a small amount. These numbers are based on the roster numbers and salaries of the employees. A 3% increase has been built into the budget.

Committee members reviewed the cost of the County's share to fund early retiree healthcare. They were reminded that the County is not required to pay for these costs. It was stated that the County Board members may want to address these costs in the future to see if they want to continue this benefit in the future. It was stated that the premium cost is not a huge cost to the County, but they are heavy users of the health care plan. Since the County is self funded this causes higher costs for the County. Once these retiree's are eligible for Medicare, they are taken off the healthcare program. Committee members were reminded they need to make sure they understand who this affects. It was suggested that they work on this area over a number of years in order to change this benefit. Not everyone may want to eliminate this program. Committee members questioned how many early retirees would be affected by changes to this program. Committee members agreed this would be a good discussion for the future.

Committee members were reminded that the vacant positions will be reviewed prior to the end of the budget process. They will want to get answers surrounding all vacancies.

Mr. Sarbaugh reminded committee members that he needed direction surrounding the budgets that were reviewed today. The consensus of the committee was to move these budgets through the budget process.

Mr. Munaretto questioned when the committee would be having a conversation regarding the salaries for the elected officials. He stated that he thought that salaries issues of the elected officials would be reviewed by this committee. He stated that he was surprised when he saw that the Standing Committee Chairmen was reviewing this issue prior to this committee. He stated that this committee usually reviews salary budgets prior to the other committee's reviews. Mr. Austin stated that he was directed by the Standing Committee Chairmen to take a Resolution directly to the County Board for discussion and consideration. Mr. Munaretto voiced concern that this was circumventing the committee process. Mr. Austin stated that he was directed to forward a Resolution to the County Board for discussion and consideration. He stated that this is a unique issue as it involves salaries two years from now and for the next decade. Committee members suggested this information be brought to a Committee of the Whole meeting for discussion. Chairman Jung stated that he thought a resolution would be forwarded to this committee for consideration on this issue. Committee members were reminded that there will be an opportunity to set wages for other elected officials in FY2013 as well. It was stated that they have an obligation to set some of the elected official's wages for the coming years. The Chairmen's Standing Committee recommended that the wages for these officials be frozen for FY2013 and FY2014 and to tie the wages into the CPI for FY2015 and FY2016. That committee also suggested that the mileage for the County Board Members be stricken and to set out the health insurance component for consideration. There has been mixed opinions on what the contribution rate should be for the County Board Members for health insurance. They also requested that all of the County Board Members be paid the same for FY2013 and FY2014 and increases for FY2015-FY2016 be tied to the CPI. It was noted that not all of the County Board Members feel the same and stated that some feel that the County Board Members should be paid a per diem for attendance to meetings. Some feel that some of the Board Members are being rewarded for not working. It was stated that we do not know how much time any of the elected officials work and each of the elected officials are responsible for their own work, no matter what official it may be and when you run for office it does not say what the time commitment is nor does it give any required hours. They stated if every board member is assigned a certain number of meetings, they should be attended. They stated that this issue can be discussed when it is brought before the County Board. Committee members stated that they want to make this very clear that this discussion was a province of this committee. They stated that a discussion on this issue should have taken place by this committee prior to review by the County Board. The committee members noted that this would be a lengthy discussion at the County Board meeting.

Committee members were informed that the discussion regarding non-union raises will be brought before this committee for consideration. A 3% raise has been built into the budget for non-union employees but no policy has been set yet on this issue. Committee members questioned when this issue would be brought before the committee for discussion. They stated that they feel this decision has already been made. Committee members were reminded that this issue was discussed both in July and again in August during a County Board meeting. They are currently trying to put forth a balanced budget and this 3% raise was always included as part of the balanced budget. There have been no raises for non-union staff for two years and committee members felt that a decision on this issue should have been discussed by this committee so they could determine if this was even feasible. Mr. Austin replied that this 3% has been built into the budget. They may choose to remove this 3% or to apply this 3% unequally to the various classes of employees. We at this time do not know what this 3% means. Committee members questioned if there is a way for them to fit that into the dollars that are available for the FY2012 budget. They stated that somewhere this discussion will need to take place by this committee. They stated that they are two months away from adopting a new budget they again questioned when they would be having a discussion regarding raises. Committee Members voiced concern as they do not know what 3% means. There hasn't been a discussion at this committee, nor have they had an opportunity to have a conversation about raises. Mr. Austin noted that when they budget 3%, they provide these funds to each department. Each department head then distributes these funds based on performance of each employee. Committee members stated that they do not feel comfortable with

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the assumption that it is okay to take a resolution directly to the County Board without a full discussion at the committee level. If this was brought to this committee a few months ago for discussion, with overlap with the Finance and Audit Committee, they would be able to move forward with these discussions on the budgets. It was stated that just having these discussions provides chatter among the employees. They are looking at the situation and having dialog about it. Absent a County Board vote to not give increases to certain classes of employees, there has not been much discussion at the committee level. It was noted that they may find that the budget is \$3 million dollars short and therefore there would not be funds available for this raise. It was stated that we owe it to ourselves, as part of our responsibilities, and owe it to the employees to have a discussion on this issue sometime before the budget is adopted.

Mr. Sarbaugh informed committee members that the merit is shown in dollars in the report that was handed out. This report does not include merit for 10 sheriff staff members who are not in the union. It was stated that we have raises already being provided to the union employees, but none for the non-union employees. Committee members were reminded that "merit" is provided to the department. These 10 sheriff staff members are budgeted under their specific department. This will be the same for all departments.

Mr. Austin stated that he would meet with Mr. Breeden and Chairman Koehler, after the Finance and Audit Committee to discuss a presentation to the full County Board in order to talk about this issue. He stated that if the Committee would like, they can bring a Resolution forward to this committee which sets what is being considered for wages and the wage range. They would have to prove that a 3% increase can be afforded. He noted that he still feels the County can afford a 3% wage increase for non union staff. He reminded committee members that there was some media coverage on this issue when it was discussed at the August County Board meeting.

Chairman Jung stated that the last time this committee spoke about this issue was in the Spring, and they were discussing a 2% raise. This was taken to the County Board and turned down. He questioned how they came to 3%. Committee members stated that it is good to have this discussion at this committee and there are still some questions on how much of a raise can be afforded. They noted that it is important to start that discussion here at this committee and for this committee to forward a Resolution with a recommendation of 2 to 3% for consideration by the County Board.

It was noted that it is a little premature to bring a Resolution forward for consideration as they are still trying to put the budget together. There are a lot of changes to the budget in the last few weeks of the budget process. Mr. Austin noted that he would bring something to the Human Resources Committee meeting at the morning meeting in October for consideration.

OLD BUSINESS: None.

### REPORTS

*Human Resources Director Report.* Mr. Ivetic introduced Ms. Tricia Pechotta, Wellness Coordinator, to committee members. Ms. Pechotta joined the committee to provide an update on the County's wellness program. Mr. Ivetic informed committee members that Ms. Pechotta went through the necessary coursework in order to receive her certification as a workplace wellness professional. She has now received that designation. Ms. Pechotta provided information on a new fitness challenge for the County. The fitness classes have already started. They are in the process of starting a new workforce wellness series. In the past this program invited all the employees to participate in the program. There were some obstacles for participation. They have created a wellness program, specifically for the Recorder and County Clerk's offices. This will roll out at the end of September. They will hold a kickoff event with nutrition meetings, lunch and learn meetings and a finale when the program ends. This program will be based on each individual's fitness. For each 30 minutes of activity, the employee will receive a "sticker" in their book. This program encourages fitness throughout the year. This will be a six week program. A package has been purchased and once the program has been put together, they will be able to roll this out to the other departments, at any time.

Ms. Pechotta discussed the Health Risk Assessment numbers with the committee members. She stated in the past, these numbers were provided on paper. For 2011, this information will be compiled online. She has compiled both sets of numbers to show back up from the other studies in order to show the value of the information being received.

These assessments are being provided by Centegra. Long term studies done by the University of Michigan show that the absenteeism rate in the workplace has decreased in the last three years. Risks are moving away from seven or more risks for each group and are shifting to lower numbers. The true value is when a group can reduce their risks to two or less risks. This cost less for the employer overall. The next three pages in the report pertain to healthcare claims. This shows that overall, the average healthcare claims cost per person is also going down. Committee members questioned what major risks are showing up in the County. Ms. Pechotta noted that the major risks currently are weight, lack of fitness, lack of proper nutrition, a high fat diet and osteoporosis. They questioned if they were seeing an increase in depression. They were informed that this is a hard number to isolate. The use of depression medication is increasing nationwide.

EXECUTIVE SESSION

None.

MEMBERS' COMMENTS

Ms. Wheeler stated that the issue with the early retirees receiving partial healthcare plan payments needs to be discussed. This is a benefit being provided for a small number of individuals. She stated that perhaps they need to think about a grandfather clause on this issue. If the county is paying for a portion of the healthcare plan, it is a benefit to remain on the plan. She stated that the county may want to consider tapering off these benefits. She said maybe this should end by 2015. Committee members stated that every benefit adds up and this is a benefit that other counties do not provide. They questioned if the County wants to promote longevity by providing long term benefits. They questioned if they would lose some of these long term employees if these benefits were no longer available. They questioned if the county should model itself after other counties or whether they want a county that offers the best business practices. The County does not generally model itself after business. Committee members questioned what the true savings would be if this benefit was eliminated, both the premium costs and claim costs. Mr. Ivetic stated that the preponderance is union driven as most employees do not retire before the age of 65. He noted that four years ago, while in union negotiations, they did reduce the amount of the employer contributions for the early retiree's. He stated that if you don't start thinking about these changes, they won't happen.

ADJOURNMENT:

Ms. Wheeler made a motion, seconded by Ms. Draffkorn, to adjourn the meeting at 9:45 a.m. The motion carried with all members present voting aye on a voice vote.

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**RECOMMENDED FOR BOARD ACTION:**

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