

Budget

Audits

As of this writing, the ILEAS single agency financial audit will be submitted on Monday, June 27th. The Inventory report will be submitted on Wednesday, June 29th -both in time for the June 30 deadline. ILEAS' plan is to immediately start preparing for next year's audit in July and have it completed in the fall of 2011. Once finished, ILEAS will be completely caught up on all audits. ILEAS is not aware of any anticipated major findings in any of the audits.

Fiscal Year 2011 Federal Grants

As previously reported to the Board, Illinois took a 38% cut in FY2011 due to federal budget cuts. The House of Representatives Appropriations committee voted to cut homeland security to the states another 80-90% in FY12. ITTF has not yet determined what ILEAS' portion of the reduced funding it will receive. Acting ITTF Chair, Don Kauerauf has asked that all ITTF committees (including ILEAS) delay, until further notice, any local grants, large expenditures or hiring that is already not underway. This is an effort to make the FY 09 and FY10 funds last as long as possible.

Requested Board Action

Staff requests that the Governing Board dedicate serious discussion to examine the future funding stability for ILEAS.

ITTF Communications Committee Purchasing Request

Interoperable Communication Purchase Request

The ITTF Communications Committee requests that the ILEAS Governing Board authorize the purchase of High Frequency radio equipment.

Attached is the quote from MOBAT USA / Elbit system. This is a sole source purchase of 13 MICOM 3-frequency High Frequency radios for the mobile command posts - 2 –MICOM “ HF back pack radios and 1-MICOM 3-T HF portable radio ” . The ITTF Communications Committee wanted to get the same equipment as already exists in the ITECS trailers. This will allow direct compatibility and for certain other technical operational reasons, one being, encryption. This order is actually for their newer models but the compatibility remains in place. The vendor, MOBAT USA / Elbit Systems is the sole distributor / manufacturer to both government customers and other retail outlets. The ITTF Communications Committee voted on this in December of 2009, talked about the project at subsequent meetings and was reconfirmed from the membership via email on April 9th, 2011. Please note that the original amount as approved in the minutes and the actual budgeted amount increased during the budgeting process. \$241,150 was budgeted for this project. Total purchase price from MOBAT USA is \$239,335.00. There will be an additional expense forthcoming for antenna brackets from a different supplier of about \$1000. Minutes of the ITTF Communications Committee regarding this purchase are attached.

Requested Board Action

Since ILEAS policy requires the Governing Board to authorize equipment purchases exceeding \$100,000, staff requests that the Board approve the purchase of \$241,150 of the aforementioned radio equipment from grant 10ILEAUSUCP.

NATO Summit – G8 Summit

NATO Summit/G8 Summit

On Wednesday, June 22nd, President Obama announced troop withdrawals from Afghanistan. In that speech, he also announced that in May of 2012, he invited the NATO nations to meet simultaneously with the G8 nations in Chicago. The dates of this conference are May 15-22, 2012.

Fox Chicago Article:

Chicago, get ready: President Barack Obama will host the NATO and G8 summits here next year. That's going to be a huge deal, with world leaders gathering for both summits in Chicago in May 2012, along with perhaps hundreds of thousands of protesters. A White House official says the world leaders will also discuss the future of coalition operations in Afghanistan, which is why President Obama announced the summits' location during a speech on Afghanistan on Wednesday night. This will be the first time that Chicago has hosted either summit. Washington, D.C. is the only American city to have ever hosted NATO, and the last time that happened was 1999. Previous G8 Summits have attracted protesters and terrorists; during the 2005 summit, terrorists blew up bombs on London underground trains, killing 52 civilians and injuring 700 people. Chicago Mayor Rahm Emanuel acknowledged the need for increased security on Wednesday and said he plans to raise private money to pay for some of it, but he said he was focusing on the economic benefits. "It sends a message to the world that Chicago is a city on the move, and if you're thinking of investing, Chicago is the place to invest," Emanuel said. "This is an opportunity to showcase what is great about the greatest city in the greatest country." The summits might help some Chicagoans get over the fact that the city has flopped miserably on the world stage once already; former Mayor Richard Daley's **attempt to win the 2016 Olympics went down in flames in 2009**, when the city was eliminated in the first round. Regular Chicagoans won't get any access to the world leaders who will attend the summits, but they will experience the unfortunate spillover effects of traffic mayhem and increased security.

It should be noted that the NATO Summit has only been held in the United States once before in Washington, D.C. in 1999. In July 2001 in Genoa, Italy, a very violent protest to the G8 summit took place. Two months later was the September 11th attacks. The largest protest was in 2005 in Scotland where 225,000 protestors gathered to protest the summit and G8 policies. The London transit bombings took place during this particular Summit where 56 were killed and 700 injured.

Mayor Emanuel noted that the last time that NATO and the G8 occurred at the same time/place was in 1977 in London. ILEAS staff believes that this will be an unprecedented terrorist target and the potential for organized anarchist activity will be very high. Civil disturbances and traffic/logistical issues will be huge. ILEAS will be working with Secretary Gulliford as to how ILEAS can assist in the planning phase of this event. Prior to this announcement, Mark Beckwith, Pete Smith and Jim Page met the new Chicago Superintendent, Garry McCarthy, with Wayne Gulliford. The meeting was focused on bringing Superintendent McCarthy up to speed on ILEAS.

It should be noted that ILEAS Mobile Field Force teams experience in St. Paul and Pittsburgh will be a VERY valuable asset for the State of Illinois in its response to this event.

Requested Board Action

No official Board action is required. The expressed assumption is that the ILEAS staff will work with Chicago Police, Illinois State Police, IEMA, the Region 4 Board and local chiefs and sheriffs to devise a response plan for this event.

Contractor/Employee Transition

Background

ILEAS has historically only contracted with individuals to perform services. The Federal grants and ITTF policy when ILEAS was first formed did not allow for the hiring of staff. However, in recent years that changed and employees were allowed. However, ILEAS had no source of income from which to pay social security co-pays, unemployment insurance, benefits, etc. As a result, the ILEAS Board chose to continue with the year to year contracts for individual services.

This has worked well over the years. ILEAS has consulted attorneys and financial advisors who have universally indicated that the way ILEAS structured the contracts with regard to the IRS rules of who is a contractor and who is not – provided for a reasonable argument that the majority of ILEAS staffers are truly contractors. This practice has never been tested and there has been no need to date to make that argument.

However, this is no longer the case. One of ILEAS' contractors whose contract was terminated filed for unemployment with the Illinois Department of Employment Security (IDES). IDES inquired about this particular contractor. Jim Page sought expert employment legal advice and discovered that while someone may be considered by IRS as a contractor, they may indeed be considered by IDES to be employees. The advice that ILEAS received was to avoid the fight and legal issues and make our staff employees as soon as possible.

This will involve ILEAS providing for federal and state unemployment, FICA co-pays, payroll processing, etc.

After lengthy discussion with senior staff and the entire Executive Committee a proposal has been developed to solve the legal issue, provide for the welfare of the current staff, meet grant requirements and on the other hand, to keep ILEAS flexible with a high degree of controlling employment based on our "grants only" financial situation.

Proposal

Staff and the Executive Committee propose that:

- ILEAS the Consortium contract out to one private company, employee leasing/temporary services employment of the entire staff with one exception below
 - Everyone will actually be "temporary" employees of this vendor who are provided to ILEAS to work on a temporary basis based on performance acceptability and the availability of funding
 - Once a vendor is chosen, each staffer and the Executive Director would meet to review his/her pay as a contractor and what that would be as an employee
 - Pay levels would be reduced to compensate for ILEAS bearing the costs of unemployment, FICA co-pays, workers compensation, etc.
 - Keeping in mind that the staffer will no longer have to pay the self-employment tax of 15% or their own FICA-co-pays.
 - ILEAS would pay one check each month for the cost of these "leased" or "temporary" employees and their paychecks, insurance, benefits, tax forms, etc. will be managed by the vendor.
 - As is the current arrangement, as a temporary or leased employee, if the funding for a position expires, then so does the employee.
 - If that occurs, the employee will be eligible for unemployment at the expense of the vendor and their insurance, and not ILEAS.
 - A benefit to employees of a temporary services or employee leasing vendor is that they do have more options for health care, insurance, retirement savings, etc. – options that ILEAS simply cannot provide.
- ILEAS create employee positions for the Executive Director (Page), Member Services Manager (Luecking) and the Finance Manager (Huston).
 - It is recommended that ILEAS not lease our ALL employees.
 - ILEAS needs its own managers to oversee this vendor contract. It would not be wise to have the Executive Director work for the vendor that he is to oversee.

- The recommendation is for these three positions specifically, is for redundancy and these are the three check signers. It is not recommended to delegate check signing to a leased or temporary employee.

This is not the first time that ILEAS has done this. Chris Lugardo, an ILEAS bookkeeper, was an employee of Franklin Financial Services and assigned to ILEAS on a temporary basis. He had benefits from Franklin Financial but worked at and was supervised by ILEAS.

Incidentally, this would not affect staff who have named businesses. ILEAS' contract is with Audio-Visual Services instead of Fred Foster, Indilus instead of Tyrus DeJarnette, etc.

Preparation

- In anticipation for this change, ILEAS has put a Request for Proposal (RPF) out to see what the market, availability and cost is for this type of vendor.
- ILEAS has extended all the current contracts for 90 days while this process is being developed.
- Based on Governing Board Direction, ILEAS has not replaced any staffer that has left (i.e., Jeff Regan)
- Discussions are underway to reduce ILEAS' current contractors working at ITTF (Deb Clark, Edie Casella, Melissa Haas, Ashley Reichert, Curt Mueller, etc.)

Requested Board Action

The Executive Committee and the Executive Director request authorization for the Board to continue researching potential solutions to the employee vs. contractor.

Southern Illinois Flooding

ILEAS staff is still collecting all the statistics for the Southern Illinois Flood deployment – also known as Flood Fight 2011. Tentatively, at this point, 63 agencies responded in various forms to the flood in Southern Illinois in May 2011. The reimbursement cost so far is hovering around \$150,000. This includes:

- Mobile Field Force Response
- IL-TERT
- Special Requests for Specific Missions such as Corrections and Watercraft
- ILEAS RPC Response

Speaking as the Executive Director, ILEAS should be very proud of its response during Flood Fight 2011. Our officers/deputies were very well received by local agencies in the afflicted area. The Mobile Field Force was managed professionally by Eric Allen and Mike Klunk. The ILEAS RPC response was nothing short of fantastic. Russ Gentry stepped in as the SEOC Liaison because Jeff Regan resigned at the outset of the incident. Dave Fellows, Chris Tanner, Calvin Stearns, were all over Southern Illinois during this period driving to every police department and sheriffs office in Southern Illinois meeting with chiefs, sheriffs and EMA director to see what their needs were. They also staffed the Unified Area Command.

This crisis was what ILEAS was made for and I personally believe ILEAS responded professionally and effectively. However, there are lingering issues regarding ILEAS' role vis-à-vis the Illinois State Police. ILEAS has already conducted an informal after action review with IEMA and ISP. President Beckwith will provide the Board more information regarding the outcome of that meeting. But the bottom line is that the Board has reason to be proud of ILEAS and the way it responded to its Southern Illinois members.

HB3346 Status

HB3346 is a bill that:

1. Establishes the Illinois Law Enforcement Alarm System Funds in the State Treasury
2. Provides that the Director of the State MAY transfer funds collected from traffic ticket fees from the ISP Operations fund to ILEAS
3. Provides that the funds are to be transferred to ILEAS quarterly and that they must be spent on homeland security initiatives (67%) and homeland security air support (33%).

HB3346 was sponsored in the House by Lisa Dugan (D) and Don Moffit (R). It passed the House 109-2. The sponsors in the Senate were John Millner (R) and Mike Frerichs (D). It passed 57-0.

It is currently on the Governor's desk awaiting his consideration. Mark Beckwith and Jim Page met with Governor's staff about the positive effects of signing the bill. We await the Governor's decision.