



City of Grand Island

Tuesday, July 24, 2007

Council Session

Item G22

**#2007-171 - Approving Amendment to the Interlocal Agreement
with the Central Nebraska Health Department**

Staff Contact: David Springer

Council Agenda Memo

From: Dave Springer, Finance Director

Meeting: July 24, 2007

Subject: Amendment to Health Department Inter-local Agreement and Dispersal of Joint Employees Pension Funds

Item #'s: G-22

Presenter(s): Dave Springer, Finance Director

Background

Effective October 1, 2002, the joint City-County Health Department was replaced by a Central District Health Department which included the addition of Hamilton and Merrick Counties. This was approved by the Department of Health and Human Services of the State of Nebraska. An inter-local agreement entered into at that time called for the City Treasurer to act as the department's fiscal agent and provide financial management services for a nominal fee. The agreement also stated that the employees who to that point were City employees, would henceforth be employees of the Central District Health Department.

Discussion

The Central District Health Department functions as an independent entity apart from the City and has decided to perform its own financial operations with assistance from an accounting firm. Thus, the inter-local agreement needs to reflect that such duties will no longer be provided by the City. Additionally, since 1997, the City and County had jointly and equally contributed to a fund to provide for accrued vacation and sick leave liabilities of the joint agency departments of Health, Regional Planning, and Emergency Management. The costs of later two departments are shared by the City and County and "true up" annually and their personnel are City employees whose vacation and sick pay accruals are already included with the rest of the City's employs in a contingency account. The accrual for Health Department employees should have moved with them to the regional department in 2002. There is \$128,750 in this joint accrual fund and Council is asked to approve a payment of \$32,595.80 to the Central District Health Department for their accruals as of September 30, 2002 and the balance to be returned equally to the County and City General Fund of \$48, 77.10 each. The joint accrual fund would then be closed.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand.
The Council may:

1. Approve the Amendment to the agreement and division of funds.
2. Disapprove or Deny the recommendation.
3. Table the issue

Recommendation

City Administration recommends that the Council approve the Amendment to the Inter-local Agreement and a dispersal of monies to close the accrual fund.

Sample Motion

Approve the Amendment to the Inter-local Agreement with the Central District Health Department and a distribution of accrual funds as indicated.

AMENDMENT 2
CENTRAL DISTRICT HEALTH DEPARTMENT
INTERLOCAL AGREEMENT
JULY 24, 2007

The original interlocal agreement dated October 1, 2002 and amended October 13, 2003 is further amended as follows:

Page 5, Paragraph 11 shall read

11. All funds received by the Department shall be accounted for separately by a treasurer to be appointed by the Board. The Board may employ the services of a certified public accountant to provide financial management services such as cash management, payroll processing, financial accounting, and reporting. The Board shall adopt checks and balances, claims auditing, and internal control procedures consistent with sound accounting practices for public funds. Control of Department accounts will be assumed by the appointed treasurer on October 1, 2007.

Page 5, Paragraph 15 shall read

15. Employees of the Central District Health Department below the level of Director shall be employees of the Central District Health Department. Those employees shall be entitled to health insurance, life insurance, long term disability benefits, 457 Plan, pension and cafeteria plan and any other benefits at the discretion of the Board unless such benefits are expressly required by Nebraska statute or federal law. The District will establish its own personnel system. Any collective bargaining agreement covering such employees shall be subject to the approval of the Board of Health.

Approved by the member political subdivisions to the Central District Health Department:

City Of Grand Island, Nebraska
A Municipal Corporation

Dated: _____

By: _____
Mayor

Attest:

City Clerk

County of Hall

Dated: _____

By: _____
Chair of the County Board

Attest:

Hall County Clerk

County of Hamilton

Dated: _____

By: _____
Chair of the County Board

Attest:

Hamilton County Clerk

County of Merrick

Dated: _____

By: _____
Chair of the County Board

Attest:

Merrick County Clerk

RESOLUTION 2007-171

WHEREAS, on April 23, 2002, by Resolution 2002-119, the City of Grand Island approved its participation in the Central District Health Department and approved an Interlocal Cooperation Agreement for such participation; and

WHEREAS, on October 28, 2003, by Resolution No. 2003-315, the City Council approved Amendment No. 1 of the Interlocal Cooperation Agreement with the Central District Health Department; and

WHEREAS, certain funds need to be transferred to the Central District Health Department; and

WHEREAS, it is the desire of the Central District Health Department to perform its own financial operations with the assistance of a private accounting firm, which will require an amendment of the Interlocal Agreement between the city and the Central District Health Department reflecting this request, as shown on Exhibit "A" attached hereto; and

WHEREAS, the City Attorney's office has reviewed and approved the amendment to the Interlocal Cooperation Agreement setting out such changes.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the amendment to the Interlocal Cooperation Agreement for the Central District Health Department is hereby approved subject to the approval of the other member entities and the Nebraska Department of Health and Human Services.

BE IT FURTHER RESOLVED that the sum of \$32,595.80 shall be paid to the Central District Health Department by the city from the joint accrual fund, and the sum of \$48,077.10 shall be paid back to the County from the joint accrual fund, and \$48,077.10 be paid back to the City General Fund, thereby closing the joint accrual fund.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such amendment on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 24, 2007.

Margaret Hornady, Mayor

Attest:

Approved as to Form	☐ _____
July 19, 2007	☐ City Attorney

RaNae Edwards, City Clerk