

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

MINUTES OF MONDAY, APRIL 24, 2006

Chairman Orphal called the committee meeting to order at 8:30 a.m. with the following members present: Lyn Orphal, Chairman; Anna May Miller; Sue Draffkorn; Ed Dvorak; John Jung; Ann Gilman and Tina Hill. Also in attendance: Ralph Sarbaugh, Associate County Administrator-Finance; Bob Ivetic, Human Resources; Peter Austin, County Administrator; Pam Palmer, Auditor; and Julie Courtney, Workforce Network Department.

Lyn Orphal, Chairman
Sue Draffkorn Ed Dvorak
Ann Gilman Tina Hill
John Jung, Jr. Anna May Miller

MINUTES OF PREVIOUS MEETING

Committee members reviewed the Human Resources committee minutes of April 10, 2006. Ms. Miller made a motion, seconded by Ms. Hill to approve the April 10, 2006 minutes as presented. The motion carried with all members present voting aye on a voice vote.

PUBLIC PARTICIPATION

None

NEW BUSINESS

Resolution authorizing renewal of the group health insurance contract: Committee members reviewed a Resolution authorizing renewal of the group health insurance contract. Ms. Gilman made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. Mr. Ivetic provided copies of the insurance rates effective July 1, 2006 through June 30, 2007 for committee review. The motion carried with all members present voting aye.

Resolution authorizing the creation of one new part-time staff position in the McHenry County Workforce Network Department: Committee members reviewed a Resolution authorizing the creation of one new part-time staff position in the McHenry County Workforce Network Department. Ms. Gilman made a motion, seconded by Ms. Miller to recommend approval of the above Resolution as presented. Ms. Courtney joined committee members and explained that this is a part-time person to help in the resource room. As of July 1st the Department of Labor will require a count of people who will be using the resource room. She noted this would be a permanent part time position. The motion carried with all members present voting aye on a roll call vote (Draffkorn, Dvorak, Gilman, Hill, Jung, Miller, Orphal)

Discussion / consideration of hiring concerns for two Mental Health grant funded positions: Mr. Ivetic and Mr. Sarbaugh joined committee members to inform them that as a part of the Family Care Grant, Mental Health is required to hire 2 full time bilingual administrative personnel. It was noted that they are having difficulties hiring personnel at \$23,000 per year. They could hire the needed people at \$25,000, which is still within the grade range of the position. Mr. Sarbaugh requested permission to allow Mental Health to make an offer to hire, at the \$25,000 per year rate. He stated he would bring a Resolution to the next committee meeting for approval. The department would not incur any additional costs as some of the other positions could be hired for less to keep their budget within the current perimeters. Committee members were impressed that Mental Health is bringing these issues to the committee for approval. The consensus of the committee was to allow Mental Health to offer employment contracts for these two positions for \$25,000 and to bring a Resolution for approval to the next committee meeting.

Personnel – Items for discussion: Allocation of merit based on date of hire: Items of discussion are being brought to this committee from the Budget Advisory Committee. Concern was raised regarding the allocation of merit, which is based on the date of hire. If an employee is in the ETP (employee training period), they would not qualify for a merit adjustment. The Budget Advisory Committee suggested that if a person is hired during the first quarter of the year, the employee would earn 100% merit, if hired between March – May they would earn 75% of the merit adjustment, if hired between June and August, they would earn a 50% merit adjustment and if hired during the last quarter, they would earn 25% or just the table movement, and would not get the same merit as those who have worked the entire year. Mr. Sarbaugh noted they are trying to set the maximum's that would be allowed. This would put some control on how much merit would be given to each department. He noted that problems arise when a department gives a straight merit across the board, regardless of when hired. He noted this is a good financial process. The department heads involved in the Budget Advisory Committee felt this process was fair. He also noted that he would like to bring forward the possibility of a bonus system for employees who go beyond their job duties to accomplish a project. This is especially important in small departments where everyone receives the same merit increase with no possibility of an additional increase. Mr. Sarbaugh stated that these funds could come from the holdback pool. He noted there is typically \$300,000 - \$400,000 left in this pool every year that gets rolled back into fund balance. Committee members noted that this is a managerial issue that could be handled and decided by Mr. Sarbaugh and the Administrator. This could be handled, with discussion with the department heads on a yearly basis. They stated this wasn't a committee function and they, as administration, should come up with some options regarding these types of bonuses.

Seasonal Employees: Mr. Sarbaugh addressed committee members and stated that seasonal employees are receiving the same merit increase as regular employees. He noted that these employees should receive a "table" movement only. Committee members agreed this would be a fair way to handle the seasonal employees.

Elimination of reclassifications & salary adjustments during November and early December until merit is awarded: Mr. Ivetic addressed committee members regarding reclassifications and salary adjustments during November and early December. He noted that he would

like to eliminate this process until the merit is awarded. The Department Heads agreed this was a good practice. The consensus of the committee was this was a good idea.

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New Positions and reclassification requests must be position specific to be considered for funding: Mr. Sarbaugh and Mr. Ivetic informed committee members that during the budget process, Department Heads are requesting increases but then giving these increases to someone else. By being position specific, the funds will go to the correct people. They noted this has been creative funding and the funds are being used for someone or something else. Committee members agreed, an increase should come by Resolution and should be position specific to be considered for funding.

Hiring/starting salary range: Mr. Sarbaugh and Mr. Ivetic addressed committee members regarding the need to set guidelines for hiring new employees to allow the flexibility to hire within a grade range, versus starting at the beginning salary of a grade range. They noted that we are losing out on good employees by not having the ability to hire at a different starting salary besides the beginning of a grade range. Committee members noted that this is okay with the approval of the Administrator.

Development of a Policy for Interim Department Heads, both elected and non-elected: Committee members were informed that this item was sent back to the committee for consideration by the Finance Committee. This issue came about because of a request to receive extra compensation because of the Deputy doing the duties of an Elected Official who retired. Committee members noted that for an Elected Officials Department, part of the duties of a "Deputy" is to fill in when the Elected Official is not able to perform the duties of the position and should not receive additional compensation since they would be completing their duties as the position requires. In the non-elected departments a bonus should be given, after Administrator review. It was noted that if a department head is unable to perform their duties, their duties are generally split among a few people and therefore the Administrator should decide if additional compensation is warranted. They noted that it is not uncommon to bump a salary if a department head would be off for a long period of time. Mr. Sarbaugh noted that it is important to have a policy as it takes the "politics" out of the process. Committee members directed staff to write a Resolution with the policy that states no additional compensation would be given to a deputy official of an elected officials department and additional compensation would be considered on a case by case basis by the County Administrator in the non-elective departments. Mr. Dvorak stated that in the Highway Department, the "deputy" has to qualify for the position and be approved by the State. Any additional compensation would be referred to as a "stipend" not a bonus.

OLD BUSINESS

Discussion of Post Employment Retirement Benefits (GASB-45): Committee members entered into discussion regarding post retirement benefits when GASB 45 takes place. It was noted that the liability has to be determined for the retirement group. The County needs to know the true costs of this liability. After the audit is completed, it will have to be decided, what benefits do we want to continue to give our retiree's? Most of our surrounding counties do not give retirement benefits from the ages of 55 to Medicare eligible. The current cost to the County is approximately \$20,000 per month. Also, by including the retiree's in our insurance program we are putting an unhealthy group in our plan, raising our costs for health insurance. Mr. Ivetic stated this issue would have to be negotiated with the unions as well. Mr. Austin reported that we had decided to have an audit completed a year sooner than required and this will provide needed information and additional discussion should be held off until the audit is completed.

Mr. Austin reported that Ms. Julie Courtney, of the Workforce Network Department has been recommended by the Public Health & Human Services Committee as Department Head. She will be given an increase in salary when Len Kaufmann retires.

Mr. Austin and Mr. Sarbaugh have been in discussion with the State's Attorney regarding the need for additional personnel. Mr. Bianchi will be attending a future meeting to discuss the needs of the department.

A resolution will be coming forward to the next committee meeting regarding additional hires that will be needed when a new judge takes office on July 1, 2006. This judge has been awarded, outside the lawsuit. Money has been set aside for staff for this courtroom. Mr. Austin reported that additional personnel could be needed in FY07 as well.

Discussion & Employee Handbook Update: Committee members received an updated draft of the Employee Handbook. A letter was provided from Ms. Connor regarding some of her observations. This is still a work in progress and the committee members need to review the new draft. Mr. Austin stated he would like to share this draft with the Department Heads and solicit comments and questions regarding the draft. He noted the need to get feed back from the Department Heads and would review the questions with Mr. Ivetic. They noted that hopefully there will be buy in by the elected officials and if a policy is not currently being used in their departments, they will follow our policy. It was noted that they would like approval by the Board in June. An additional conversation will be held with the outside auditors regarding doing the accruals during the budget process. It was noted that accruals are an additional issue as accruals are mounting and a policy is needed to eliminate this process. Committee members stated that anyone who is carrying over large accruals should be required to use a certain percent every year.

REPORTS

Human Resources Director Report: Mr. Ivetic reported that additional meetings have been scheduled with Local 150, Building Operations and Highway for this Friday. He will keep committee members informed of the progress of these negotiations.

EXECUTIVE SESSION

None

ADJOURNMENT

Ms. Hill made a motion, seconded by Ms. Gilman to adjourn at 10:06 a.m. The motion carried with all members present voting aye.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

Recommend approval of Resolution authorizing renewal of the group health insurance contract

Recommend approval of Resolution authorizing the creation of one new part-time staff position in the McHenry County Workforce Network Department

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