

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, December 7, 2004 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Sorensen, Members Moss, Owens, Berglund and Nuckolls

Members Absent:: Member Selzer

Staff Present: Mr. John Zeunik, County Administrator, Mr. Terry Lindberg, Assistant County Administrator, and Ms. Jude LaCasse, Assistant to the County Administrator

Department Heads/  
Elected Officials

Present: Ms. Becky McNeil, County Treasurer; Mr. Don Lee, Director, Nursing Home; Mr. Bob Keller, Health Department Administrator; Ms. Jackie Dozier, County Auditor; Mr. Bob Kahman, Supervisor of Assessments; Mr. Derick Love, Chief Deputy, Sheriff's Department; Ms. Peggy Ann Milton, County Clerk; Mr. Lee Newcom, County Recorder

Others Present: Ms. Sharon Dunham, County Recorder's Office; Mr. Don Everhart, County Recorder's Office; Mr. Roger Lindus, E-PAY Representative

Chairman Sorensen called the meeting to order at 4:05 p.m. and noted that one member was absent.

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

Chairman Sorensen welcomed Mr. Owens to the Finance Committee and asked that the monthly reports be presented a little slower in consideration of the new member.

Ms. Becky McNeil, County Treasurer, reviewed the Summary of Retailers Occupation Tax-Sales Tax, State Income Tax, and Personal Property Replacement Tax Report. She indicated that these are the three revenue

sources that are tracked closely as they come from the State of Illinois and make up a large portion of the revenue in the General Fund. She noted that the Retailers Occupation Tax report compares 2004 to 2003. At this point, through November, there has been a total of \$4.7 million received in Retailers Occupation Tax. That figure is up 3.25% from last year and it meets 95.19% of the budget, which is very good as we are only about 92% into the year. We are \$149,000 over 2003. Ms. McNeil indicated that, by the end of December, she expects the Retailers Occupation Tax to finish the year at \$200,000 over budget.

Ms. McNeil reported that the State Income Tax is currently at \$1.2 million, which is 3.79% over last year, and currently is 102.24% of budget. She indicated she expects another payment in December which should put the County well over budget for the year. Ms. McNeil reported that the Personal Property Replacement Tax is at \$954,000, which is 23% over what was received last year and has met 116% of the budget. She noted that a payment is expected in December and she anticipates exceeding \$150,000. Ms. McNeil reported that there have been no changes in Property Tax since last month as final distribution occurred just this week. As of November 30, the county was at \$6.5 million of revenue into the General Fund. The Levy in the budget calls for \$6.8 million and that was exceeded with the final distribution made this week.

Mr. Owens asked where the increase in these revenue line-items is distributed. Ms. McNeil replied that it goes into the General Fund. She noted that occasionally some State revenues get split between other funds, but are then moved into the General Fund. Chairman Sorensen indicated that some things are intentionally budgeted conservatively on the revenue side and aggressively on the expense side. He noted that the Legislature sometimes passes a law and appropriates revenues due to the County for State uses.

Following questions regarding the source of some taxes, Ms. McNeil indicated she will provide a summary to the Finance committee next month.

Ms. McNeil presented the County Treasurer's General Pooled Investment Account report, noting that rates continue to rise very slowly. She pointed out some negative numbers on page two of the report, which are simply timing issues where the accounts appear to be in the negative but, in fact, are not. Ms. McNeil reported that some of the rates have gone up slowly. She noted that the Illinois Funds Accounts that are at 1.7% and 1.8% will likely have money transferred into them in December from the State Farm fund which is at 1.65%. Ms. McNeil explained that this report is a summary of all of the funds held in the name of the McLean County Treasurer. She noted that there is \$24.7 million throughout the various funds of the County.

Ms. McNeil presented the Statement of Revenue, Expenditures and Fund Balance Report. She noted that the last page of the report gives an overview of the data. She reported that Revenue is at 88.7% of budget, at \$23,443,000. Expenses are at 87.53% of budget, which is \$23,135,000, for a gain of \$308,000. Ms. McNeil indicated that she believes that gain is a result of the State Income Tax, the Personal Property Replacement Tax and the ROT Tax being budgeted conservatively.

Mr. Owens asked if the report is generally handed out at the meeting. Chairman Sorensen replied that the reports close the first or second business day of the month and, since the Finance Committee meets so early in the month, the reports are distributed at the meeting.

Chairman Sorensen thanked Ms. McNeil for her report.

Mr. Don Lee, Director, Nursing Home, presented one item for action, namely a request for approval of the Nursing Home private pay rate increase to \$119.00 per day effective January 1, 2005 and to maintain the daily rate for the Medicare Certified Section at \$150.00 per day effective January 1, 2005. This is based on the proposed budget for 2005 and recommended on a calculation made according to budget policy whereby the private pay rate is established based on the projected cost per day of operating the Nursing Home. Mr. Owens asked what is the current rate. Mr. Lee replied that it is \$116 per day.

Motion by Nuckolls/Moss to Recommend Approval of the Nursing Home Private Pay Rate Increase to \$119.00 per day Effective January 1, 2005 and to Maintain the Daily Rate for the Medicare Certified Section at \$150.00 per day Effective January 1, 2005.

Mr. Owens asked how the Nursing Home compares with other nursing homes in the County. Mr. Lee replied that the Nursing Home is lower than any other nursing home as other nursing homes have various rates based on different rooms plus their add-on costs for supplies. The Nursing Home has no add-on charges other than charges that are billed to Medicare. Chairman Sorensen pointed out that the mission of the Nursing Home is to open beds to people on Medicare and Medicaid. The Private Pay residents are those individuals who have chosen to come to the Nursing Home and can pay for their room. Mr. Lee noted that the Nursing Home's census is 55% public aid, 31% private pay and 4% Medicare.

Motion carried.

Mr. Lee presented the Monthly Financial and Statistical reports for the Nursing Home showing the census for the month and for the entire year. He noted that he is projecting to end with a positive increase in retained earnings at the end of the year. Mr. Lee indicated that the report is an accrued expenditure report that is constantly under revision in order to give the Committee a better idea of where the Nursing Home will actually be at the end of the year. Ms. Berglund asked what the census was today. Mr. Lee responded that it was 142.

Chairman Sorensen asked Mr. Lee to lighten the shading on the reports so they would be easier to read. Mr. Lee said that he would remove the shading.

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

Mr. Robert Keller, Health Department Administrator, presented six items for action to the Committee. Mr. Keller indicated that the items are budget and FTE amendments for Grant Fund 0107 and a slight increase in Fund 0112. He explained that a registered nurse position will be increased .20 FTE with bioterrorism funds that will be received from the Illinois Department of Public Health through the Center for Disease Control in Grant Fund 0107. Further, a certain amount in the budget, that will be off-set through immunization fees, would be put in for a budget amendment to cover a pro-rata share of the group health insurance. Mr. Keller explained that a) through f) on the Agenda are FTE and Budget Amendments for the remainder of 2004 and for the 2005 year and are all related.

Mr. Owens asked if this FTE will continue after 2005. Mr. Keller replied that it would continue if the grant money is available. If not, the position would be cut back to a .80 FTE.

Motion by Moss/Owens to recommend approval of Health Department items a) through f) as follows:

Recommend .Approval of a Resolution Amending the Fiscal Year 2004 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2004 McLean County Combined Appropriation and Budget Ordinance for Fund 0107.

Recommend Approval of an Ordinance of the McLean County Board Amending the 2004 Combined Appropriation and Budget Ordinance for Fund 0107

Recommend Approval of a Resolution Amending the Fiscal Year 2005 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2005 McLean County Combined Appropriation and Budget Ordinance for Fund 0107.

Recommend Approval of an Ordinance of the McLean County Board Amending the 2005 Combined Appropriation and Budget Ordinance for Fund 0107

Recommend Approval of an Ordinance of the McLean County Board Amending the 2004 Combined Appropriation and Budget Ordinance for Fund 0112

Recommend Approval of an Ordinance of the McLean County Board Amending the 2005 Combined Appropriation and Budget Ordinance for Fund 0112.

Motions carried.

Chairman Sorensen asked if there were any questions for Mr. Keller. Hearing none, he thanked him.

Mr. Robert Kahman, Supervisor of Assessments, presented three monthly reports, noting that the Assessment Office is ahead of schedule. He reported that the Assessment Status Report shows that all townships have been equalized and published. Twenty-six townships have closed for complaints, five remain open. Mr. Kahman noted that four townships have been closed completely for the year.

Mr. Kahman reviewed the Publication Date Report which compares the date of publication from year to year. The median publication date has improved by one and one-half month this year, which means that all townships have been published three months ahead of last year.

Mr. Kahman presented the EAV Change Report which is used to track the change in assessed value for each township. The final 2003 and tentative 2004 EAV is now known and listed on the bottom of the report. The County's EAV has grown by

5.65% over 2003, subject to Board of Review action. He noted that the tentative abstracts were mailed to the Illinois Department of Revenue on November 16, 2004.

Chairman Sorensen asked if there were any questions or comments for Mr. Kahman. Mr. Moss congratulated him on a job well done.

Ms. Jackie Dozier, County Auditor, passed out an update on the New World Government Accounting program, noting that she has agreed to do a test pass through for New World. She indicated that the most recent GASB 34 report was correct. However, the Component Unit is still incorrect and it is being fixed. Ms. Dozier indicated that New World has asked McLean County to act as a "Beta Test" site. New World will begin that process in January at no cost to the County. They will load the system and test it. If the County were not a "Beta Site," the programming would not be installed until 2006. Ms. Dozier reported that progress is being made and New World is working with her.

Chairman Sorensen thanked Ms. Dozier for the update.

Mr. Lee Newcom, County Recorder, expressed his appreciation to the Finance Committee on behalf of the County Recorder's Office. He introduced Ms. Sharon Dunham and thanked her for the exemplary job she has done in the Recorder's Office. Mr. Newcom then introduced Mr. Don Everhart who will be the new Chief Deputy Recorder. Mr. Newcom gave an overview of the status of the County Recorder's Office, noting that there are several areas which need to be addressed and corrected. He indicated that he anticipates having standards and practices set for the Recorder's office.

Mr. Newcom presented the personnel plans for the Recorder's Office. He requested the reclassification of two positions. First, Mr. Newcom requested the reclassification of the Chief Deputy Recorder, as the position will be significantly changed. He noted that, currently, the position has not exercised decision-making authority over the staff or operations of the office. He would like the Chief Deputy Recorder to be responsible for employee supervision; to be able to operate, evaluate and make recommendations for office software and hardware; to be able to understand, interpret, view and produce financial reports; and someone to be an advisor to the Recorder. Mr. Newcom reviewed Mr. Everhart's work history, noting his strengths in office management and computer technology. Mr. Newcom explained that it is because of the increased responsibilities, that he requests the position and pay raise be mandated.

Chairman Sorensen asked if this request was held up to the position classification methodology that has been used in the past. Mr. Newcom assured the Committee that it had and that he will produce that information right away.

Chairman Sorensen reviewed his understanding of the request as a request for a reclassification in the Chief Deputy Recorder position. He informed Mr. Newcom that the request must be held up against the PAS grid before the Committee can make a recommendation on the proposal.

Chairman Sorensen asked Mr. Newcom to give an overview of the other proposals as submitted. Mr. Newcom reported that the second proposal is the elimination of one Office Support Specialist I position and substituting an Office Support Specialist II. That position is to be a Lead Deputy Recorder. The purpose of that position is to work closely with the Chief Deputy Recorder and with the Recorder, to produce financial reports, supervise the daily activities of other employees, and be in charge of the office in the absence of the Recorder and Chief Deputy Recorder.

Mr. Nuckolls asked if the Lead Deputy Recorder position is also a new position with additional salary. Mr. Newcom replied that it is and that the Recorder's Office will have three Office Support I employees and one Office Support II employee. One Office Support I position was eliminated in order to support the Office Support II position.

Chairman Sorensen recommended that the FTE position requests as submitted by Mr. Newcom be held over for a Stand-Up Committee meeting prior to the County Board meeting on Tuesday, December 21. The Committee agreed.

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

Ms. Peggy Ann Milton, County Clerk, presented one item for action, namely a request for approval for the County Clerk to enter into an Agreement with the Illinois E-PAY System. Ms. Milton introduced Mr. Roger Lindus, a representative for E-PAY. She reported that the Circuit Clerk's office and the Treasurer's office both use E-PAY and have been very pleased with the program. E-PAY allows customers to request their birth, death and marriage records on line. Following submission of their request, they can FAX their identification to the office after which the document is produced for them. There is no cost to the County and a charge of \$1.75 to the customer to pay for the record with a credit card. Ms. Milton expressed her view that it is a good program. She noted that it is free to the County, the State office does the entire set-up, there is no activity minimum, and there is no contract for the service and it can be discontinued at any time.

Mr. Nuckolls commented that it is an outstanding service. Chairman Sorensen asked about mailing the documents. Ms. Milton indicated that the County Clerk's office mails documents at their cost. However, over-night mailings are paid for by the person requesting the document.

Motion by Owens/Moss to Recommend Approval for the County Clerk to enter into an Agreement with the Illinois E-PAY System.  
Motion carried.

Chairman Sorensen thanked Ms. Milton.

Mr. John Zeunik, County Administrator, presented three items for action. The first item was the annual request for approval of a Resolution establishing mileage reimbursement for private vehicles for county business. The IRS set the 2005 rate at 40.5 cents per mile, which is an increase over the current rate of 37.5 cents and is a reflection of the increase in gas expense. He noted that historically the Finance Committee has set the rate at the IRS rate.

Motion by Berglund/Owens to Recommend Approval of a Resolution of the McLean County Board Establishing Mileage Reimbursement for use of Private Vehicles for County Business.  
Motion carried.

Mr. Zeunik presented a request for approval of the recommendation for outside audit services for Fiscal years 2004-2006. He reported that the County received two proposals, one from Clifton Gunderson and one from McGladrey & Pullen. He noted that both firms are well-qualified and meet all of the technical requirements. Clifton Gunderson, for the next three years, proposed 1,000 hours to complete the audit at a cost of \$221,810 over the three years for the General Audit. McGladrey & Pullen proposed 850 hours at a cost of \$225,085. Mr. Zeunik reminded the Committee that Clifton Gunderson had made an error in Circuit Clerk's 1998 audit and the Circuit Clerk has since exercised her authority to go with a different firm for the AOIC Audit. Under State law, the Circuit Clerk is required to have a separate audit which is submitted to the Administrative Office of the Illinois Courts. The Circuit Clerk opted to use Guthoff, Mehall & Allen, which had done the County's audit previous to Clifton Gunderson. Mr. Zeunik reported that the Circuit Clerk has again decided to use Guthoff, Mehall & Allen to do their Audit.



Mr. Zeunik recommended to the Committee that Clifton Gunderson be awarded the three-year Letter of Engagement to complete the General Audit of the County's financial records.

Mr. Owens asked what the cost was for the Circuit Clerk's audit done by Guthoff, Mehall & Allen. Mr. Zeunik replied that he will look up the cost and provide that information to the Committee.

Chairman Sorensen commented that he understands changing outside auditors occasionally and noted that embarking on another three-year deal with Clifton-Gunderson is fairly unusual, and asked for further clarification on the recommendation.

Mr. Zeunik explained that McLean County awards a three-year Letter of Engagement to an outside auditor, which can be cancelled at any time if the County is dissatisfied. If an audit firm does a good job for the first three years, the Finance Committee historically offered that firm an opportunity for another three year engagement without going through a formal request for proposal process. With their last audit, Clifton Gunderson finished a six-year term as the County's outside auditor. At that time, the Administrator's Office met with the County Treasurer and the County Auditor to discuss the option of changing the outside auditor. Mr. Zeunik noted that the feeling at that time was to give Clifton Gunderson an opportunity to bid. He indicated that there are not a lot of auditors that are doing governmental auditing, and the only local firm capable is the Guthoff firm and they chose not to bid for the General Audit. Mr. Zeunik further stated that the two largest firms with offices in Central Illinois, are Clifton Gunderson and McGladrey & Pullen, and Clifton Gunderson does more of this type of business than any other firm.

Mr. Zeunik informed the Committee that bids went out to 11 firms and Clifton Gunderson and McGladrey & Pullen were the only two companies that submitted bids.

Mr. Nuckolls asked if these two companies had local offices. Mr. Zeunik replied that Clifton Gunderson has a main office in Peoria and currently Illinois State University is one of their clients. McGladrey & Pullen has offices in Springfield and Davenport, Iowa.

Mr. Moss asked how significant is the difference in staffing proposals, based on the number of hours each firm indicated they would spend doing the audit. Mr. Zeunik indicated he felt 850 hours was light in terms of the work that needed

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to be done. Ms. Dozier agreed with Mr. Zeunik that 1,000 hours was a more realistic figure.

Motion by Berglund/Nuckolls to Recommend Approval of the recommendation to award the Outside Audit Services for Fiscal Year 2004-2006 to Clifton Gunderson.

Motion carried.

Chairman Sorensen asked for a motion to go into Executive Session to discuss collective bargaining issues.

Motion by Moss/Owens to recommend the Finance Committee go into Executive Session at 5:40 p.m. to discuss Collective Bargaining with the Committee members, Administrator's Office staff, and Chief Deputy Sheriff Love to remain for the closed session.

Motion carried

Motion by Owens/Nuckolls to recommend the Finance Committee return to Open Session at 6:25 p.m.

Motion carried.

Chairman Sorensen presented the November 30, 2004 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee Fund total is \$792,739.15, with the prepaid total the same. The Nursing Home Fund is \$494,385.24, with the prepaid total the same.

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Motion by Owens/Nuckolls to recommend approval of the November 30, 2004 Finance Committee bills as presented to the Committee by the County Auditor.  
Motion carried

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 6:30 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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