

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, April 3, 2007 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Sorensen; Members Selzer, Owens and Moss

Members Absent: Members Nuckolls and Butler

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Jude LaCasse, Recording Secretary, County Administrator's Office

Department Heads/  
Elected Officials

Present: Mr. Don Lee, Director, Nursing Home; Ms. Becky McNeil, County Treasurer; Mr. Robert Kahman, Supervisor of Assessments; Mr. Lee Newcom, County Recorder; Mr. Bob Keller, Director, Health Department

Others Present: Chief Deputy Rusty Thomas, Sheriff's Department; Lt. Jeff Elston, Sheriff's Department; Mr. Walt Howe, Assistant Administrator, Health Department; Ms. Chris Colaw, Accounting Specialist, County Auditor's Office

Chairman Sorensen called the meeting to order at 4:00 p.m.

Chairman Sorensen presented the minutes from the March 6, 2007 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Don Lee, Director, Nursing Home, presented his February Monthly Report. He indicated that the census was down slightly due to a heavy exodus of residents the first part of February. Mr. Lee indicated that the February Report showed a census of 140 residents. He stated that the Nursing Home is still in a positive stance for the month of February as well as for the year.

Mr. Lee presented his 2006 Annual Report. He noted that it is a conservative report and is subject to how the outside auditors handle the IGT. Mr. Lee explained that the Auditor's Office currently is showing that the change in the retained earnings is \$949,000.00. He indicated that he believes \$70,000.00 of that amount will be taken back sometime in September, so the total retained earning is actually \$850,000.00.

Chairman Sorensen summarized that the Nursing Home made \$850,000.00 last year. Mr. Lee concurred and noted that, even without the IGT payment, the Nursing Home would have been in a positive stance with a retained earnings increase of \$122,000.00.

Mr. Selzer asked what is the IGT. Mr. Lee responded that it is "Intergovernmental Transfer Agreement." This is where the State of Illinois pays the Nursing Home at a much higher rate than they do other facilities. The State receives Federal Matching Funds on that amount, but the County must then return a sizable amount to the State.

Chairman Sorensen asked if there were any further questions. Hearing none, he thanked Mr. Lee.

Ms. Becky McNeil, County Treasurer, responded to the Committee's desire to have the Treasurer's Monthly Report included in the Committee Packet. She advised that she will prepare the Reports on the first business day of each month and e-mail them to the Finance Committee. However, Ms. McNeil noted that some months the first business day is the day of the meeting and it will not be possible to e-mail the Reports before the meeting. She added that she will also continue to bring hard copies of the Reports to the meeting.

Chairman Sorensen assured Ms. McNeil that the Committee is not displeased with the Reports or her work; rather they wanted to have a chance to review the Reports prior to the meeting.

Ms. McNeil reviewed her Financial Reports for the period ending March 31, 2007 as distributed. The following is an overview of the Report.

Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending March 31, 2007 Statistics:

- Retailers Occupation Tax Revenue Year to Date is \$1,498,737.16 which is -6.82% down from last year and 24.94% of budget.

- March is a good month as it reflects the sales tax paid in December.
- March 2007 total receipts for sales tax and local use tax were down compared to last year.
- State Income Tax Revenue is \$425,165.02, which is 7.27% over last year and 26.65% of budget.
- Personal Property Replacement Tax Revenue is \$285,661.10, which is 11.53% above last year and 20.48% of budget.

Ms. McNeil reported that several CD's came due in the last few days. Currently, the Treasurer's Office is gathering rates and evaluating cash flow. Ms. McNeil advised that she does not expect to cash any of the CD's, but if the rates are not good, cashing them out is a possibility. She noted that all of the accounts are coming in a little bit higher than last year. The total of all funds in the Treasurer's General Pooled Investment Account is \$14,524,576.07.

Mr. Moss asked how she creates the list of banks from which to consider CD rates. Ms. McNeil replied that she has a spread sheet which consists of most of the banks in McLean County. A staff member in the Treasurer's Office then calls or e-mails each bank to get their rates. Mr. Moss asked if new banks are included on the list. Ms. McNeil stated that new banks are added to the list. She noted that the banks are all very competitive.

Mr. Owens asked if the Citizen's Bank of Chatsworth is omitted from the list because they would not collateralize the CD's. Ms. McNeil replied that they are not on the list for that reason. She stated that she wants collateralization not only on the principal being invested, but also on the interest earned as well.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of March 31, 2007, which represents 25% of the fiscal year:

- Some items have not yet been accrued;
- Some grants, such as the grant of \$326,700.00 in the County Clerk's Office from last year, does not exist this year;
- The total Revenue as of March 31, 2007 is \$4,355,881.38, which is 14.48% of budget;
- Expenditures are \$5,981,270.27, which is 19.88% of budget;
- The Fund Balance as of March 31, 2007 is \$8,962,966.64.

Ms. McNeil reported that the Probation Officer salary subsidy from the State was exhausted in March, which was expected. She noted that each year the County knows the subsidy will end a little sooner.

Mr. Selzer expressed his frustration with the Probation Officer Salary Reimbursement. He recommended that the issue be taken to the County's lobbyist group and ask them to make this a priority. Chairman Sorensen responded that this may be the first year where that issue was not specifically singled out as an item in the Legislative Program. Mr. Lindberg stated that the County participated in a study that was used in the State Fiscal Year 2006 to recommend establishing a separate fund and separate appropriation for Probation Officers' salaries. He noted that the final Report was issued in the fall of 2005 and forwarded to the Illinois Supreme Court. This study was supposed to be used to influence the 2006 General Assembly, but the Report has never been released by the Court.

Mr. Selzer asked if it was possible to sue the State to honor their commitment to reimburse Probation Officer salaries. Mr. Lindberg replied that the County did sue the State in the early 1980's and that suit is still pending before the Court of Claims. Mr. Zeunik added that there is no way to compel the Legislature to appropriate money that they don't have.

Mr. Zeunik stated that a group of Counties recommended that the Probation Officer Salary reimbursement appropriation be taken out of the Supreme Court's budget and have it stand alone so that it would be possible to call attention to that reimbursement in front of the various appropriation committees in the House and Senate. Mr. Zeunik noted that the Supreme Court submits its annual budget request to the Governor's Office of Management and Budget. The Governor's Office makes a recommendation, which is in the Governor's Budget, but because it is a separate branch of Government, the Legislature does not look at individual line items; rather they simply appropriate an amount. It is up to the Supreme Court to decide how that appropriation gets allocated. Mr. Zeunik indicated that the money they receive first goes to Judicial salaries, second to the Administrative Staff that supports the Supreme Court, third to Court Reporters, and whatever is left falls to Probation Officer reimbursement. He stated that the Counties wanted to pull Probation Officer reimbursement out of the Supreme Court's budget, so they could make the argument to the legislature that not having a sufficient number of Probation Officers is a public safety issue.

Mr. Lindberg stated that every year we lose approximately another month in terms of salary reimbursement.

There was a lengthy discussion on potential ways to compel the Supreme Court to fulfill their obligation to reimburse Probation Officer salaries.

Mr. Moss asked if all of the Counties are in the same situation with Probation Officer Salary Reimbursement from the State. Ms. McNeil replied that everyone is in a similar situation. Mr. Zeunik stated that some Counties are in worse shape than McLean County. He added that some Counties have significantly reduced the number of Probation Officers due to the lack of reimbursement. Mr. Zeunik stated that the McLean County has been very fortunate, noting that the credit for this goes to Mr. Lindberg and Ms. McNeil. Every year, the County's Annual Budget reflects an accurate projection of what we expect to receive from the State. This projection has been carefully made to insure that the County knows how much of the salary we will have to make up.

Mr. Moss asked if McLean County has been restricted in its number of Probation Officers due to not getting the full reimbursement from the State. Mr. Lindberg stated that McLean County has an adequate number of Probation Officers.

Ms. McNeil reviewed the Quarterly Report on the Employee Benefit Fund, noting that this fund started the year with a Fund Balance of \$711,753.64. The current Fund Balance is \$326,770.26. Ms. McNeil explained that this is the Fund that employee benefit expenses run through, including contributions from the employer and employee and all of the expenses that are paid from the Fund. She indicated that the other item in this Fund is the Section 125 Cafeteria Plan, where employees set money aside for use throughout the year. Ms. McNeil reported that the County has paid out \$15,258.16 toward the Cafeteria Plan, which will be reimbursed throughout the year through payroll deductions.

Ms. McNeil stated that the HRA Rebate has paid out \$44,324.09 so far this year. This is part of the Health Insurance Plan to allow employees a rebate if they filled out a health wellness survey. Ms. McNeil stated that she will add more comparisons in this report for June.

Ms. McNeil reviewed the Quarterly Report on the Revolving Loan Fund. She pointed out that Boitnott Foods and Trace Design loans were added to the CDAP report. Ms. McNeil noted that all four loans are current, namely Victory Enterprises, Debbie Thomas Learning Center, Boitnott Foods and Trace Design. She advised that there is currently \$729,127.20 left in the Revolving Fund. Mr. Zeunik stated that there are still two outstanding loans that have not yet closed, the Micro-brewery and the Coffee Hound.

Motion by Moss/Owens to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending March 31, 2007, as submitted.  
Motion carried.

Ms. McNeil presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2007 Combined Annual Appropriation and Budget Ordinance – Collector's Automation Fund 0168, County Treasurer 0004, Financial Management 0004. She reported that this is an Emergency Appropriation to make \$3,600.00 available in the Automation Fund for the purchase of two new high-speed printers for the Treasurer's Office.

Motion by Owens/Moss to Recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2007 Combined Annual Appropriation and Budget Ordinance – Collector's Automation Fund 0168, County Treasurer 0004, Financial Management 0004.  
Motion carried.

Chairman Sorensen asked if there were any questions or comments. Hearing none, he thanked Ms. McNeil.

Mr. Robert Kahman, Supervisor of Assessments presented a request for approval of a Contract Agreement between McLean County and The Sidwell Company for Professional Mapping Services.

Motion by Moss/Selzer to Recommend Approval of a Contract Agreement between McLean County and The Sidwell Company for Professional Mapping Services.  
Motion carried.

Mr. Kahman stated that there have been questions regarding how the Wind Farms will be valued. He noted that he will be speaking to the Township Officials of McLean County on Thursday in Saybrook. Mr. Kahman advised that there are 37 towers that are working and will be assessed this year. He noted that all 120 towers in Phase I should be done this year, after which they will begin Phase II. Mr. Kahman reported that there will be legislation that will specifically single out wind farms to determine how they will be assessed. He believes there will be a flat fee rate based on the number of megawatts. This will make it a sustainable,

predictable income stream for local governments and standardize how wind farms are assessed throughout the State.

Chairman Sorensen asked if there were any questions or comments. There were none.

Mr. Lee Newcom, County Recorder, presented his Monthly Report. Mr. Selzer commented that he visited the Recorder's Office and noted that it was a very busy office.

Mr. Newcom requested that the Hotel and Travel Reimbursement Policy be reconsidered to allow Priceline purchases through the County credit card. He stated that he recently attended a meeting in Washington, D.C. where he purchased three nights through Priceline and two nights at the convention rate. Mr. Newcom indicated that he saved \$105.43 per night by going through Priceline.

Chairman Sorensen asked if the Priceline process meets the criteria set forth in the Travel Reimbursement Policy. Mr. Newcom replied that it did not meet the criteria. He stated that the IRS rules call for the hotel to be documented, which Priceline does document. However, the Auditor's Office, in interpreting the County Policy, requires an additional note from the hotel clerk showing that he checked in and out of the hotel. Mr. Newcom advised that no hotel will prepare such a document. He stated that he believes the receipt from Priceline should be adequate.

Mr. Selzer supported Mr. Newcom's request to reconsider the Travel Policy to include other receipts, such as Priceline receipts, to verify travel.

Mr. Newcom advised that the consultant has been in the Recorder's Office.

Chairman Sorensen asked if there were any comments or questions. Hearing none, he thanked Mr. Newcom.

Mr. Bob Keller, Director, Health Department, presented a request for approval of an Ordinance of the McLean County Board amending the 2007 Combined Appropriation and Budget Ordinance for Fund 0107 – AIDS/Communicable Disease Program for a NACCHO Medical Reserve Corps Training Grant. This is a \$10,000.00 grant that was received as part of the Emergency Public Health Preparedness function from the National Association of City and County Health Officials. Mr. Keller stated that this grant will be used to provide training to the County Medical Reserve Corp (MRC), which is a group of 44 volunteers comprised

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of physicians, nurses and other health professionals. He noted that this group ends up being EMA volunteers, so they are covered under Worker's Compensation.

Motion by Selzer/Owens to Recommend Approval of an Ordinance of the McLean County Board Amending the 2007 Combined Appropriation and Budget Ordinance for Fund 0107 – AIDS/Communicable Disease Program – for a NACCHO Medical Reserve Corps Training Grant.  
Motion carried.

Mr. Keller presented a request for approval of an Ordinance of the McLean County Board amending the 2007 Combined Appropriation and Budget Ordinance for Fund 0112-0061-0065 – Animal Control Program – to purchase a new vehicle. He stated that this revenue is available from fees collected for micro-chipping, spaying, etc.

Mr. Keller indicated that the vehicle in need of replacing is a 1994 Ford Ranger truck with 90,000 miles that had previously been in an accident, and needs a new transmission. The new truck will be approximately \$18,000.00.

Motion by Selzer/Owens to Recommend Approval of an Ordinance of the McLean County Board Amending the 2007 Combined Appropriation and Budget Ordinance for Fund 0112-0061-0065 – Animal Control Program – to Purchase a new Vehicle.  
Motion carried.

Chairman Sorensen asked if there were any further questions. Hearing none, he thanked Mr. Keller and Mr. Howe.

Chairman Sorensen presented the March 31, 2007 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund Total is \$358,866.37 with a Prepaid Total the same and the Finance Committee bills include a Fund Total of \$1,019,392.33 with a Prepaid Total the same.



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Motion by Owens/Moss to recommend approval of the Finance Committee bills as of March 31, 2007.  
Motion carried.

Chairman Sorensen called for a motion to go into Executive Session to discuss Collective Bargaining with the Committee Members, the Administrator's Office Staff and the Bargaining Team.

Motion by Selzer/Moss to Recommend the Finance Committee go into Executive Session at 5:01 p.m. to discuss Collective Bargaining with the Committee Members, the Administrator's Office Staff and the Bargaining Team.  
Motion carried.

Motion by Selzer/Moss to recommend the Finance Committee return to Open Session at 5:55 p.m.  
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 5:55 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary