

## COMMITTEE REPORT

**COMMITTEE:** Finance, Tax & Budgets  
**CHAIRPERSON:** Yerda Potter, Chair  
**DATE/TIME:** June 29, 2006. 6:30 p.m.

**PRESENT:**

Berlage  
 Carroll

Kent  
 Mapes

Potter  
 Schultz

Other Board members:

Others: Dan Reimer, Diane Williams, Jean Dimke, Carol Soat, Rick Carlson, Bill Tolva, Don McLane, Ted Odendahl, Marc McCoy, Mike McCoy, Nate McCoy, Ruth Lee, Tim Kearns, Steve Hamilton, Dave Fritz

### MINUTES

Chairperson Yerda Potter called the meeting to order at 6:47 p.m.

#### 1. Minutes

Ron Mapes made a motion to approve the minutes of the May 25, 2006 committee meeting. Alan Kent seconded and the motion passed.

#### 2. Old Business

- a) Insurance broker services. There were seven respondents to the Request for Proposals (RFP) for health insurance broker services. Each was invited to give a 10-minute presentation to the committee.
  - i. Bill Tolva from Better Business Planning reviewed his proposal with the committee. He reminded the committee of the website that can be a useful tool for the employees. He also stated that his company can work on a fee basis if the County prefers, but that they typically work on the commission paid by the insurance carrier. He told the committee that the benefit of using a broker is the ability to leverage one carrier against another.
  - ii. Don McLane from Country Insurance & Finance Services spoke to the committee about his proposal. He is a representative for Blue Cross/Blue Shield only. He has worked with other large groups our size. He recommended that the County consider offering multiple plans including a health savings account (HSA). He also offered his feeling that the County doesn't need to use a broker and that they can determine their needs internally. He stated that all BC/BS bids for groups from 2-150 people will be the same; the difference will lie in the expertise of the agent.
  - iii. Ted Odendahl from Ferguson Financial Group reviewed his proposal with the committee. He can work on a simple brokerage arrangement or on a consultant basis. The benefit of working as a consultant is that it removes any semblance of conflict of interest. The set fee arrangement keeps the options open and some carriers will be able to make a quote without commission (net). He discussed the value of his services and guarantees satisfaction.

- iv. Rick Carlson reviewed his proposal with the committee and stated that he works with Resource Brokerage out of Schaumburg. It is a firm with 34 brokers. He will work at no cost to the County, strictly on a commission basis. He also spoke with the committee about HSAs. When he was preparing his bid for the insurance during last year's process he had some challenges in shopping it around because of the poor claims history. He also stated that his company can facilitate COBRA administration.
- v. Marc, Mike and Nate McCoy presented their proposal to the committee from McCoy Insurance Services. They have offices in Stockton, Elizabeth and Galena and are a 3<sup>rd</sup>-generation business in Jo Daviess County; soon to be 4<sup>th</sup>-generation. They are able to represent several different insurance providers, including Medical Associates, John Deere/United Health Care, Blue Cross/Blue Shield, Time, Aflac, Pekin and others. They stated that they will develop relationships with the employees and take the burden off the department heads of answering questions regarding the benefit. They also described their bid process from obtaining the initial cost estimate to preparing applications for final bids.
- vi. Ruth Lee and Tim Kearns presented their proposal from RJ Lee & Associates. They stated that they are strictly a fee-for-service and do not work on a commission basis. All their services are outlined in the contract. They can be hired to evaluate proposals only for a project fee, or for more extensive services on an annual consulting basis. They begin by analyzing the current plan for costs, utilization and other factors. A large bloc of their business is public sector entities. They also stated that by working on a contract basis it allows a level of insulation for the public body who hires them.
- vii. Steve Hamilton and Dave Fritz presented their proposal from TRICOR Insurance & Financial Services. They are an independent, 3<sup>rd</sup>-generation owned agency. They have specialists in various divisions. They have developed relationships with various carriers that help to drive down costs. They represent all major carriers. Hamilton reviewed the various service benefits that TRICOR offers. When they work on a commission basis, they stated that the fee is fully disclosed to their customer.

The committee discussed the various proposals at length and the possibility of asking three companies to bring forward various health insurance options. The committee also discussed at length the benefits of using a broker, consultant or agent. The bidding process was questioned and discussed. Marvin Schultz made a motion to recommend hiring TRICOR Insurance & Financial Services as the County's broker of record. Jody Carroll seconded and the motion passed. The County Administrator's office will follow up with all the bidders by telephone and letter.

- b) Update on accrual conversion. County Clerk Jean Dimke and County Administrator Dan Reimer stated that the accrual conversion is going well in general. The auditor would like to monitor the expenses for a little while longer before getting too involved in the revenues. The staff also discussed the

purchasing policy and the options of over-budget requests and line-item transfers. The majority of claims that cannot be paid through the financial system will be resolved with a line-item transfer request like the items that were brought to the County Board at their recent meeting. The staff discussed requests that are made for very small amounts and that the process could be streamlined if some of those requests could be approved by the County Administrator. Kent made a motion to appoint County Administrator Dan Reimer as the designee with authorization to approve budget line-item transfer requests up to a limit of \$500.00. Carroll seconded and the motion passed.

### 3. New Business

- a) County Board goals. No further discussion.
- b) Claims Review Committee. The committee will meet in July.
- c) Resolution for CVB line-item transfer. This transfer is needed to accommodate a financial commitment by the CVB toward the terminal server project that was necessary to implement the purchase order system. Merri Berlage made a motion to recommend approval of the resolution as presented. Mapes seconded and the motion passed.
- d) FY2007 Budget – Revenue estimates. Reimer reviewed the first round General Fund revenues with the committee, noting that the initial projections show an increase of only \$21,000 over the FY2006 budget. He has been working with the auditor Leon Heires to obtain the fund balances for the end of FY2005. Preliminary figures show an increase of over \$500,000 in the projected General Fund balance for year ending FY2005. Reimer went into some detail with the committee pointing out specific revenues that are projected higher and some that are projected lower than the FY2006 budget. He reminded the committee that this is only the first round and more data will be available in the next couple of months to review these estimates. Dimke discussed the tax levy with the committee, including how the limiting rate is established. Last year's levy amount was a little lower than the actual extension with the result that the County was not able to capture all the funds that they could have under PTELL. She stated that the County consistently "leaves money on the table" and that has a compounding effect because each year's starting point is the previous year's actual extension. Carroll commented that all that money was left in the taxpayers' pockets to spend on other goods and services. Reimer presented a list of guidelines that he asked the committee to review and establish consensus on so that the office can begin to work on calculating the target numbers and assembling the expense packets that will be sent out to the departments and agencies so they may prepare their expense budgets. The committee discussed various levels of possible salary increases. The committee also discussed if and how necessary expenses that don't fit under their target budget should be identified for further review by the committee. The consensus of the committee is that those items should be listed on an unfunded request at this time with a detailed explanation of the need for the funding. The consensus of the committee is to proceed with establishing the target amounts with the following assumptions,

1) Retirement rate contributed by employer – IMRF 8.66% and SLEP 12.04%, 2) Health insurance premiums estimated to increase 10%, 4) Salaries and wages include a possible 2% increase, and 4) Postage includes a 2.5% increase. The County Administrator’s Office will prepare the targets and expense packets and the committee will meet on Monday, July 10 at 7:00 p.m. for review prior to the packets being sent to agencies and departments. The committee also would like to make sure that the board members, departments, and agencies receive the memo that was prepared by the County Administrator discussing the revenue estimates in detail.

- e) Escrow account for Rentech project. Reimer advised the committee that the Rentech Energy project is moving forward and those involved believe that an escrow account will be needed at some point in the future. Building permit fees can be paid ahead of time and put in escrow to use as building inspections and other services as the need arises. The County Clerk and Treasurer are both aware of the suggestion for an escrow account and support it. A meeting with Bob Skurla, various department heads, the County Administrator, County Board Chair, Development & Planning Committee Chair, and Economic Development Coordinator has been scheduled for Thursday, July 6.
- f) Resolutions for redemptions of delinquent property. Dimke explained to the committee that the tax agent, Joseph Meyer, purchased some property at the tax sale on behalf of the County. In July there will be an auction of these properties. The owner of two of the properties would like to now redeem them. Even though the redemption date has passed it is in the best interest of the County to have the taxes paid so the tax agent is recommending a resolution to allow these two parcels to be redeemed. Schultz made a motion to recommend that the County Board approve the two resolutions allowing redemption of the parcels in question upon payment of the taxes. Carroll seconded and the motion passed.
- g) Sheriff’s auction proceeds. Dimke reported that she sold some furniture that was in her office but not very functional at the Sheriff’s auction in May. The proceeds from that sale were \$892 and the Sheriff deposited all proceeds in the Drug Forfeiture Fund. She would like to spend those proceeds on some functional furniture items for her office. Berlage made a motion to allow the County Clerk to spend the proceeds from her furniture sales on furniture and equipment needed for her office. Yerda Potter seconded and the motion passed.

#### 4. Other

- a) Treasurer’s reports. No additional report.
- b) Chief County Assessment Office. Berlage reported that she attended the Farmland Assessment Committee meeting and it appears that farmland will experience another 10% decrease in assessments.
- c) Board member concerns

#### 5. Citizens’ Comments – none

Meeting adjourned at 11:59 p.m. following a motion by Berlage and seconded by Mapes.