

AGENDA
HUMAN RESOURCES COMMITTEE
TUESDAY, DECEMBER 13, 2011 – 8:30 a.m.
McHenry County Government Center – Administration Building
667 Ware Road – County Board Conference Room
Woodstock, IL 60098

- 1.0 Call to Order
- 2.0 Minute Approval
- 3.0 Public Comment
- 4.0 Presentation
- 5.0 New Business
 - 5.05 Resolution Authorizing a Contract Agreement Between Illinois Fraternal Order of Police – McHenry County Correctional Officers – Unit II and the County of McHenry
- 6.0 Old Business
- 7.0 Reports
 - 7.05 Human Resources Director Report
 - 7.10 Quarterly Workers' Compensation Claims Update
- 8.0 Executive Session (as necessary)
- 9.0 Members' Comments
- 10.0 Adjournment

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

MINUTES OF TUESDAY, OCTOBER 11, 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 Paula Yensen. Barb Wheeler was absent. Also in attendance: Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Bob Ivetic, Human Resources; Cathy Link, Purchasing; Sandy Lewis, Mental Health; and Ersel Schuster, Mary McCann and Donna Kurtz, County 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 September 13, 2011. Mr. Breeden made a motion, seconded by Ms. Evertsen, 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:

Resolution Establishing the Guidelines for Fiscal Year 2012 Pay-For-Performance Adjustments: Ms. Yensen made a motion, seconded by Mr. Munaretto, to recommend the County Board approve the above resolution as presented. Mr. Ivetic and Mr. Austin joined committee members to discuss this resolution. Mr. Ivetic mentioned that the resolution concerns a proposed 3% merit pay adjustment for all regular non-represented full and part-time employees and this is budgeted in the FY12 budget. The attachment to the resolution explains the guidelines and they are basically the guidelines that have been followed in the past. Ms. Evertsen questioned if all non-represented full and part-time employees will receive a 3% pay increase. Mr. Ivetic stated that this is explained on page three of the attachment under "performance ratings." An employee's performance is tied to their pay increase. Item No. 2(B) of the attachment explains the merit process for employees hired during the fiscal year. The overall merit pool is fixed as a percentage of the budget. A department cannot exceed the allocated funds for each department. A question was raised about those employees who are at the maximum rate of the salary range. Under the salary administration program, an employee's salary will not be higher than the maximum allowed for the labor grade. An example was provided by Mr. Ivetic as follows: a long-term employee may be at the maximum of the salary range for their position. In these instances, in order to provide a pay increase for the employee, a proposed 3% of their yearly income could be provided to them as a cash equivalent of a raise. Instead of the employee receiving their raise with every paycheck, they will be paid in a lump sum. This program has been in place for many years. The County does not want to inflate salaries beyond the maximum of the salary range for positions. Ms. Evertsen questioned how the proposed 3% merit pay increase was derived. She recalls the full County Board previously discussing the inability to provide pay increases for non-union employees. Mr. Austin mentioned that in June, 2011 the County Board discussed a possible increase of 2% for non-union employees, which was defeated, and the County Board decided to keep their wages frozen. 3% will help non-union employees keep pace with the union employees who did receive wage increases last year. They are trying not to make the disparity too large between union and non-union employees. 3% merit pay adjustments for non-union employees are funded. Mr. Munaretto stated that 3% is the number that allows them to look over the last two years where they froze wages and create some parity between union and non-union wages. This is the number that they

need to create some level of equality. Some of the wages are union driven, and some are not. Mr. Austin stated that the last merit raises for non-union employees was December, 2009. Past County Boards have worked very hard to try and keep equality between the union and non-union employees. The motion carried on a roll call vote of all five ayes (Breedon, Draffkorn, Munaretto, Yensen and Jung) and one nay (Evertsen).

Resolution Authorizing the Adoption of the Salary Ranges for FY2011-2012: Mr. Munaretto made a motion, seconded by Mr. Breedon, to recommend the County Board approve the above resolution as presented. Mr. Ivetic stated that RSM McGladrey assisted the County with implementing their new classification system in 2007. They are recommending that the adjustment to the wage/salary schedule for FY11-12 be at 50% of the annual merit increase percentage of 3% which will increase the midpoint of each wage/salary grade by 1.5%. This will increase the minimum and maximum of each wage/salary grade by 1.5%. The motion carried on a roll call vote of all five ayes (Breedon, Draffkorn, Munaretto, Yensen and Jung) and one nay (Evertsen).

Resolution Authorizing Entering Into a Contract with Verisight (formerly RSM McGladrey) for Professional Services to Review and Update the County's Current Comprehensive Job Evaluation/Classification System and Corresponding Compensation Program: Mr. Austin mentioned that RSM McGladrey previously created the County's comprehensive job evaluation/classification system. RSM McGladrey has since changed their name to Verisight. In order for the County to be externally competitive and internally equitable with employees, this resolution requests contracting with Verisight for a review and an update to the County's current comprehensive job evaluation/classification system. Verisight will be asked to review competitive pay levels relative to the external market for not more than 35 broad-ranged county positions, and propose updated salary ranges for those positions in order to be able to manage compensation more effectively. The total cost is not to exceed \$21,500 and the contracted costs for the review will be covered by the Human Resources Department's FY11 budget. There are currently 18 job ranges. Ms. Evertsen questioned who would comprise the "McHenry County's Leadership Team" as noted on page 2 of the accompanying correspondence to the resolution. Mr. Austin mentioned that the "team" will be comprised of Mr. Sarbaugh, Mr. Ivetic and himself. He invited members of the committee to be on the County's "team" with them. Mr. Breedon made a motion, seconded by Ms. Yensen, to recommend the County Board approve the above resolution as presented. The motion carried on a roll call vote of all five ayes (Breedon, Draffkorn, Munaretto, Yensen and Jung) and one nay (Evertsen).

Discussion on Early Retiree Healthcare and ERRP (Early Retirement Reinsurance Program): Mr. Ivetic mentioned that under the Illinois Municipal Retirement Fund (IMRF) the County has an obligation to provide the opportunity for early retirees (under the age of 65) to participate in the County's group health insurance program. He provided committee members with summaries concerning health and dental insurance general fund retirees non-medicare eligible expenses and health and dental insurance special fund retirees non-medicare eligible. He also provided a summary of the early retiree insurance contributions. Prior to December 1, 2006 the County provided a higher level of County contribution to its early retirees. At that time the County was paying more of the insurance premiums than the early retirees. The County has one group health insurance plan in place to create parity which was accomplished through negotiations with various labor organizations and with County employees. The County's share of insurance costs has decreased since this date. Mr. Austin mentioned that while they have made progress in reducing the County's contribution to retiree healthcare, there are still dollars invested in the retirees. It is mandated by their contract, but not by law. Access to the County's healthcare program must be allowed, but the County does not have to provide any financial assistance for the healthcare program. The County's insurance program is self-funded.

Mr. Ivetic provided committee members with a summary of the Early Retiree Reinsurance Program (EERP) effective September 16, 2011. This is a temporary federal program and \$5 billion has been set aside for this

program. If early retirees incurred claims between \$15,000 and \$90,000, depending on the claim, they could be reimbursed for plan participants' costs. McHenry County has been approved as a health plan sponsor of this program. It is estimated that within the next 60 days the County will receive between \$150,000 and \$200,000 from the program. The amount received must be used to assist the early retirees with their claims and premiums, and to assist in keeping the cost of the early retiree healthcare costs down. The Plan requires that 25% of the amount received will go towards reducing the premiums paid by the early retirees. They will not receive a check, but rather the money received will reduce their number of monthly payments. The remaining 75% received will be used to reduce the County's costs of providing coverage, and in turn assists in keeping rates/costs down for employees and early retirees. The program payments are targeted to encourage insurance plans to continue providing coverage for early retirees and their families. EERP is a three-year plan, or until it runs out of money.

Update on Current Union Contract Negotiations: Mr. Ivetic mentioned that the Fraternal Order of Police (FOP) Unit 1 Deputies' contract expired November 30, 2010. Currently they are in interest arbitration with a tentative date of December 5, 2011. FOP Unit 2 Correction's contract expires on November 30, 2011. They are currently in negotiations and the next meeting is scheduled for November 4, 2011. Operating Engineers Local 150/DOT Highway Workers contract expired on June 30, 2011. The County and Union have requested an FMCS mediator. This request has been made and the County is waiting for the appointment of a mediator. While their contract expired on June 30, 2011, the wage portion of the contract continues to November 30, 2011. There are no meeting dates set for the following contracts: Metro Alliance Police (MAP) circuit Clerk Non-Exempt Employees; Service Employees International Union – Local 73/Animal Control Officers and Kennel Technicians; and the Service Employees International Union – Local 73/Coroner's Office.

EXECUTIVE SESSION – Union Contract Negotiations:

Mr. Munaretto made a motion, seconded by Mr. Breeden, to enter into executive session at 9:15 a.m. to discuss union contract negotiations and the review of executive session minutes. The motion carried with all members present voting aye on a roll call vote (Breeden, Draffkorn, Evertsen, Munaretto, Yensen and Jung). Ms. Yensen made a motion, seconded by Ms. Draffkorn, to return to regular session at 9:35 a.m. The motion carried with all members present voting aye on a roll call vote (Breeden, Draffkorn, Evertsen, Munaretto, Yensen and Jung). Chairman Jung noted that no action was taken by the committee during executive session.

Ms. Yensen made a motion, seconded by Mr. Munaretto, to approve for review by the State's Attorney's Office the Executive Session minutes of July 12, 2011. The motion carried with all members present voting aye on a roll call vote (Breeden, Draffkorn, Evertsen, Munaretto, Yensen and Jung).

OLD BUSINESS: None.

REPORTS:

Human Resources Director Report: None.

MEMBERS' COMMENTS:

Noting no further business, Mr. Munaretto made a personal observation and mentioned that if members of the County Board want to tape their meetings, as a courtesy, please let the committee members know they are doing so.

ADJOURNMENT:

Ms. Yensen made a motion, seconded by Ms. Draffkorn, to adjourn the meeting at 9:37 a.m. The motion carried with all members present voting aye on a voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION/APPROVAL:

Resolution Establishing the Guidelines for Fiscal Year 2012 Pay-For-Performance Adjustments

Resolution Authorizing the Adoption of the Salary Ranges for FY2011-2012

Resolution Authorizing Entering Into a Contract with Verisight (formerly RSM McGladrey) for Professional Services to Review and Update the County's Current Comprehensive Job Evaluation/Classification System and Corresponding Compensation Program

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RESOLUTION
AUTHORIZING A CONTRACT AGREEMENT BETWEEN ILLINOIS
FRATERNAL ORDER OF POLICE – MCHENRY COUNTY CORRECTIONAL
OFFICERS – UNIT II AND THE COUNTY OF MCHENRY

WHEREAS, the County, Sheriff and representatives from the Fraternal Order of Police – McHenry County Correctional Officers – Unit II have negotiated a tentative contract agreement; and

WHEREAS, the Director of Human Resources, the Special State’s Attorney and Sheriff’s representatives negotiated this agreement on behalf of the County; and

WHEREAS, the Director of Human Resources, the Special State’s Attorney and Sheriff’s representatives have reviewed and recommend approval of the contract between the County of McHenry and Fraternal Order of Police – McHenry County Correctional Officers – Unit II; and

WHEREAS, the Law and Justice Committee, the Human Resource Committee and the Finance and Audit Committee have reviewed and concur with the approval of the contract.

NOW, THEREFORE BE IT RESOLVED, that the County Board of McHenry County, Illinois hereby authorizes the County Board Chairman to execute all necessary documents to enter into the aforementioned agreement at the request of the County Board; and

BE IT FURTHER RESOLVED, that the County Board of McHenry County, Illinois hereby authorizes all necessary retroactive pay as provided in the contract; and

BE IT FURTHER RESOLVED, that the County Clerk of McHenry County is requested to distribute a certified copy of this Resolution to the Sheriff, Director of Human Resources, County Auditor, County Administrator, Deputy County Administrator and Associate County Administrator – Finance.

DATED at Woodstock, Illinois, this 20th day of December, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ, County Clerk

0500	Supervisor of Assessments	1700	County Treasurer/Collector	3400	Emergency Management Agency
0600	Purchasing	1800	County Administration	4100	Clerk of the Circuit Court
0900	Human Resources	2000	Information Technology	4200	Court Administration
1000	Planning & Development	2100	Regional Superintendent of Schools	4300	Court Services
1000	County Auditor	2200	Veterans Assistance Commission	4400	Public Defender
1200	County Board	3100	County Coroner	4500	State's Attorney
1400	County Clerk	3200	Sheriff's Department	5100	Health Department
1500	County Recorder	3210	Corrections	6100	Valley Hi
1600	Facilities Management	3220	Court Security	6500	GIS
				8200	Division of Transportation