

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, April 6, 2004 at 4:00 p.m. in Room 700 of the Law and Justice Center, 104 West Front Street, Bloomington, IL.

Members Present: Chairman Sorensen, Members Berglund, Nuckolls, Selzer, Moss, and Kalapp

Members Absent: None

Staff Present: Mr. John Zeunik, County Administrator, Mr. Terry Lindberg, Assistant County Administrator, Ms. Lucretia Wherry, Human Resources Assistant, and Ms. Karina Bak, Assistant to the County Administrator

Department Heads/
Elected Officials

Present: Mr. Phil Dick, Director, Building and Zoning, Ms. Becky McNeil, County Treasurer, Mr. Don Lee, Director, Nursing Home, Ms. Maria Pascua, Chief Deputy Clerk, Ms. Ruth Weber, Recorder of Deeds, and Ms. Sharon Dunham, Chief Deputy Recorder.

Others present: Ms. Laura Dick, Director, SHOW BUS, and Mr. Mike Behary, County Planner

Chairman Sorensen called the meeting to order at 4:04 p.m.

Chairman Sorensen presented the minutes from the March 2, 2004 Finance Committee meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Phil Dick, Director, Building and Zoning, addressed the Committee regarding rural public transportation in McLean, Livingston, Ford, and Iroquois Counties. Mr. Dick advised the Committee that included the agenda packer are the following documents: an Operating Assistance Application, a Vehicle Procurement Application, a Purchase of Service Agreement, and an Amended Lease Agreement for SHOW BUS. Mr. Dick stated that the applications are typical as to what the Committee has seen in the past. Mr. Dick recommended all approval of all of the SHOW BUS related agreements and offered to answer any questions from the Committee.

Motion by Berglund/Moss to approve the Operating Assistance Application, the Vehicle Procurement Application, the Purchase of Service Application and the Amended Lease Agreement for SHOW BUS as presented to the Finance Committee.
Motion carried.

Ms. Becky McNeil, County Treasurer, addressed the Finance Committee. The first report she presented was the Treasurer's Pooled Investment Account Summary which lists all of the investment accounts that the McLean County Treasurer manages for the County. There is approximately \$19 million in investments throughout the various funds. There were three CD's that matured in March; two were rolled over at 1.4 to 1.6% interest rate, down about a .25% to .50% from one year ago.

The next report that Ms. McNeil presented was the Summary of Retailers Occupation Tax (ROT), State Income Tax, Personal Property Replacement Tax (PPRT). ROT is at \$1.3 million received and is up about 4.59% compared to a year ago. The month of March is when taxes are received for December sales in the County. The sales tax revenues reported in March are generally larger because of the Christmas season at the end of the year. The State Income Tax revenue for March was down again, a reflection of the State withholding to make up for the shortfall in the State's tax refund fund. Personal Property Replacement Tax is up. ROT and PPRT are tracking on budget; the State Income Tax is slightly below budget.

The General Fund Balance Summary was the next report Ms. McNeil presented to the Committee. For the month of March, there is about \$1.1 million in cash and investments, \$2.3 million in receivables, and liabilities are at \$525,000. As of the end of March, the Fund Balance is at \$2,947,487.02 compared to \$2,894,164.98 in 2003.

The Statement of Revenue, Expenditures and Fund Balance for the Employee Benefit Plan is a quarterly report. Ms. McNeil stated that this is a fund where all employee and employer contributions flow through for all County benefits. The fund balance is currently at \$486,962.52. Chairman Sorensen asked why the amount paid to Health Alliance was higher now than in the past. Ms. McNeil stated that for Health Alliance, the numbers are as of March 31, 2004 and include the April premium. The Auditor's Office on a quarterly basis transfers the

Employee Medical contributions from the various funds to the Employee Health Benefit Fund. This transfer has not been made as of March 31, 2004.

Ms. McNeil presented the CDAP Quarterly report to the Committee. This report shows that there are two outstanding CDAP loans, one to Victory Enterprises and the second to the Learning Center. Both loans are current.

The next report Ms. McNeil presented to the Committee is the Status of Salary Reimbursements due to McLean County from the State of Illinois. The Supervisor of Assessments and State's Attorney's are currently due for March. Probation is due for January, February, and March. The State's Attorney's Office, IV-D Child Support, is pending submission for the month of March. The Circuit Clerk's Title IV-D is due for January and February with March still pending submission. The Circuit Court Title IV-D is current pending March submission. The total amount due is \$308,542.88.

The final report Ms. McNeil presented is the green bar status report, Statement of Revenue, Expenditures and Fund Balance for the General Fund. This report lists in detail the status of the revenue going into the General Fund. As of March 31, 2004 revenue was at \$3.9 million with expenditures at \$5.6 million. Expenditures reflect a third payroll in January. Currently, the Fund Balance is at \$2,947,952.28.

Motion by Nuckolls/Kalapp to accept and place on file the month-end financial reports from the Treasurer's Office for the month ending March 31, 2004, as submitted.

Motion carried.

Mr. Don Lee, Director, McLean County Nursing Home addressed the Committee. He explained that there was a loss of approximately \$14,400.00 for the month of February. Mr. Lee attributed this low to the census for the period. For January and February, the in-house census was a little over 128, for March the in-house census was 130.8. Towards the end of March and consistently through the month of April, the Nursing Home has been running at around 136 in-house with an additional average of 3 in the hospital.

Chairman Sorensen asked the Committee if they had any questions for Mr. Lee. Hearing none, Chairman Sorensen thanked Mr. Lee for his report.

Ms. Maria Pascua, Chief Deputy Clerk, County Clerk's Office, presented for approval recommendations from two Township Supervisors to consolidate polling places. The consolidation of polling places helps to lessen election expenses and meet the requirements of the federal election law.

Motion by Berglund/Moss to approve the request to consolidate polling places in Randolph and Chenoa Townships.
Motion carried.

Mr. Selzer asked if there would be unhappy people in Heyworth and Chenoa if the polling places were consolidated. Ms. Pascua stated that there were nine other areas with consolidated precincts and they seemed happy with the result. Chairman Sorensen noted that in LeRoy, there was a positive response when the polling precincts were consolidated.

Mr. Kalapp asked what kind of notification people receive when their polling place is consolidated with another. Ms. Pascua responded that each registered voter would receive a new voter "ID" card and public notices would be published in the newspaper.

Ms. Ruth Weber, County Recorder, and Ms. Sharon Dunham, Chief Deputy Recorder, addressed the Committee. Ms. Weber reported that all charge accounts have been closed. Most accounts have been paid-in-full. The Recorder's office has been in contact with the accounts that still have balances. The outstanding balance is \$1,389.90. This does not include Federal or State charges. The office continues to work with the IRS and the State of Illinois to bring their accounts up-to-date.

Ms. Berglund asked how long the remaining balance has been owed. Ms. Weber responded that it was charged at the end of the month when they were still accepting charges and the office is working on getting that amount collected.

Ms. Berglund asked Ms. Weber if the office was now closing their books at 1:00 p.m. Ms. Weber stated that they would keep the Recorder's accounts open all day and continue to reconcile their books like they have in the past. The reason for not closing their accounts at 1:00 p.m. is they would then have to adjust the date and time for each document recorded after 1:00 p.m. Ms. Weber stated that they are very busy in the afternoon and she feels they would be set back again if they closed their accounts at 1:00 p.m. Ms. Berglund asked if

closing the books at 1:00 p.m. would help the office reconcile the accounts. Ms. Weber stated that they were considering closing the accounts at 1:00 p.m., but decided it would not be best in the long run.

Mr. Selzer asked Ms. Weber to clarify what she meant by changing the date on the document. Ms. Weber said that when a document is recorded the date and time are automatically stamped on the document. When the cutoff is at 1:00 p.m. the time would have to be re-set to the next day for each document that is recorded. Mr. Selzer asked why they would have to re-set the time. Ms. Dunham replied that was what Cott Systems, their software company, indicated would have to be done.

Ms. Berglund gave an example of when you make a deposit at a bank and the cutoff time is 2:00 p.m., your receipt is stamped with the date and time you made your deposit, but it is not credited to your account until the following day. She asked Ms. Weber if the Recorder's Office could follow a similar procedure. Ms. Berglund also stated she doesn't understand why the office isn't closing their books at 1:00 p.m. in order to reconcile the accounts.

Mr. Kalapp stated that the analogy that Ms. Berglund presented is a good one. He said if someone brought in a document at 2:30 p.m. that needed to be date/time stamped "by the end of the business day", and the books for that day closed at 1:00 p.m., the equipment would date/time stamp the document at 2:30 p.m. the day they brought it in, but the fees collected by the Recorder's Office would be credited to the following day. Mr. Kalapp noted that he did not understand the system well enough to know if that would cause a problem or not.

Mr. Selzer said there are two different systems, a recording system and an accounting system. He said even if it is the same software, you should be able to run your accounting programs based on the perimeters that you set up. The accounting side should be set-up from 1:00 p.m. to 12:59 p.m. the next day with the recording side being whenever the documents are recorded.

Mr. Selzer asked if the County's Information Systems was helping with the software. Ms. Weber said that they have worked with the Recorder's Office. Mr. Selzer asked who was working with her on solving the problem. Ms. Weber replied that Information Services, the outside auditor, and the software company have been working with the office. Ms. Weber said that if the Committee would like her to look into this further, she would do so.

Mr. Selzer stated that last month, she informed the Committee that April 1, 2004 was when they would close their books at 1:00 p.m. in order to help them balance. He did not understand why she changed her mind.

Mr. Selzer asked about the reading from February 23rd and 24th. Ms. Dunham shared with the Committee the process for obtaining Revenue Stamps. On February 23rd, the office ran out of Revenue Stamps during the day. Ms. Weber drove to Springfield with the Revenue Stamp machine on the morning of the 24th and purchased more Revenue Stamps from the Illinois Department of Revenue. When she returned the Revenue Stamp machine had to be reset to February 23rd so the office could finish processing documents from the 23rd. The office then ran the reports and wrote down the numbers for February 23, 2004. Once this step was completed, the office changed the date to February 24th, 2004.

Mr. Kalapp asked if there was any way to forecast the type of documents that may come through during any given month. Ms. Dunham replied that it would be nearly impossible to predict the number and type of documents to be processed. Mr. Kalapp then asked if there was any other way to fill the machine other than driving to Springfield. Ms. Weber said that they watch the machine and when it starts to get low, she makes a trip to Springfield to have the machine filled. She also said that she doesn't know of any other way to fill the machine.

Mr. Kalapp asked what would happen during the processing of a document when the office runs out of Revenue Stamps. Ms. Weber responded that they keep an eye on the machine so they don't have that problem.

Mr. Selzer asked what is the difference of \$21.00 on the Recorder's Reconciliation to the General Ledger for the month of March. Ms. Dunham said that \$21.00 is the difference between what the Recorder shows and what the General Ledger shows for copies. Mr. Selzer asked if there was an explanation for the difference, and Ms. Dunham said that she did not have an explanation.

Mr. Moss asked if there are Recorder's Offices in the state that close their books at 1:00 p.m. or 2:00 p.m. in the afternoon. Mr. Moss asked the Administrator's Office to find this information out and bring the information to the Finance Committee. Mr. Moss feels that if the reconciliation process is working for another office then we should be able to duplicate the process here. Chairman Sorensen stated that Mr. Zeunik nodded that the Administrator's Office would be able to look into his request.

Mr. Zeunik presented a request for approval of an amendment to the 2004 Full-Time Equivalent Positions Resolution – State’s Attorney’s Office 0020 – DCFS Grant for Children’s Advocacy Center Attorney. This is a July 1, 2003 through June 30, 2004 grant. In the Fall of 2003 the 2003 budget was amended as well as the 2003 Full-Time Equivalent Positions Resolution to reflect the portion of the 2003 fiscal year that the grant covered. The grant was received after the 2003 budget was presented to the board, the Full-Time Equivalent Positions Resolutions for 2004 should have been added at the beginning of the 2004 fiscal year. The Justice Committee approved the budget amendment on April 5, 2004 to recognize the revenue. Mr. Yoder, State’s Attorney, advised the Justice Committee that if the grant were to end June 30, 2004 he would take action to fund this position out of his departmental budget.

Motion by Nuckolls/Moss to approve the request from the State’s Attorney’s Office to amend the 2004 Full-Time Equivalency Positions Resolution – State’s Attorney’s Office – DCFS Grant for Children’s Advocacy Center Attorney.
Motion carried.

Mr. Zeunik also presented a request for approval of professional services agreement for a Health Insurance Benefit Broker. Mr. Zeunik asked Mr. Lindberg to explain this to the Committee.

Mr. Lindberg said that the County has about 17 years of past experience with Health Alliance as a provider of health insurance. Health Alliance has asked if the County would like to engage an outside representative to aid us with customer service. Health Alliance would cover the cost of the outside agent of record. Two local agencies have contacted Mr. Lindberg stating that they would be willing to act as the agent of record for the Health Alliance plans. Both of the agencies stated that it would not cost the County anything since Health Alliance would pay them.

Mr. Lindberg stated both of the firms are highly qualified and both would be capable of providing the level of service that the County required. One firm stood out by quickly responding by e-mail to a number of issues that arose during their presentation within several hours and made arrangements to address those issues. They also showed a few innovative products that they have arranged as part of their service.

Mr. Lindberg said that staff's the recommendation would be to name Benefits Planning Associates as the agent of record for the County's Health Alliance business. This would not preclude Clemens and Associates from showing alternatives for group health insurance for fiscal year 2005.

Mr. Selzer asked if Health Alliance paid both of the companies the same. Mr. Lindberg said that Health Alliance would pay the same fee to either firm. The staff's recommendation is not a cost issue for the County but a service issue.

Motion by Selzer/Nuckolls to approve the request of professional service agreement for health insurance benefits broker.
Motion passed.

Mr. Zeunik responded to the Finance Committee's request from the Stand-up Meeting on March 16, 2004 to review current County hiring practices and consider sending formal offer letters to applicants prior to the start date. The new practice would entail developing a simple form letter which new hires would receive stating the precise position title, the starting rate of pay, the person to whom the new hire would report, and their starting date. The County Health Department is the only department that already does something similar.

Mr. Lindberg said he appreciates the support the Committee offered last month on the issue that occurred. He feels that if every department submitted the Payroll Change Form before the potential employee started, then some issues could be caught and corrected. Frequently, a new-hire starts and during the initial pay period the Payroll Change Form is submitted. The new hire is not paid until the Payroll Change Form is turned in and reviewed by the Administrator's Office and then submitted to payroll. One way to address the issue is to do a very simple offer and confirm letter.

Mr. Zeunik informed the Committee that Mr. Lindberg and Ms. Wherry have put together a group of elected and appointed officials to do a comprehensive update of the personnel rules. Part of this is being driven by the number of changes in Federal Law. Often those changes enacted done by the Board through an Ordinance or Resolution, but the changes are not codified into a formal final ordinance that is comprehensive in nature. The Administrator's Office is in the process of doing that and hopes to bring it to the Committee in May. Mr. Zeunik said he hopes as a result of this, to develop an employee handbook. Because of

the organization of County government and the current labor environment, an Employee Handbook applicable to all employees is difficult to prepare.

Mr. Zeunik reminded the Committee that May is the month when the Finance Committee considers the Budget Policy Resolution for preparation of fiscal year 2005 budget. This year May, is also the month where the Finance Committee submits recommendations for setting the salaries of the County-wide elected officials. The Budget Policy Resolution and the elected official salary recommendations will go from Finance to the Executive Committee and then to the full Board.

Chairman Sorensen asked if any members of the Committee had any initial thoughts on the budget resolution. None were mentioned.

Mr. Selzer asked when would the new salary take effect for the newly elected officials. Mr. Zeunik responded that the salary would take effect January 1, 2005 and is set for the four years that the person is in office. Mr. Selzer asked what if the new rate is a decrease from the amount the current official is currently receiving. Mr. Zeunik said that the Finance Committee, Executive Committee and then the Board set the salary and what is set is the amount the newly elected official will make.

Mr. Selzer stated he would like to know how the elected officials feel about their salaries. Mr. Lindberg said that the Administrator's Office has gone through several exercises and some comparable salary data will be provided to the Finance Committee to show the salaries that other counties pay their elected officials. Mr. Lindberg said that the Administrator's Office uses a ten County peer group and McLean County elected officials usually rank second, third, or fourth.

Mr. Kalapp asked if the Recorder's salary is the same as the County Clerk's salary. Mr. Zeunik said for a number of years the elected officials were treated in the same manner as appointed department heads. Then the elected official's salary was based on the size of their office, the size of their budget, their statutory responsibilities, whether they make policies or are perform an administrative function. The Sheriff was the highest paid County elected official, then the County Treasurer and Circuit Clerk followed by the County Clerk, County Auditor, County Coroner, and the County Recorder.

The current ranking is the Sheriff is the highest paid. The County Clerk, the Circuit Clerk and the County Treasurer are in the next highest band where they are all paid the same. The County Auditor, County Coroner, and the County Recorder are in a third band where their salaries are the same. All of the elected officials with the exception of the County Auditor receive additional money from the State in the form of a stipend that cannot be included in determining what compensation the County will pay them.

Mr. Moss asked how much the stipend usually is. Mr. Lindberg responded that it is usually between \$5,000.00 to \$6,500.00.

Mr. Zeunik said that the offices that are up for re-election this term are the Circuit Clerk, County Auditor, the County Coroner, and the County Recorder.

Chairman Sorensen presented the March 31, 2004 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee Fund total is \$619,759.92 and the prepaid total is the same. Bills for the Nursing Home are in the amount of \$363,563.23 and the prepaid total is the same.

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Motion by Moss/Kalapp to recommend approval of the March 31, 2004 Finance Committee bills as presented to the Committee by the County Auditor and to recommend approval of the Nursing Home bills as of March 31, 2004 as presented to the Committee by the County Auditor.
Motion passed.

Chairman Sorensen asked if there was any other business or communication for the Finance Committee. Hearing none, the meeting was adjourned at 5:45 p.m.

Respectfully Submitted

Karina L. Bak
Recording Secretary