

REPORT OF THE COMMITTEE ON FINANCE

PUBLIC HEARING

JANUARY 24, 2011

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Daley, Vice Chairman Sims, Commissioners Beavers, Butler, Collins, Fritchey, Gainer, Garcia, Gorman, Schneider, Silvestri, Steele, Suffredin and Tobolski (14)

Absent: President Preckwinkle, Commissioners Goslin, Murphy and Reyes (3)

Also Present: Patrick T. Driscoll, Jr. – Deputy State's Attorney, Chief, Civil Actions Bureau; William Foley – Chief Executive Officer, Cook County Health & Hospitals System; Michael Ayres – Chief Financial Officer, Cook County Health & Hospitals System; Jeff Schaidler - System Chair of Emergency Medicine; Deborah Tate – System Chief Human Resources Officer.

Court Reporter: Anthony W. Lisanti, C.S.R.

Ladies and Gentlemen:

Your Committee on Finance of the Board of Commissioners of Cook County met pursuant to notice on Monday, January 24, 2011 at the hour of 9:00 A.M. for a public hearing in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

The Secretary informed Chairman Daley that a quorum was not present.

Chairman Daley informed the Committee that public testimony would commence while waiting for a quorum to be present.

Chairman Daley asked the Secretary to the Board to call upon the registered public speakers, in accordance with Cook County Code, Sec. 2-107(dd). As the Committee proceeded to hear public testimony, the Secretary informed Chairman Daley that a quorum was present.

- 1) Rob Sherman – Founder of Rob Sherman Advocacy
- 2) Christine Boardman – President, SEIU Local 73
- 3) William McNary – Co-Director, Citizen Action-Illinois
- 4) George Blakemore – Concerned Citizen
- 5) Lee Mayberry – Concerned Citizen
- 6) Adrienne Alexander – Policy and Legislative Specialist, AFSCME Council 31
- 7) Emilie Junge – Regional Director, Doctor's Council of SEIU
- 8) Leslie Curtis – National Nurses Organizing Committee
- 9) Batu Shakarl – Registered Nurse, John H. Stroger Hospital of Cook County

- 10) Robert McKay – Concerned Citizen
- 11) Sandra Childred-Mtengule – Caseworker, Provident Hospital

Your Committee has considered the following items and upon adoption of this report, the recommendations are as follows:

310523 **COOK COUNTY HEALTH AND HOSPITALS SYSTEM FY 2011 PRELIMINARY BUDGET.** Transmitting a Communication, dated January 3, 2010 from Warren L. Batts, Chairman, Cook County Health and Hospitals System Board and William T. Foley, Chief Executive Officer, Cook County Health and Hospitals System:

The Cook County Health and Hospitals System Board of Directors approved their FY 2011 Preliminary Budget on November 19, 2010. That budget was submitted to the County Board on December 14, 2010 and referred to the Finance Committee (Communication No. 310247). Subsequent to the Health System's submittal of its Preliminary Budget on December 14, 2010, the President's Budget Department informed the Health System that it would be necessary to revise its Preliminary Budget to include certain fixed costs that have historically been budgeted and expensed through Account 899, Fixed Charges and Special-Purpose Appropriations for Health, which account was previously placed under the budgets of the Office of the President. These items include costs related to employee benefits, centralized communications and the malpractice, employee and general liability claim reserves. For FY 2011, the President's Budget Department has transferred these costs to the Health System's budget which transfer is now reflected in the Health System's Revised FY 2011 Preliminary Budget.

In addition, after adding these Account 899 costs to its Preliminary Budget, the Health System was asked to further reduce its overall expenditures. Accordingly, on January 3, 2011 the Health System Board of Directors held a Special Board Meeting to adopt a Revised FY 2011 Preliminary Budget. The Revised FY 2011 Preliminary Budget incorporates the additional expenses of Account 899 and further reduces the Health System's overall expenses.

Specifically, at its January 3, 2011 Special Board Meeting, the System Board of Directors approved a motion to revise the Health System's FY2011 Preliminary Budget submission, to increase the total budget to \$914.835 million by the addition of certain line items in Account 899, as submitted by the Budget Department of the Office of the President, which expenses totaled \$106.392 million, and by further reducing unspecified appropriation adjustments by \$8.831 million.

The following is a summary of the revisions to the Health System's FY 2011 Preliminary Budget:

	(in millions)
FY2011 Preliminary Budget (approved 11/19/10)	\$817.275
Proposed Revision – Add Account 899 expenses	106.392
Proposed Revision – Unspecified negative appropriation adjustment	<u>(8.831)</u>
FY2011 Revised Preliminary Budget Total	\$914.835

Accordingly, the Board of Directors of the Cook County Health and Hospitals System respectfully submits the above referenced revisions to the Health System's FY 2011 Preliminary Budget submitted to the County Board on December 14, 2010 as the Health System's Revised FY 2011 Preliminary Budget as approved by the System Board of Directors on January 3, 2011.

***Referred to the Committee on Finance on 1/4/11.**

Chairman Daley informed the Committee that two (2) amendments relating to Communication Number 310523 (Amendments Number 1 and 2) were submitted as follows:

**AMENDMENT #1
COOK COUNTY HEALTH AND HOSPITALS SYSTEM
FY 2011 PRELIMINARY BUDGET
AMENDMENT TO COMMUNICATION NO. 310523**

Sponsored by: Jerry Butler and Deborah Sims, County Commissioners

890-245 Office of the Chief Health Administrator: Reduces advertising budget to a sustainable increase over FY 2010 adjusted appropriation.

<u>Dept/Acct</u>	<u>Description</u>	<u>From</u>	<u>To</u>	<u>Difference</u>
890-245	Advertising for specific purposes	\$2,400,000	\$315,000	-\$2,085,000

Commissioner Butler, seconded by Commissioner Steele, moved approval of Amendment No. 1. On a voice-vote, the motion to approve carried.

AMENDMENT #2

**COOK COUNTY HEALTH AND HOSPITALS SYSTEM
FY 2011 PRELIMINARY BUDGET
AMENDMENT TO COMMUNICATION NO. 310523**

Sponsored by: Jerry Butler, County Commissioner

564 TB Sanitarium District: Provides for the reimbursement for administrative services provided by offices in the County Corporate Fund.

<u>Dept/Acct</u>	<u>Description</u>	<u>From</u>	<u>To</u>	<u>Difference</u>
564-883	Cook County Administration	----	\$825,813	\$825,813

Commissioner Butler, seconded by Commissioner Garcia, moved approval of Amendment No. 2. On a voice-vote, the motion to approve carried.

Commissioner Suffredin, seconded by Commissioner Steele, moved approval of Communication No. 310523 as amended. On a voice-vote, the main motion carried, and the 2011 Preliminary Budget for the Cook County Health and Hospitals System was approved as amended.

310747 **COOK COUNTY HEALTH AND HOSPITALS SYSTEM FOURTH QUARTER REPORT FY 2010.** Transmitting a Communication, from Warren L. Batts, Chairman, Cook County Health and Hospitals System and William T. Foley, Chief Executive Officer, Cook County Health & Hospitals System:

In accordance with Section 38-81(c) of the Cook County Code, we hereby submit the quarterly report of the status of operations and finances of the Cook County Health and Hospitals System for the fourth quarter of FY 2010 for the January 19, 2011 meeting of the Cook County Board of Commissioners.

***Referred to the Committee on Finance on 1/19/11.**

Commissioner Sims, seconded by Commissioner Steele, moved to Receive and File Communication No. 310747. The motion carried.

310767 **COOK COUNTY HEALTH AND HOSPITALS SYSTEM COMPENSATION REVIEW.** Transmitting a Communication dated January 18, 2011 from Laura A. Burman, C.P.A., Cook County Auditor.

We are submitting herewith a copy of our Cook County Health and Hospitals System Compensation Review in accordance with Resolution No. 11-R-23.

***Referred to the Committee on Finance on 1/19/11.**

Commissioner Silvestri, seconded by Commissioner Steele, moved to Receive and File Communication No. 310767.

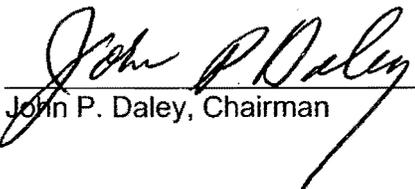
Vice Chairman Sims, seconded by Commissioner Steele, moved to adjourn. The motion carried and the meeting was adjourned.

**YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION
WITH REGARD TO THE MATTERS NAMED HEREIN:**

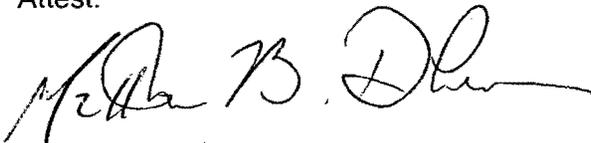
Communication Number 310523
Communication Number 310747
Communication Number 310767

Approve As Amended
Receive and File
Receive and File

Respectfully submitted,
Committee on Finance Committee


John P. Daley, Chairman

Attest:


Matthew B. DeLeon, Secretary

The transcript for this meeting is available in the Office of the Secretary to the Board, 118 North Clark Street, Room 567, Chicago, IL 60602.