

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, February 5, 2002 at 5:00 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members Arnold, Rodman, Berglund Kinzinger and Renner

Members Absent: None

Staff Present: Mr. John M. Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Lucretia Wood, County Administrator's Office

Elected Officials/

Department Heads: Ms. Ruth Weber, County Recorder; Mr. Don Lee, Director, McLean County Nursing Home; Ms. Peggy Ann Milton, County Clerk; Ms. Maria Loughrige-Pascua, Chief Deputy County Clerk; Mr. James Boylan, County Treasurer; Ms. Rebecca McNeil, Assistant County Treasurer; Ms. Jennifer Ho, Risk Manager; Mr. Bob Kahman, Supervisor of Assessments;

Others Present: None

Chairman Sorensen called the meeting to order at 5:00 p.m.

Mr. Bob Kahman, Supervisor of Assessments, presented the Assessment Status Report for the Supervisor of Assessment's Office. Four Townships still are receiving complaints. To date, 480 complaints have been filed by taxpayers. The Board of Review has handled approximately 220 complaints, not filed by taxpayers. An estimated 900 complaints are expected to be received.

The Assessment Report shows the Assessments by Township in comparison to previous years. There is a significant decrease in value in some Townships due to the decrease in value of Farmland. The County has tremendous growth of \$80 million on new construction last year. This trend is expected to continue into next year.

The tentative abstract has been sent to the Department of Revenue in preparation for the 2001 Tax Bill. The Tentative Multiplier should be available in the next few weeks. The Multiplier is expected to be a "1".

Mr. Arnold asked if the Multiplier is the cause of the complaints. Mr. Kahman explained that factors and multipliers are used interchangeably. Multipliers in McLean County are used as equalizers. The Supervisor of Assessments estimates the Department of Revenue

value. If a complaint goes to the Board of Review, the conclusion of the Board of Review is final unless the State Multiplier is different.

Mr. Arnold asked if the sales data studies are used to determine the multiplier. Mr. Kahman replied that the multiplier is based on sales data. The difference between the estimation from the Department of Revenue and the Assessment Office is the subjective matter as to what is an "arms length transaction".

Mr. James Boylan, County Treasurer, and Ms. Rebecca McNeil, Assistant County Treasurer, presented the County Treasurer's Statement of Revenues, Expenditures and Fund Balance Report as of December 31, 2001 the County Treasurer's Investment Report as of January 31, 2002 and the Employee Benefit Fund Report as of January 31, 2002.

Ms. McNeil presented the Semi-Annual CDAP Revolving Loan Report. The summary gives the term of the loans, the maturity date of the loans, and earnings over the term of the loans. Mr. Arnold asked if any of the loans were in arrears. Ms. McNeil replied that Victory Enterprises is in arrears. The owner has been notified that he is late with the November and December payments. Mr. Renner asked if there is a penalty for late payments. Ms. McNeil replied that there is not a provision for a late payment penalty in the contract. Ms. McNeil stated that it is unusual for payments to be late. The Learning Center and Ringer Foods are ahead of schedule.

Ms. McNeil stated that the Statement of Revenues and Expenditures reflects activity as of December 31, 2001. Revenue is up by a \$200,000.00. The Interfund Transfers need to take place for the revenue to increase. She noted that expenditures were up over \$1,000,000.00.

Ms. McNeil notified the Committee that she has provided a sample copy of the 2002 Tax Bill, which will allow taxpayers to have their taxes automatically withdrawn from a bank account. Extra fees will not be charged. The taxpayer will be able to sign up for the service at anytime.

Mr. Rodman asked if the funds would be automatically withdrawn every year. Ms. McNeil replied that the termination of the automatic withdrawal would be up to the taxpayer. There will need to be some flexibility if a problem occurs.

Mr. Arnold suggested that a box be added for the bank account number. Ms. McNeil replied that she would try to find a space for it.

Mr. Rodman asked if the Oversight Committees approved the additional Expenditures. Mr. Zeunik replied that the expenditures for the 2001 Budget are \$23,817,692.00. The additional expenditures would have been approved as Budget Amendments or emergency Appropriations.

Motion by Arnold/Rodman to receive and place on file the Semi-Annual CDAP Revolving Loan Report, County Treasurer's Statement of Revenues, Expenditures and Fund Balance Report as of December 31, 2001, the Investment Report as of January 31, 2002, and the Employee Benefit Fund Report as of January 31, 2002. Motion carried.

Chairman Sorensen congratulated the Treasurer's Office on their Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. Mr. Boylan replied that the whole office worked hard to achieve the Certificate. Ms. McNeil replied that the Office would strive to achieve the award again this year.

Ms. Jennifer Ho, Risk Manager, presented the Fourth Quarter Risk Management Fund report. The experience for all lines coverage shows a reduction or has remained constant for the Fourth Quarter. The experience outside of 1998 has shown a reduction. The County needs to continue efforts to reduce claims by creating safety training in departments. Since the market for public sector insurance for 2002 is tight, the County needs to focus on Claims Management. This will be helpful when working with the Underwriters.

Mr. Rodman asked what types of safety training are currently being done. Ms. Ho replied that Risk Management would focus on driver's liability by making sure that County drivers have good driving records and wear seatbelts. Mr. Rodman asked if there are seminars or articles addressing these issues. Ms. Ho replied that Risk Management works on making the drivers more aware making through articles in the newsletter, and making sure that seatbelts are worn. Risk Management will also work on lifting mechanics to reduce back injuries.

Mr. Arnold asked how the reports helped Risk Management to predict trends. Ms. Ho stating that the report tracks if there is a reduction or an increase in claims, the severity of claims, value of the claims and the number of lost time cases.

Ms. Ruth Webber, County Recorder, presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2002 Combined Annual Appropriation and Budget Ordinance, County General Fund 0001, County Recorder's Office 0006, County Recorder's Document Storage Fund 0137. Mr. John Zeunik, County Administrator, stated that Ms. Weber indicated at last month's meeting that she would like to hire additional staff due to the increased number of documents received in the Recorder's Office in 2001. When Ms. Weber met with the Administrator's Office, she suggested that the occasional seasonal line be increased. The increased suggested would allow the Recorder's Office time to see if the trend continues. The proposed increase in the occasional seasonal line is for 750 hours to allow for an additional person though June. The increase in the line would be \$6,435.00 and would be funded from GIS fees. For January 2002, 4,598 documents were filed and \$4,440.00 was collected through the GIS fees.

Mr. Rodman asked if the position would be under 1000 hours if the position were to remain past June. Mr. Zeunik replied that if the position were to be offered for the full year, the position would be over 1000 hours and qualify for benefits.

Mr. Kinzinger asked if the position would be easy to eliminate. Chairman Sorensen replied that because the position is being funded through the occasional seasonal line item, the position would have to be brought to the Committee for approval to be transferred to a full-time position. Mr. Zeunik replied that the Recorder intends to keep the Committee updated on the progress of the Office.

Mr. Rodman asked how many hours the employee would be working each week. Ms. Weber replied that the office would be flexible. Mr. Zeunik replied that the request would fund the position for a 37 ½ a week. The Committee will be asked to review need for the position in May.

Motion by Berglund/Renner to recommend approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2002 Combined Annual Appropriation and Budget Ordinance, County General Fund 0001, County Recorder's Office 0006, County Recorder's Document Storage Fund 0137. Motion carried.

Mr. Kinzinger left at 6:10 p.m.

Mr. Don Lee, Administrator, McLean County Nursing Home, presented the Monthly and General Reports for the McLean County Nursing Home. Expenses are going to come in higher than expected. The Nursing Home is predicted to be "in the black" for 2001. Adjustments still need to be made for vacation liability, depreciation, and inventory.

Mr. Rodman asked what are the additional earnings from the increase in the private pay rate. Mr. Lee replied that he does not know, but he will have a report for the March Finance Committee Meeting. Mr. Renner asked if the increase in private pay rate has adversely effected the private pay population rate. Mr. Lee replied that it has not.

Mr. Arnold asked if capital expenses are being delayed to cover operational losses. Mr. Lee replied that there was a change made to the way that items are capitalized. Many items are now itemized as operational expenses.

Mr. Rodman noted that the vacant beds for the year average 15. He asked if there are ways to promote the Nursing Home, such as using the County Newsletter. Mr. Lee replied that groups such as State Farm and Country Companies have visited the facility because they are developing long-term care policies. Across the Community, long-term care facilities are

experiencing a loss because rates of discharge are higher. The McLean County Nursing Home has a good reputation with in the community.

Mr. Lee stated that the Nursing Home emergency generate is out of date. It will need to be brought up to code or replaced. It is more cost effective to replace the generator.

Ms. Peggy Ann Milton, County Clerk, presented a request for approval of an Amended Ordinance Setting Fees for Vital Records in the County Clerk's Office. Chairman Sorensen stated that he took the liberty of pulling the Vital Records off of the request to amending fees that was presented last month to the Executive Committee and the County Board. The Resolution included amending vital records, which are also provided by the Heath Department under Illinois law. This month, the Resolution shows the new proposed vital records fees as agreed upon by the Health Department and the County Clerk. The charge for the service is lower than the original proposal as not to be cost prohibitive to the clients at the Health Department. Mr. Arnold asked if the costs of the Tax Sale Redemption Services would affect people in that, those least able to pay have increased costs. Ms. Milton replied that she did a study to determine how people use the redemption process. Most use it as an investment verses an inability to pay as an indigent. The taxpayer bids zero to one percent on multiple parcels. Those with multiple parcels earn more money if the owners invest the money than pay the taxes on time. Corporations own 50 percent of the parcels at the tax sale time.

Mr. Rodman asked if the other items in the resolution were already approved. Chairman Sorensen replied that the Vital Records could have been brought back as a separate Ordinance, but then any time changes would need to be made, the Board would have to deal with two ordinances instead of one.

Mr. Arnold stated that he is in disagreement with the proposal. The increase in fees for services is poor public policy in regards to taxation.

Motion by Rodman/Berglund to recommend approval of a request to Amended an Ordinance Setting Fees for Vital Records in the County Clerk's Office.

Mr. Arnold votes' "no".

Motion Carried.

Ms. Milton reported the statistical information for the Office. The redemption's fees collected for January of 2001 was \$339.00. For January 2002, the redemption fees collected are \$3,573.00. Marriage license fees are up \$285.00 in January.

Mr. John Zeunik, County Administrator, presented a request for approval of Interfund Transfer Ordinances for January 1, 2002 through May 31, 2002. The first is an Ordinance Transferring Monies from the General Fund 0001 to the Persons with Disabilities Fund 0110, FICA/Social Security Fund 0130, and Fund and the IMRF Fund Fiscal Year 2002. The second is a Resolution Transferring Monies from the Working Cash Fund to the Persons with Developmental Disabilities Fund 0110 to the Health Department Fund 112, Fiscal Year 2002. A summary of expenses and revenues is provided in the packet.

The two largest departments that depend on property taxes, Health Department and the Highway Department, have prepared separate spreadsheets. The Health Department has a number of grant programs. Health Fund 0112 is used to cover expenses until grant payments are made. The Highway Department, because of construction expenses and contract awards does not follow a typical pattern.

Mr. Rodman noted that the Highway Department this year does not need a transfer this year. He asked if the other requests are unusual. Mr. Zeunik replied that the cash balance in the General Fund is lower than usual, which is a reflection of the slow pay by the State of Illinois.

Mr. Arnold asked if the increase in expenses in the Persons with Developmental Disabilities is due to an increase in mandatory services. Mr. Zeunik replied that it is a contract expense. There is an increase in demand for services in the Community. Mr. Arnold stated that he would like to review the fund at sometime. Mr. Zeunik replied that the Finance Committee has oversight over the review of the budget and setting the tax levy. Mr. Arnold asked if the fund is within the fund's adopted budget. Mr. Zeunik replied that it is within the fund budget.

Motion by Arnold/Rodman to recommend approval of an Ordinance Transferring Monies from the General Fund 0001 to the Persons with Disabilities Fund 0110, FICA/Social Security Fund 0130, and Fund and the IMRF Fund Fiscal Year 2002, and a Resolution Transferring Monies from the Working Cash Fund to the Persons with Developmental Disabilities Fund 0110 to the Health Department Fund 112, Fiscal Year 2002. Motion carried.

Mr. Zeunik presented a request for approval of a proposed Ordinance Amending and Establishing the County Travel and Business Expense Reimbursement Policy for McLean County. The policy was sent back by the Board for further review in November. Department Heads have reviewed it. The County Auditor brought the request back to the Committee to ask if a per diem would be allowed for overnight stays. At this point, the staff has done everything that can be done.

Mr. Rodman asked if there are any other changes. Mr. Zeunik replied that there were clarification made to sections. Mr. Zeunik noted that on page 30, Section 4.1-1, the policy previously stated that all travel shall be by the most direct route and by the most economical mode of transportation. Language has been added to consider travel time, costs and work requirements. The section on Per Diem is Section 5.3 on page 34.

Mr. Rodman asked what is the review of credit card charges. He noted that a surrounding County has a problem with that. Mr. Zeunik replied that the other County does not have a County Auditor or an Internal Auditor. The Sheriff requested a credit card at the Justice Committee meeting. The Justice Committee recommended that the Sheriff work with the Auditor to ensure consistent use county-wide. No cards will be issued without the approval of the Department's Oversight Committee. Mr. Zeunik suggested that one vendor be used for all Departments. Currently, the only credit cards being used are gas cards.

Mr. Renner stated that he hates to keep track of all the receipts. Mr. Rodman asked if the employees would need to turn in receipts to receive the per diem amount. Mr. Renner replied that the receipts would have to be turned in for half day. Mr. Zeunik replied that the employee would receive the per diem amount for the portion of the day they are gone.

Mr. Rodman asked if the per diem amount would be given out in advance. Mr. Zeunik replied that a travel advance is allowed.

Mr. Arnold replied that he originally objected to the need for receipts. Ms. Berglund stated that she tracks all of her receipts. Ms. Berglund stated that she would continue to turn in her receipts. She is expressed her opposition to the per diem amount, but will not vote against the policy.

Motion by Rodman/Renner to recommend approval of a request for an Ordinance Amending and Establishing the County Travel and Business Expense Reimbursement Policy for McLean County. Motion carried.

Mr. Terry Lindberg, Assistant County Administrator, presented a request for approval to add a savings bond payroll deduction as an Employee Benefit. Security Marketing Group approached the County for a program that has received an IACO endorsement. It is difficult to directly purchase savings bonds. Securities Marketing is an authorized seller of savings bonds, which is sold at no cost. The program is funded because Security Marketing take the opportunity to sell bond completion insurance. The policy is two parts, one is a bond completion program and the other is catastrophic illness bond completion program. Other Counties that have installed the program have had favorable experience.

Security Marketing Group made a presentation to the Employee Benefits Committee. This program is an easy way for employees to save money. The bonds have a favorable interest

rate. Mr. Arnold noted that this is not a pre-tax benefit and that income tax will have to pay on the bonds.

Employees can do this for as little as \$2.00 a pay period. Mr. Rodman noted that if not enough money is set aside to buy a bond, the Company has the use of the employee's money until a time that there is enough money to purchase the bond.

Mr. Rodman asked about the financial strength of the company. Mr. Lindberg replied that the company has been in business for a number of years.

Chairman Sorensen stated that when the Committee reviewed a request several years ago to add dental benefits to employee benefits, the Treasurer's Office expressed concern over the limited amount of payroll code deduction available in the payroll system and the added work. Mr. Lindberg replied that the new payroll system has up to 1000 codes and the only added work to the Office will be the initial set up.

Mr. Arnold replied that the additional codes make the payroll more difficult. The employees need to know that taxes have to be paid on the savings bond.

Mr. Lindberg replied that the County could request that certain things be covered in the presentation. One benefit is a tax-free savings for college. A grandparent can do it for their grandchildren. The bond can be gifted to the parent for the grandchildren.

Motion by Berglund/Rodman to recommend approval of a request for approval to add a savings bond payroll deduction as an Employee Benefit.

Chairman Sorensen asked what is the cost to the County and what is the benefit to the County. Mr. Lindberg replied that there are almost no costs to the County. The benefit to the County is that the employees are offered a saving plan with attractive interest rates.

Motion carried.

Chairman Sorensen presented the bills, which have been reviewed and recommended for transmittal to the Finance Committee by the County Auditor.

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Motion by Berglund/Arnold to recommend approval of the
bills as presented by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman
Sorensen adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Lucretia A. Wood
Recording Secretary

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