POST BOARD ACTION AGENDA

Special Meeting of the Cook County Board of Commissioners
County Board Room, County Building
Friday, July 29, 2011, 10:00 A.M.
*** ***

CALL OF THE MEETING

ITEM #1 Roll Call.

ROLL CALL	
Present:	President Preckwinkle and Commissioners Daley, Garcia, Goslin, Murphy, Schneider, Sims, Steele, Suffredin, Tobolski – 9
Absent:	Commissioners Beavers, Butler, Collins, Fritchey, Gainer, Gorman, Reyes and Silvestri - 8.

Call to Order.

PRESIDENT

SUBSTITUTE RESOLUTION

ITEM #2

APPROVED

Submitting a Substitute Resolution sponsored by

TONI PRECKWINKLE, President and JOHN P. DALEY, Cook County Board of Commissioners

SUBSTITUTE RESOLUTION

RESOLUTION AUTHORIZING THE COOK COUNTY COMPTROLLER TO SETTLE AND REVISE VARIOUS ACCOUNTS

WHEREAS, Cook County maintains a Self Insurance Account that is used to self-insure the County of all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities; and

WHEREAS, Cook County's appropriation for Fiscal Year 2007 and Fiscal Year 2008 indicated that proceeds from the issuance of long-term debt would be used to fund the Self Insurance Account, however the General Obligation Bonds were not issued in Fiscal Year 2007 or Fiscal Year 2008; and

WHEREAS, during Fiscal Year 2007 and Fiscal Year 2008, claims expenditures and related costs were being incurred and paid out of the Self Insurance Fund in the amounts appropriated; however, the anticipated bond issuance was not authorized, causing the County to carry a negative balance in the Self Insurance Fund; and

PRESIDENT continued

SUBSTITUTE RESOLUTION

ITEM #2 cont'd

WHEREAS, in Fiscal Year 2009, the annual appropriation bill approved by the Board of Commissioners granted the authority to the Budget Director to establish appropriation within the General Fund for the purpose of the payment of comprehensive general liability, and malpractice insurance claims and related expenses; and

WHEREAS, the Board of Commissioners furthered authorized, effective Fiscal Year 2009 and thereafter, that each agency be responsible for the appropriation of projected claims and that an amount be appropriated in the 826 account for each department; and

WHEREAS, the Board of Commissioners authorized in Fiscal Year 2009 and thereafter for the Budget Director to determine based on actuarial analysis and recent claims history, the annual amount to be appropriated for each department under the 826 account to be deposited in the Self Insurance Fund; and

WHEREAS, the Board of Commissioners addressed the funding mechanism for self-insurance in Fiscal Year 2009 but did not address the negative balance in the Self Insurance Account and as a result of the decision not to issue bonds for the financing of the Self Insurance Account in Fiscal Year 2007 or Fiscal Year 2008, per accounting standards, Cook County has been carrying a negative balance in the Self Insurance Account since Fiscal Year 2007; and

WHEREAS, as of November 30, 2007, Cook County's Comprehensive Annual Financial Report showed the County carrying a negative balance in the Self Insurance Account in the amount of $25,482,179; as of November 30, 2008, Cook County's Comprehensive Annual Financial Report showed the County carrying a negative balance in the Self Insurance Account in the amount of $125,085,471; and a negative balance in the amount of $124,913,417 remains in the Self Insurance Account as of November 30, 2010; and

WHEREAS, in accordance with Governmental Accounting Standards Board ("GASB") 10 the negative fund balance in the Self Insurance Account should be applied or allocated to the appropriate funds or accounts and reported as an expenditure of those funds; and

WHEREAS, in accordance with Section 2-414 of the County's Code, "(t)he Comptroller shall, subject to the approval of the County Board, revise, audit, and settle all accounts in which Cook County is concerned, either as debtor or creditor, or where provision for the settlement thereof is not otherwise provided for by law and the settlement of which is not especially committed to some other authority"; and

WHEREAS, in accordance with GASB 10 and Section 2-414 of the County's Code, authority is hereby requested to settle the negative balance in the Self Insurance Account and revise the Self Insurance Account by allocating the negative balance as equitably determined to the Corporate, Public Safety and Health Accounts in the General Fund and Health Enterprise Fund for Fiscal Year 2010 or Fiscal Year 2011; and

PRESIDENT continued

SUBSTITUTE RESOLUTION

ITEM #2 cont'd

WHEREAS, settlement of the negative balance and the revision of these various accounts is in the best interest of the County, will settle the negative balance, account for the appropriate sourcing of the negative balance and cure this repetitive audit finding.

NOW, THEREFORE, BE IT RESOLVED, by the President and the Cook County Board of Commissioners that pursuant to their Home Rule powers, the Comptroller is hereby authorized to settle the negative balance in the Self Insurance Account carried since Fiscal Year 2007 and revise the Self Insurance Account by allocating the negative balance as already equitably determined to the Corporate, Public Safety and Health Accounts in the General Fund and Health Enterprise Fund either Fiscal Year 2010 or Fiscal Year 2011 in an effort to settle the negative balance and cure this repetitive audit; and

BE IT FURTHER RESOVLED, that the Comptroller be authorized to settle the $124,913,417 negative balance in the Self Insurance Account for either the 2010 or 2011 Fiscal Year and apply $7,697,196 to the Corporate Account in the General Fund, $31,949,300 to the Public Safety Account in the General Fund and $85,266,921 to the Health Account in the Health Enterprise Fund thereby settling the negative balance, curing the repeated audit finding and revising the fund balance in the appropriate accounts.

BUREAU OF FINANCE
DEPARTMENT OF RISK MANAGEMENT

CONTRACT PAYMENT

ITEM # 3

APPROVED

Commissioner Daley voted "present".

Transmitting a Communication, dated July 26, 2011 from

LISA M. WALIK, Director, Department of Risk Management

requesting authorization to pay Mesirow Financial Services, Inc. for the annual property insurance premium for the period of July 1, 2011 through July, 1, 2012 through the PEPIP program.

Reason: The County Board approved a two-year contract with Mesirow Financial Services, Inc. for professional services and to serve as broker for the purchase of excess liability and property insurance on March 1, 2011.

Per said contract, the annual property insurance premiums are due for the policy period July 1, 2011 through July, 1, 2012 in the amount of $1,076,989.00. This mid-year property program and invoice premium covers 12 months and overlaps over two fiscal years, thus encumbering funds in 2012.

Estimated Fiscal Impact: $1,076,989.00. Contract period: February 28, 2011 through February 27, 2014. Policy Period: July 1, 2011 through July, 1, 2012. (542-258 Account).

Authorization to pay the annual property insurance premium for the period of July 1, 2011 through July, 1, 2012 through the PEPIP program is hereby requested.

ADJOURNMENT

ITEM #4

APPROVED

Adjournment.