

WILL COUNTY BOARD
EXECUTIVE COMMITTEE MEETING
MINUTES

October 8, 2009

10:00 a.m.

Will County Office Building
County Board Committee Room
302 North Chicago Street
Joliet, IL 60432

CALL TO ORDER

Mr. Moustis called the meeting to order at 10:37 a.m.

ROLL CALL

Present were Members: Bilotta, Adamic, Kusta, Stewart, Gould, Seiler, Weigel, Wilhelm and Moustis.

Absent were Members: Dralle, Goodson, Maher and Singer.

Present from State's Attorney's Office: M. Tatroe and M. Manning.

Also Present: Friefeld.

PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. Gould led the committee in the Pledge of Allegiance.

APPROVAL OF MINUTES

No minutes were presented for approval.

OLD BUSINESS

General Liability and Workers' Compensation Renewals

Mr. Benvenuto stated this proposal needs to be presented at the first meeting in November. We have distributed an overview to set up for that meeting; we wanted to take a step back and look at why the county purchases coverage and the key issues to keep mindful of as we go into this renewal.

Mr. Moustis commented there is a policy decision we make on annual basis – self insured retention versus re insurer.

Mr. Benvenuto stated there are 3 areas where you buy insurance – general liability & police professional; auto liability; public officials liability. There is also nursing home liability. The county takes the first \$400,000 of each and every loss.

Mr. Jim Kramer indicated RTW is administering your workers' compensation claims and has been since 2007; there are some that are still being managed by SRS going back to 2002. We talked about the ability RTW has to take over the management of these claims at the appropriate time. We asked for a proposal from RTW. The first option is they would charge \$500 per open claim per year. We laid out an estimate 2 year cost for the county; under the first option that would be approximately \$60,000 over 2 years. The second option also charges \$500 for the first year but smaller amounts for subsequent years, with a bonus to RTW if they achieve closure in the first year. We feel option 2 is a more economical proposal; as your current service provider they will have more of an incentive to provide better service. We will ask for you to make a decision at the next meeting

Mr. Moustis questioned the transition process.

Mr. Benvenuto replied the decision was made to have SRS continue to manage their legacy claims; they have worked to close out as many as possible.

Mr. Kramer indicated the rate of closure has diminished; they have reached their limit to effectively close out these claims.

Mr. Benvenuto commented this is one of the cost drivers. Another area is how the county pays to protect your own assets; it is pretty straightforward. The next step is on November 5th we will present the renewal proposal for approval at the November County Board meeting.

Mr. Moustis stated he would rather have a separate meeting where this is all we will take up since this can be time consuming. He suggested a special meeting on November 4th at 11:00 a.m.

Mr. Benvenuto indicated he will put together an executive summary covering the key points.

Update Re: Blue Cross & Blue Shield PPO & HMO Renewals

Mr. Tidwell provided a summary with the final renewals from BC/BS. Regarding the PPO; there is no increase on admin fees for the third year; there is a 16% reduction in network access fees, which is a savings of just over \$22 million. There is also a 7.9% decrease in the prescription rebate due to a class action settlement with drug manufacturers to lower costs. There is a significant increase in the individual stop loss; a 43% increase, which is due to 4 large claims in this rating period that totaled over \$800,000 that was in excess of our stop loss.

They are projecting an 18.5% increase in total program costs which include claims. For the Dental plan, there is no increase in admin fees; there is a 1.4% increase in total program costs, which include claims. On the HMO side, there is a slight increase in admin fees of 7.5%; they are increasing prescription rebates on our HMO plan. Because we are self-insured on HMO, we have a fixed fee for physicians; those costs are increasing about 7% and that is really a pass through. There is a slight increase on individual stop loss. We are looking at a total of about 5.89% increase in HMO costs.

Mr. Moustis asked how we are doing with getting someone in to look at the plan design; that will have to change somewhere to help retain the cost. We may have to look at how contributions are paid by the employees to cover these costs. When will it be done?

Mr. Tidwell answered the RFQ will be done by the end of November; it is a rather large document.

Mr. Moustis questioned if it will be on the street by December 1st.

Mr. Tidwell replied yes.

A motion was made by Ms. Seiler, second by Mr. Weigel, to place the BC/BS renewals on the County Board Agenda. All in favor. MOTION CARRIES.

Other Old Business

NEW BUSINESS

Report on Early Retirement Incentive (ERI)

Mr. Moustis stated he had asked County Executive's staff to look at this for us; they provided numbers using 80% replacement of payroll.

Mr. Tidwell commented that is the number IMRF uses as an example.

Mr. Moustis indicated he would like to pursue this and hear back from elected officials. This works if we reduce that payroll number to 50% or 60% - otherwise it does not work. As we go forward and if the economy does not improve and our revenue streams decline, we will not be able to do this with our voluntary furlough or voluntary retirement; there is not enough there. This gives us the opportunity to do it voluntarily; let the highest cost employees leave. For real restructuring, it is worth taking a look at.

Mr. Kusta commented he would like to see this go forward; he would like a complete picture. Are there any other costs?

Mr. Moustis answered the other costs would be sick time and accumulated comp time, which we would negotiate that as part of the retirement package.

Mr. Tidwell indicated we would have to look at current contracts and federal and state laws.

Mr. Wilhelmi commented it would be nice to know that number.

Mr. Rafac stated we do not have that number; we would go through and identify the individual and what sick and personal time is for each of them. We do not have control over when they would elect to participate in an ERI; it could be anywhere in a 12 month period from when we initiate the process. There would be no savings and possibly an increase in cost in the first year because of some of those benefit payouts. In the second year there may be some savings. The payment of the \$35 million base liability, we will have to go out for bonds; instead of costing us \$51 million over the next 10 years it may only cost \$42 million. We would be committing ourselves from 2012 – 2021 to about \$4 million a year in payments against those bonds. We would need to be vigilant in controlling our personnel costs in order to have those savings for the next 12 years in order to pay that back.

Mr. Moustis indicated this is an alternative to involuntary layoffs. This is looking forward; it may have a slight negative affect on the 2011 budget. The workforce will be reduced one way or another; either through voluntary or involuntary programs. The 2.5% step is not budgeted in 2010 budget – our intent is to not automatically pay the step.

Mr. Rafac commented we have met with 4 unions and we have communicated that if we are forced to pay the step, because of the budget situation they will have to make layoffs to accommodate so the departments can live within their budgets.

Mr. Moustis stated we will continue to move forward. He would like a recommendation as to what reduction in payroll has to be to benefit the county; start with nothing less than break even.

Request to Renew Nursing Services Contract at Sunny Hill

A motion was made by Mr. Gould, second by Mr. Bilotta, to place a resolution on the County Board Agenda renewing the nursing services contract for Sunny Hill with various vendors. All in favor. MOTION CARRIES.

Request to Renew Medical Products Contract at Sunny Hill

A motion was made by Mr. Gould, second by Mr. Adamic, to place a resolution on the County Board Agenda renewing the medical products contract at Sunny Hill with various vendors. All in favor. MOTION CARRIES.

Request to Award Contract for Security Services at Sunny Hill

A motion was made by Mr. Gould, second by Mr. Stewart, to place a resolution on the County Board Agenda awarding the contract for security services at Sunny Hill to Per Mar Security. All in favor. MOTION CARRIES.

Request to Award Cellular Phone Services Contract

A motion was made by Mr. Weigel, second by Mr. Kusta, to place a resolution on the County Board Agenda awarding the cellular phone services contract to Sprint Nextel Communications. All in favor. MOTION CARRIES.

Request to Award Time and Material Services Contract

A motion was made by Mr. Weigel, second by Mr. Bilotta, to place a resolution on the County Board Agenda awarding the time and material services contract to SCI Communications. All in favor. MOTION CARRIES.

Request to Award Bottled Water Bid

Mr. Bilotta stated this is not a necessity; we are trying to save man hours and save labor.

Mr. Rafac indicated this year the bids came in lower at \$38,000. If we do cut water, in some cases the expense will be borne in other areas of department budgets. He suggested eliminating coffee from the budgets as well.

Mr. Moustis commented he understands Mr. Bilotta's thoughts on this. It is something we have historically done in the county. He feels there are many other ways to approach it – such as asking employees to contribute a few dollars to it. He would not just abruptly cut it; it is not something that is abused and the cost has come down. It is one of those goodwill gestures as an employer.

Mr. Bilotta stated people are appreciating what they have instead of taking it for granted; as our budget grows and we get through these rough times, then we can provide water.

Mr. Adamic commented he has questioned the cost in the past; he agrees with Mr. Bilotta – it is one person's salary.

A motion was made by Mr. Adamic, second by Mr. Wilhelmi, to place a resolution on the County Board Agenda awarding the bid for bottled water service to Nestle Waters/Ice Mountain. On a roll call vote, Gould, Wilhelmi and Moustis voting yes with Bilotta, Adamic, Kusta, Stewart, Seiler and Weigel voting no. MOTION FAILS.

Request to Extend Term for Board of Review

A motion was made by Mr. Adamic, second by Mr. Wilhelmi, to place a resolution on the County Board Agenda extending the term for the Board of Review. All in favor. MOTION CARRIES.

Request for Extension of Medical Services Contract for Inmates

Mr. Rafac stated the cost of doing of doing this is lower than the cost of our prior contract. We are using the benefit of the cap; we structured the contract three years ago so we did have surplus of cap and did not have the surprise expenditures that we did with our prior vendor. For the ADF the price is down 3.87% relative to the current year and 9% at RVJC relative to the current year.

Mr. Moustis commented in the past we had some overruns beyond the cap and had to absorb the cost. How do we monitor that?

Mr. Rafac answered there are regular reports that go to the ADF and RVJC; when someone appears to be getting close to that level, he is notified.

Mr. Moustis indicated we should be making sure we have some type of agreement with hospitals on discounts.

Mr. Rafac stated we did enter into an agreement so we would only be billed at the Medicare and Medicaid rate by the hospitals.

A motion was made by Mr. Stewart, second by Ms. Seiler, to place a resolution on the County Board Agenda extending the medical services contract for the Adult Detention Facility and River Valley Juvenile Center. All in favor. MOTION CARRIES.

Request to Place Metra on November County Board to Present 2010 Program & Budget

A motion was made by Mr. Bilotta, second by Mr. Adamic, to place Metra on the November County Board Agenda to present their 2010 Program & Budget. All in favor.

MOTION CARRIES.

Request to Place RTA on November County Board to Present 2010 Program & Budget

A motion was made by Mr. Adamic, second by Mr. Bilotta, to place RTA on the November County Board to present their 2010 Program & Budget. All in favor.

MOTION CARRIES.

Request to Renew Radio Lab Lease

A motion was made by Mr. Gould, second by Mr. Weigel, to place a resolution on the County Board Agenda renewing the radio lab lease. All in favor.

MOTION CARRIES.

Request for Resolution Authorizing the County Executive to Accept Conveyance of JADA Property

Mr. Ryan stated we have been working on this for about four years. This is property that JADA currently owns; about 9 acres that they are donating for additional salt storage for the County Highway Department

Mr. Bruce Gould commented this will streamline our operations in the southern part of the county.

A motion was made by Mr. Wilhelmi, second by Mr. Kusta, to place a resolution on the County Board Agenda authorizing the County Executive to accept conveyance of the JADA property. All in favor. MOTION CARRIES.

Replacement Hires for Sunny Hill Nursing Home

A motion was made by Mr. Gould, second by Mr. Weigel, to place the replacement hires for Sunny Hill on the County Board Agenda. All in favor. MOTION CARRIES.

A motion was made by Mr. Weigel, second by Mr. Wilhelmi, to place the replacement hire for the County Executive's Office on the County Board Agenda. All in favor.

MOTION CARRIES.

Appointments – None

Proclamations

Mr. Bilotta stated there are three proclamations this month.

Mr. Moustis suggested adding a proclamation recognizing October as Breast Cancer Awareness Month; Ms. Seiler can read it into the record.

Recovery Zone Bonds and Build America Allocation Discussion

Mr. Moustis stated the Forest Preserve District asked if we would consider giving them an allocation of the Recovery Zone Bonds; he responded back that we would probably not give them that allotment because we are still doing our own program; it is a very limited amount for recovery zone. Do we have to officially say no?

Mr. Friefeld answered that is a policy decision – it would be up to the committee. There are two types of recovery zone bonds – economic development bonds that benefit the public sector which are capped at \$27 million; the Forest Preserve District was looking for \$4.2 million. With regards to the Build Will program and the Courthouse needs, the thought is to preserve the whole \$27 million. On the facility bonds, those benefit the private sector; our cap on that is \$40 million. We need to set up a process so we can determine the allocation so when entities come in with a request for a portion of those bonds.

Mr. Moustis indicated we have just completed the ADF, which was a long process; we discussed that for 6 years. We finally took a dollar amount and moved forward with what we could build for that amount. It is time to move forward with a judicial campus, which could cost about \$200 million; this would require about a \$15 million revenue stream for that debt of \$200 million. We are developing a good relationship with Joliet; they could possibly be included in a campus with some of their functions. We now need to talk about additional revenue streams; that is why these recovery bonds are there. We can help stimulate our local economy. We should start something similar to the ad-hoc committee for the jail. We have a year to utilize these bonds as a vehicle to help move this forward.

Mr. Wilhelmi left at this juncture.

Mr. Rafac indicated we will develop an application process, which will determine whether we will utilize any private development bonds; there are a multitude of uses for the economic development bonds.

Other New Business

COMMITTEE REPORTS

Land Use & Development – T. Weigel

Mr. Weigel stated there are seven cases and one resolution supporting the watershed plan for Hickory Creek.

Finance – E. Kusta

Mr. Kusta indicated there are three items the committee had not heard that are moving forward.

Public Works & Transportation – J. Bilotta

Mr. Bilotta stated he will add recognizing Mr. Ronaldson on receipt of young government civil engineer of the year award.

Judicial – A. Dralle

Mr. Kusta indicated there will be a presentation by the Illinois Legal Aid organization for the online legal self help center.

Public Health & Safety – D. Gould

Mr. Gould asked if there were any questions.

Legislative & Policy – L. Goodson

No report.

Capital Improvements – C. Maher

No report.

Executive – J. Moustis

ANNOUNCEMENTS BY THE COUNTY BOARD CHAIRMAN

Mr. Moustis announced on October 21st and November 18th there will be public hearings on the video gaming. The County Board will vote on this issue in November.

APPROVAL OF THE OCTOBER 15, 2009 COUNTY BOARD AGENDA

A motion was made by Mr. Adamic, second by Mr. Kusta, to approve the October 15, 2009 County Board Agenda, as amended. All in favor. MOTION CARRIES.

EXECUTIVE SESSION

ADJOURNMENT

A motion was made by Mr. Kusta, second by Ms. Seiler, to adjourn the meeting at 12:19 p.m. All in favor. MOTION CARRIES.