



McLean County

FINANCE COMMITTEE AGENDA

Room 400, Government Center

Wednesday, February 4, 2009

4:00 p.m.

1. Roll Call receive
2. Approval of Minutes: January 5, 2009
December 16, 2008 Stand-Up Meeting
3. Departmental Matters
 - A. Don Lee, Director, Nursing Home
 - 1) Items to be Presented for Information:
 - a) Monthly Reports 1-3
 - b) General Report
 - c) Other
 - B. Jennifer Ho, Risk Management
 - 1) Items to be Presented for Action:
 - a) Request Approval of Proposed Insurance Program for Fiscal Year 2009 4-6
 - 2) Items to be Presented for Information:
 - a) 4th Quarter Risk Management Report 7-9
 - b) General Report
 - c) Other
 - C. Becky McNeil, County Treasurer
 - 1) Items to be Presented for Information:
 - a) Accept and place on file County Treasurer's Monthly Financial Reports as of January 31, 2009
 - b) General Report
 - c) Other
 - D. Lee Newcom, County Recorder
 - 1) Items to be Presented for Information:
 - a) General Report 10-12
 - b) Other

E.	Peggy Ann Milton, County Clerk	
	1) <u>Items to be Presented for Action:</u>	
	a) Request Approval to Change the Polling Place for Money Creek Township from East Bay Camp to Money Creek Township Building	13-16
	2) <u>Items to be Presented for Information:</u>	
	a) General Report	
	b) Other	
F.	Jackie Dozier, County Auditor	
	1) <u>Items to be Presented for Action:</u>	
	a) Request Approval of an Ordinance of the McLean County Board Amending the 2009 Combined Annual Budget and Appropriation Ordinance	17-20
	2) <u>Items to be Presented for Information:</u>	
	a) Illinois Compiled Statutes Mandated Audits:	
	(1) Children's Waiting Room Fund	21
	(2) Law Library Fund	22-23
	(3) Tax Automation Fund	24
	(4) Court Automation Fund	25
	(5) Court Document Storage Fund	26
	b) Petty Cash/Cash On Hand Audits:	
	(1) Auditor's Office	27
	(2) Building and Zoning Department	28
	(3) Circuit Clerk's Office	29
	(4) Emergency Management Agency (EMA)	30
	(5) Health Department	31
	(6) Recorder's Office	32
	(7) Facilities/Postage Account	33
	(8) Sheriff's Department	34
	(9) Treasurer's Office	35
	(10) County Clerk's Office	36
	(11) Juvenile Detention Center	37
	(12) Juvenile Court Services	38
	(13) Nursing Home	39
	c) General Report	
	d) Other	
G.	Robert Kahman, Supervisor of Assessments	
	1) <u>Items to be Presented for Information:</u>	
	a) EAV Change Current vs. Prior Year Report	40
	b) Complaint Comparison Year to Year	41
	c) General Report	
	d) Other	

H. John M. Zeunik, County Administrator

1) Items to be Presented for Action:

- a) Request Approval of an Ordinance Transferring Monies from the County General Fund 0001 to the Children's Advocacy Center Fund 0129, the F.I.C.A./Social Security Fund 0130, the I.M.R.F. Fund 0131 and the Tort Judgment Fund 0135, Fiscal Year 2009 42-45
- b) Request Approval of a Resolution Transferring Monies from the Working Cash Fund 0002 to the F.I.C.A./Social Security Fund 0130, Fiscal Year 2009 46-47
- c) Request Approval of an Ordinance Transferring Monies from the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110, Fiscal Year 2009 48-49
- d) Request Approval of an Ordinance of the McLean County Board Amending Chapter 10 Of the McLean County Code 50-55
- e) Request Approval of CDAP Revolving Loan Application – Watershed Foods LLC 56-70

2) Items to be Presented for Information:

- a) General Report
- b) Other

- 4. Recommend Payment of Bills and Transfers, if any, to County Board
- 5. Other Business and Communication
- 6. Adjournment

McLEAN COUNTY NURSING HOME

ACCRUED EXPENDITURE

Pri Date: January 28, 2009

	2008 BUDGET	2008 MONTHLY ALLOC	DEC, 2008 ACCRUED EXPENSE	YTD ALLOC	ADJUSTED YTD EXPENSE	REMAINING BUDGET	YTD VARIANCE AMOUNT	PER CENT OF BUDGET SPENT	PROJECTED EXPENSE 12/31/08
SALARIES	3,595,035	304,988	369,309	3,600,826	3,895,826	(300,791)	295,000	108.37%	3,895,826
IMRF	281,491	23,907	28,917	282,262	305,043	(23,552)	22,781	108.37%	305,043
MED/LIFE	438,940	14,178	37,280	440,143	440,143	(1,203)	0	100.27%	440,143
SOC/SEC	275,020	23,358	28,252	275,774	298,031	(23,011)	22,257	108.37%	298,031
VAC LIAB	(1,772)	(151)	(151)	(1,777)	(1,777)	5	0	100.27%	(1,777)
SELLBACK	0	0	0	0	0	0	0	0.00%	#DIV/0!
PERSONNEL	4,588,714	366,281	463,608	4,597,228	4,937,266	(348,552)	340,038	107.60%	4,937,266
COMMODITIES	841,321	71,455	87,999	843,626	739,679	101,642	(103,947)	87.92%	739,679
CONTRACTUAL	4,295,650	363,579	295,932	4,307,419	3,290,915	1,004,735	(1,016,503)	76.61%	3,290,915
CAPITAL	772,120	65,577	21,433	774,235	418,154	353,966	(356,081)	54.16%	418,154
GRAND TOTAL	10,497,805	866,892	879,699	10,522,508	9,386,015	1,111,791	(1,136,494)	89.41%	9,386,015

McLEAN COUNTY NURSING HOME

ACCRUED REVENUE

Pri Date: January 28, 2009

	2008 BUDGET	2008 MONTHLY ALLOC	DEC, 2008 ACCRUED REVENUE	YTD ALLOC	ADJUSTED YTD REVENUE	REMAINING BUDGET	YTD VARIANCE AMOUNT	PER CENT OF BUDGET	PROJECTED REVENUE 12/31/08
MEDICARE REVENUE	766,500	65,100	19,722	768,600	892,468	(125,968)	123,868	116.43%	892,468
IDPA REVENUE	3,153,600	267,840	515,423	3,162,240	6,168,828	(3,015,228)	3,006,588	195.61%	6,168,828
SCHOOLING REIMB	0	0	0	0	0	0	0	#DIV/0!	0
JDC LAUNDRY	8,439	717	1,476	8,462	10,638	(2,199)	2,176	126.06%	10,638
JDC FOOD	35,000	2,973	5,583	35,096	27,878	7,122	(7,218)	79.65%	27,878
MEALS	600	51	272	602	1,751	(1,151)	1,149	291.83%	1,751
PVT PAY REVENUE	2,151,675	182,745	118,691	2,157,570	1,608,662	543,013	(548,908)	74.76%	1,608,662
UNCLASS	12,000	1,019	190	12,033	2,653	9,347	(9,380)	22.11%	2,653
INTEREST EARNED	97,990	8,322	65,375	98,258	220,458	(122,468)	122,199	224.98%	220,458
SALE OF ASSETS	0	0	0	0	850	(850)	850	#DIV/0!	850
TRANSFER IN	579,004	49,176	67,381	580,590	741,617	(162,613)	161,027	128.08%	741,617
TELEPHONE REIMB	0	0	750	0	10,530	(10,530)	10,530	#DIV/0!	10,530
TOTAL ACC REVENUE	6,804,808	577,943	794,863	6,823,451	9,686,333	(2,881,525)	2,862,882	142.35%	9,686,333
TOTAL ACC REVENUE	6,804,808	577,943	794,863	6,823,451	9,686,333	(2,881,525)	2,862,882	142.35%	9,686,333
LESS ACCRUED EXPENS	(10,497,805)	(866,892)	(879,699)	(10,522,508)	(9,386,015)	(1,111,791)	1,136,494	89.41%	(9,386,015)
ACC REV - (ACC EXP)	(3,692,997)	(288,950)	(84,836)	(3,699,057)	300,318	(3,993,316)	3,999,375		300,318
PLUS CAP EXP	0	65,577	21,433	774,235	418,154	353,966	(356,081)		418,154
ACC BALANCE	(3,692,997)	(223,372)	(63,403)	(2,924,822)	718,472	(3,639,350)	3,643,294		718,472

McLEAN COUNTY NURSING HOME - CERT PA SKILLED
 DECEMBER 31 DAYS
 2008
 DAILY CENSUS

DAY OF MONTH 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 TOT AVG

DECEMBER

CERT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOT	AVG
MEDICARE	7	7	7	7	7	7	7	8	10	9	9	10	10	10	10	10	10	10	9	8	8	8	7	7	7	6	5	5	6	6	6	243	
PA SKILL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
PA INT	6	6	6	5	5	4	4	4	4	4	4	4	4	4	4	4	4	4	5	6	6	5	5	4	5	5	4	4	4	146			
PP SKILL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
PP INT	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	21		
SUB TOTAL	14	14	14	14	13	13	13	13	14	14	14	14	14	14	14	14	14	14	14	14	14	14	13	13	12	12	12	11	11	11	410		

NON-CERT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOT	AVG
PA SKILL	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	31	
PA INT	82	81	80	80	81	80	81	82	83	83	83	83	83	82	82	83	83	83	84	83	84	85	85	80	83	83	82	82	83	83	81	2553	
PP SKILL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
PP INT	29	28	28	28	28	28	28	28	28	28	28	27	27	27	27	27	27	27	27	27	27	27	27	25	25	25	27	26	26	27	27	841	
SUB TOTAL	112	110	109	109	110	109	110	111	112	112	112	111	110	110	111	111	111	111	112	111	112	113	113	106	109	109	110	109	110	111	109	3425	

TOTAL	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOT	AVG
MEDICARE	7	7	7	7	7	7	7	8	10	9	9	10	10	10	10	10	10	10	9	8	8	8	7	7	7	6	5	5	6	6	6	243	
PA SKILL	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	31	
PA INT	88	87	86	86	86	85	86	86	87	87	87	87	86	86	87	87	87	87	89	89	90	90	84	88	88	87	87	87	87	85	2699		
PP SKILL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
PP INT	30	29	29	29	29	29	29	29	28	29	29	27	27	27	27	27	27	27	27	27	27	27	28	26	26	29	28	27	28	28	862		
TOT IN HOUSE	126	124	123	123	123	122	123	124	126	126	126	125	124	124	125	125	125	125	126	126	126	126	118	122	121	122	121	121	122	120	3635		
PP BED HOLD	0	0	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2	2	0	0	0	0	0	12		
PA BED HOLD	0	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	1	1	1	0	4	0	0	1	1	1	1	1	3	26		
TOTAL CENSUS	126	125	125	125	125	125	125	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	124	124	123	123	122	122	123	123	3873		
VACANCIES	24	25	25	25	25	25	25	24	24	24	24	24	24	25	24	24	24	24	24	24	24	24	26	26	26	27	27	28	28	27	27		

McLEAN COUNTY NURSING HOME

CENSUS Report - 2008

MONTH	AVG MEDICARE	AVG PVT PAY	AVG IDPA	AVG IN HOUSE	AVG BED HOLD	AVG CENSUS	AVG VACANT
JANUARY	7.10	34.81	100.06	141.97	0.68	142.65	7.35
FEBRUARY	5.41	36.31	98.10	139.83	1.38	141.21	8.79
MARCH	4.45	32.55	94.19	131.19	1.55	132.74	17.26
APRIL	6.30	32.10	92.50	130.90	0.77	131.67	18.33
MAY	6.39	31.90	93.81	132.10	2.03	134.13	15.87
JUNE	7.07	31.53	91.23	129.83	2.17	132.00	18.00
JULY	9.45	31.71	89.03	130.19	2.45	132.65	17.35
AUGUST	9.77	29.10	88.32	127.19	2.35	129.55	20.45
SEPTEMBER	11.30	28.93	87.33	127.57	0.63	128.20	21.80
OCTOBER	7.94	31.10	88.94	127.97	1.29	129.26	20.74
NOVEMBER	7.17	30.20	89.70	127.07	1.13	128.20	21.80
DECEMBER	7.84	27.81	88.06	123.71	1.23	124.94	25.06

YTD AVERAGE 7.52 31.50 91.77 130.79 1.47 132.26 17.74
 % OF CAPACITY 5.01% 21.00% 61.18% 87.20% 0.98% 88.18% 11.82%



RISK MANAGEMENT OFFICE

TEL: (309) 888-5940
104 West Front Street

FAX: (309) 888-5949
P. O. Box 2400

E-MAIL: riskmgt@mclean.gov
Bloomington, IL 61702-2400

Memo To: Ben Owens, Chairman
Members, Finance Committee

From: Jen Ho, Risk Manager *Jen Ho*

Date: January 27, 2009

Subject: Proposed Insurance Program for PY 2009

The proposed insurance programs totaling \$465,849 for PY 2009 as summarized in Attachment A, is attached for your review and approval. The proposed renewals for PY 2009 are \$38,151 under budget for PY 2009 and are collectively, 2.01% less than the actual PY 2008 premiums.

A brief summary of the renewal for each line is as follows:

- 1). **Property insurance premiums** – Chubb, the incumbent carrier offered the most competitive terms. The County received a reduction in premiums of 16% over 2008, even if the insured values are increased by 4% for inflation and the addition of a new garage at the Highway Department. Coverage includes the added auto physical damage coverage for licensed vehicles added in May 2008.
- 2). **Excess Liability Insurance** - The premium for the County has a slight increase of 0.14% from 2008. The decision to retain the incumbent carrier, the States RRG program, was because of the strength of having 3 major financially stable reinsurers backing the program – this significantly reduces the risk of default, given the turmoil in the financial markets. We, however, do remain mindful of the concerns of carriers for claims practices and other attributes that make an entity an attractive underwriting risk.
- 3). **Nursing Home Liability Insurance** – the incumbent, Health Cap, was selected because it remains the more cost-effective of the options available in terms of overall costs, i.e. claims and premiums costs, on a desired Occurrence form vis-à-vis a claims made form. Both Mr. Don Lee and myself also took into consideration that the County is able to renew with a reduction in premiums by 3.7% from PY 2008, with an open, outstanding claim. Staying with Healthcap allows us to demonstrate our longevity with carriers, a favorable trait to insurers.
- 4). **Excess Workers Compensation Insurance** – the County is taking advantage of a 2-year agreement with the incumbent carrier, Safety National, which also reduced premiums by 3.77%. Self-insured retention for the law enforcement increased from \$475,000 to \$500,000 as is typical in the State of Illinois, while the self-insured retention remains unchanged for other classifications at \$425,000.
- 5). **Theft and Bond Insurance** – Limits increased to 1,000,000 from \$500,000, due to the increase in the County's financial flows and a cost-effective pricing for a 3-year prepaid policy that offers a 20% discount over annual renewals at \$11,828 or an average cost of \$3942.67 per year as compared to 3 annual premiums of \$5,296 per year for 3 years. Essentially, limits are doubled for an additional \$400 per year over PY 2008. We are also studying the feasibility of implementing a change in State law in 2000 that allows the use of a blanket bond in place of individual public officials bonds for the 2010 gubernatorial elections. Individual bonds represents a duplication in coverage. The County will save monies set aside for these bonds, while simplifying the bonding process for public officials to meet statutory requirements.
- 6). **Brokerage Services** – Arthur J. Gallagher Risk Management Services Inc. (AJG); was approved by the Finance Committee last November because of its competitive proposal. Included with their proposal are added resources to augment the County's efforts in loss control, safety and risk management.

An Executive Summary from AJG is presented in Attachment B. It should be noted that the quote from Health Cap was finalized after the Executive Summary was received. Mr. Rich Stokluska with AJG and I are available for your questions prior to and at our meeting. Thank you.

ATTACHMENT A

Risk Management Program PY 2009

A. Coverages	DESCRIPTION	Budget FY 2009	PY 2009	Actual PY 2008	Change 09-08
1. Property Insurance/Inland Marine* Chubb Insurance Co.	\$ 100 Million Blkt limits;Ded-\$ 10,000 Flood/Quake - \$25 M; Ded - \$ 100,000	\$ 62,000	\$ 55,397	\$ 65,935	-16%
2. Boiler & Machinery:	Coverage Consolidated In Property Cov	N/A	Included	Included	N/A
3. Excess Liability :** STATES SELF-INSURED RRG	Limits: \$15 million excess of SIR \$250,000; Occurrence Form	205,000	192,136	191,859	0.14%
4. Nursing Home Liability Insurance*** Health Cap	Limits: \$ 2 M occ/\$4 M agg;	145,000	137,144	142,419	-3.70%
5. Excess Workers Comp. Ins**** Safety National Casualty Corp.	Statutory ;SIR: \$ 425,000/500,000 EL Limits: \$ 1 Million;	30,000	26,482	27,519	-3.77%
6. Theft/Bond Insurance:***** Zurich Insurance Company	Limits:\$ 1,000,000; Ded: \$ 10,000	5,000	11,828	3,570	231.32%
B. Brokerage Fees*****	Arthur J. Gallagher Risk Management Services Inc. (AJG)	32,000	22,000	24,896	-11.63%
C. Claims Administration***** CANNON-COCHRAN MSI Danville, IL	Administration of Workers' Compensation claims.	25,000	20,862	19,287	8.17%
D. Outside Counsel: COSTIGAN & WOLLRAB, P.C. Bloomington, IL	Partner: \$ 175/ \$ 135hr				
HEYL, ROYSTER, VOELKER & ALLEN Peoria, IL	Partner: \$ 125/hr (WC)				
Total:		\$ 504,000	\$ 465,849	\$ 475,485	-2.03%
	Budget - Proposed	\$ 38,151			

Notes:

* Property Insurance: Increased values for new garage & inflation; includes Terrorism coverage; coverage for ETSB/Metcom Building; APD coverage for licensed vehicles added for \$13,980 in 5/08. PBC share pro-rated premiums for L & J and Lincoln Parking Deck.

** Includes Terrorism coverage.

*** Healthcap - Occurrence Form; \$ 133,144 Premiums + \$ 4,000 risk management fee.

*** Excess Workers Compensation: SIR increased from \$ 475,000 to \$ 500,000 for law enforcement/public safety class, remain same for all others; 2-year policy; deposit premiums of \$26,482.

**** Theft Bond Coverage increased limits to \$ 1 Million, enhanced coverage for faithful performance; 3-yr prepaid policy.

***** AJG - new broker approved 2008; first of 3 year agreement

***** Continuation of 3rd Year of 3 year contract.

Executive Summary

We would like to thank McLean County for giving us the opportunity to act as your insurance broker for the 2009-2010 policy year. McLean County will directly benefit from the utilization of our collective knowledge and experience of serving as broker to many public and governmental entities. Nationally we provide services to more than 4,000 schools, municipalities, and counties with over 500,000 employees and \$30,000,000,000 in property values. The Arthur J. Gallagher Public and Non-Profit Risk Management Division of Arthur J. Gallagher & Co. is solely focused on this segment of the market, and our expanding client list, market relationships, and personnel reflect that commitment. Further, our company has the expertise and breadth of services to meet your risk management needs. We have an experienced team of insurance professionals to serve as an extension of your risk management department who will be committed to the success of your insurance program.

For the 2009-2010 policy year, at the direction and request of McLean County, we approached the following insurance carriers to negotiate renewal terms:

Carrier	Line of Coverage	Status
Federal (Chubb)	Property	Incumbent
Travelers	Property	New Carrier
Affiliated FM	Property	New Carrier
Great American	Property	New Carrier
Safety National	Excess Workers' Compensation	Incumbent
Health Cap	Nursing Home Liability	Incumbent
CNA	Nursing Home Liability	New Carrier
Darwin	Nursing Home Liability	New Carrier
OneBeacon	Nursing Home Liability	New Carrier
AIG	Nursing Home Liability	New Carrier
ACE	Nursing Home Liability	New Carrier
Fidelity and Deposit	Crime	Incumbent
States Self Insurance Risk Retention Group	Excess Liability	Incumbent

We were pleased with the reactions of incumbent markets to our request for rate relief and/or coverage enhancements. With respect to Property coverage, Chubb has indicated their willingness to renew by offering a 9% decrease in spite of increased values. Regarding Excess Workers' Compensation, Safety National is offering a flat rate. Although the payrolls are up, the flat rate results in an increased premium of just about \$500. We are pleased to offer a competitive nursing home quote through CNA, which like the existing program with Health Cap, is providing coverage on an Occurrence basis rather than Claims-Made. Regarding Crime coverage, we have offered an enhanced program to include treasurers and tax collectors and employees, and employee theft excess over statutory bond requirements at a nominal additional premium.

We need to point out the mandatory Self-Insured Retention increase on Excess Workers' Compensation for the police category from \$475,000 to \$500,000. The Safety National underwriter made this increase a condition of the 2008-2009 renewal. A \$500,000 Self-Insured Retention is very typical of police exposure in the State of Illinois due to recent legislation that expands benefits to first responders (paramedics, EMT's, and firefighters) for illnesses that were previously not considered employment-related. Safety National has also offered a multi-year option which we will discuss with you during our visit.

We are very appreciative of the opportunity to act as McLean County's insurance agent and will provide the superior service that is our hallmark at all times.





RISK MANAGEMENT OFFICE

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104 West Front Street

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P. O. Box 2400

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Bloomington, IL 61702-2400

Memo to: Ben Owens, Chairman
Members, Finance Committee

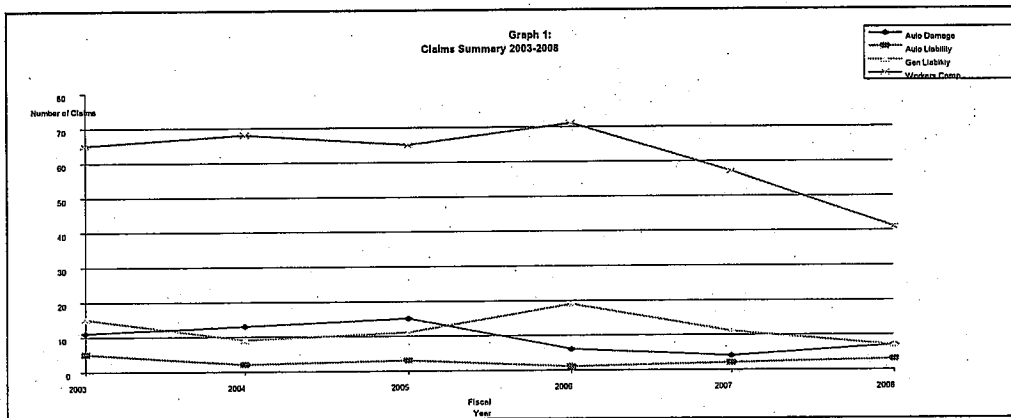
From: Jennifer Ho *Jen Ho*

Date: January 27, 2009

Subject: Fourth Quarter Risk Management Fund Report

The cumulative Risk Management Fund report for all self-insured lines of coverage as of December 31, 2008 is enclosed for your perusal.

With reference to Table 1, as shown in the workers compensation area, significant for 2008 is the continued downward trend in the number of work injuries at 41. This will be lowest registered workers compensation claims since 1992, when the self-insurance began. This is an improvement over the previous year's count by 16 claims. It is with through the reduction in the number of work injuries that the County realizes savings in the form of reduced expenses. All other lines of coverages are level or downward trending as well, as shown in the Graph 1: Claims Summary below.



A tabulation of 'raw' claims for the fiscal year is shown in Table 2. Raw data acts as a good indicator of final outlays of claims costs for that policy year. For example, as shown in Table 2, FY 2007 has 55 claims and an incurred loss of \$205,639 as compared to 57 claims and \$279,174 as shown in Table 1. Differences are due to late reported claims and the variation between projected expenses and actual expenses as claims mature. Essentially, Table 1 accounts for the accumulated costs of aged claims at a point in time, which is 12/31/2008, at this reporting. I

It is also significant that the County's auto physical damage claims have been declined from a high of 15 in 2005 to less than 10 per year since 2006. Auto liability claims in FY 2008 has been consistently low as with other years, reflective of results from our checks on driving records which indicate that 88.8% of current employees who drive on County business do not have driving violations, with 9.1% having one violation within the past 3 years. That the County has level or downward trending claims is a tribute to the professionalism and mindfulness of County employees.

I am available for your questions at our regular meeting. I can be reached at 309-888-5940 should you need answers prior to the meeting. Thank you.

**McLEAN COUNTY RISK MANAGEMENT FUND
AS OF December 31, 2008**

Table I: Cumulative Claims Summary

CLAIMS TYPE	ALL	OPN	PD LOSSES	RESERVES	RECOVRS	INCRD LOSSES
A. AUTO PHYSICAL DAMAGE						
PY 2003	11	0	33,596	-	700	32,896
PY 2004	13	0	31,720	-	3,490	28,230
PY 2005	15	0	43,370	-	9,653	33,717
PY 2006	6	0	6,828	-	582	6,246
PY 2007	4	0	5,390	-	-	5,390
PY 2008	7	0	23,967	-	7,512	17,959
B. AUTO LIABILITY						
PY 2003	5	0	22,476	-	-	22,476
PY 2004	2	0	15,415	-	200	15,215
PY 2005	3	0	10,064	-	-	10,064
PY 2006	1	0	9,084	-	-	9,084
PY 2007	2	0	4,183	-	-	4,183
PY 2008	3	0	9,194	-	-	9,194
C. GENERAL LIABILITY						
PY 2003	15	0	47,457	-	-	47,457
PY 2004	9	1	92,807	4,168	-	96,975
PY 2005	11	0	26,840	-	-	26,840
PY 2006	19	2	27,321	12,823	-	40,144
PY 2007	11	3	12,371	26,482	-	38,853
PY 2008	7	3	12,803.7	27,992	0	40,796
D. WORKERS COMPENSATION						
PY 1992-99*	704	4	4,885,917	36,404	2,003,999	2,918,322
PY 2000	64	1	290,367	46,021	-	336,388
PY 2001	71	1	314,380	1	8,500	305,881
PY 2002	76	1	443,695	71,189	-	514,884
PY 2003	65	2	271,625	196,168	659	467,134
PY 2004	68	2	371,452	35,498	1,216	405,734
PY 2005	65	2	344,210	73,050	358	416,902
PY 2006	71	11	668,061	362,698	3,537	1,027,222
PY 2007	57	6	171,862	107,362	50	279,174
PY 2008	41	17	155,124	161,945	529	316,540

* Includes catastrophic incident of 2/16/93 and fatality of 8/15/97

Table 2: Historical Fourth Quarter experience FY 2004 – FY 2008

COVERAGES:	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008	
	#	INCRD \$	#	INCRD \$	#	INCRD \$	#	INCRD \$	#	INCRD \$
Auto Physical Damage	13	30,863	15	33,717	6	31,247	4	5,390	7	17,959
Auto Liability	1	8,300	3	10,064	1	0	2	4,183	3	9,194
General Liability	4	2,583	11	9,718	19	9,618	10	32,000	7	40,796
Worker's Compensation	67	48,506	63	246,204	66	494,308	55	205,639	41	316,540
TOTAL:	85	90,252	91	286,074	92	535,173	71	247,212	58	384,489

Executive Summary

We would like to thank McLean County for giving us the opportunity to act as your insurance broker for the 2009-2010 policy year. McLean County will directly benefit from the utilization of our collective knowledge and experience of serving as broker to many public and governmental entities. Nationally we provide services to more than 4,000 schools, municipalities, and counties with over 500,000 employees and \$30,000,000,000 in property values. The Arthur J. Gallagher Public and Non-Profit Risk Management Division of Arthur J. Gallagher & Co. is solely focused on this segment of the market, and our expanding client list, market relationships, and personnel reflect that commitment. Further, our company has the expertise and breadth of services to meet your risk management needs. We have an experienced team of insurance professionals to serve as an extension of your risk management department who will be committed to the success of your insurance program.

For the 2009-2010 policy year, at the direction and request of McLean County, we approached the following insurance carriers to negotiate renewal terms:

Carrier	Line of Coverage	Status
Federal (Chubb)	Property	Incumbent
Travelers	Property	New Carrier
Affiliated FM	Property	New Carrier
Great American	Property	New Carrier
Safety National	Excess Workers' Compensation	Incumbent
Health Cap	Nursing Home Liability	Incumbent
CNA	Nursing Home Liability	New Carrier
Darwin	Nursing Home Liability	New Carrier
OneBeacon	Nursing Home Liability	New Carrier
AIG	Nursing Home Liability	New Carrier
ACE	Nursing Home Liability	New Carrier
Fidelity and Deposit	Crime	Incumbent
States Self Insurance Risk Retention Group	Excess Liability	Incumbent

We were pleased with the reactions of incumbent markets to our request for rate relief and/or coverage enhancements. With respect to Property coverage, Chubb has indicated their willingness to renew by offering a 9% decrease in spite of increased values. Regarding Excess Workers' Compensation, Safety National is offering a flat rate. Although the payrolls are up, the flat rate results in an increased premium of just about \$500. We are pleased to offer a competitive nursing home quote through CNA, which like the existing program with Health Cap, is providing coverage on an Occurrence basis rather than Claims-Made. Regarding Crime coverage, we have offered an enhanced program to include treasurers and tax collectors and employees, and employee theft excess over statutory bond requirements at a nominal additional premium.

We need to point out the mandatory Self-Insured Retention increase on Excess Workers' Compensation for the police category from \$475,000 to \$500,000. The Safety National underwriter made this increase a condition of the 2008-2009 renewal. A \$500,000 Self-Insured Retention is very typical of police exposure in the State of Illinois due to recent legislation that expands benefits to first responders (paramedics, EMT's, and firefighters) for illnesses that were previously not considered employment-related. Safety National has also offered a multi-year option which we will discuss with you during our visit.

We are very appreciative of the opportunity to act as McLean County's insurance agent and will provide the superior service that is our hallmark at all times.





H. Lee Newcom
McLean County Recorder
115 E. Washington Street, Room M-104
Post Office Box 2400
Bloomington, IL 61702-2400
(309) 888-5170
(309) 888-5927 Fax

January 23, 2009

To: Honorable Members of the Finance Committee

From: Lee Newcom, McLean County Recorder

Please be advised for the month of December 2008 that revenue, state stamp inventory and receipts, and receivables reconcile with the general ledger.

A copy of December 2008's "Monthly Account Balances" is attached.



H. LEE NEWCOM
COUNTY RECORDER

115 East Washington Street, Room M-104 • PO Box 2400 • Bloomington, Illinois 61702-2400
Phone (309) 888-5170 • Fax (309) 888-5927
Email: recorder@mcleancountyil.gov • Website: www.mcleancountyil.gov/recorder

MONTHLY REPORT
OF
OFFICIAL RECEIPTS

TO THE COUNTY BOARD OF MCLEAN COUNTY

I, H. Lee Newcom, Recorder, in and for the County of McLean and the State of Illinois, respectfully present the following report of all fees received for the Recorder's office, for and during the period of **December 1, 2008** through **December 31, 2008**

RECEIPTS:

Due IDOR-Rental Housing Program	\$	17,229.00
Copy Fees	\$	610.80
Recording Fees	\$	32,044.00
County Revenue Stamps	\$	30,556.25
Microfilm Sales	\$	-
Data Sales	\$	180.00
Recorder Receivable	\$	6,513.25
Rental Housing Support Program	\$	1,913.00
Document Storage	\$	6,258.00
GIS Document Storage	\$	2,086.00
Document Storage Receivable	\$	2,316.00
State Revenue Stamps	\$	61,112.50
GIS Fund	\$	10,430.00
GIS Receivable	\$	2,706.00
Unclassified Revenue	\$	-
Total Receipts	\$	173,954.80

Deposited with County Treasurer \$ 173,954.80

Balance on hand:

Cash	\$	50.00
Accounts Receivable	\$	11,643.25
Total	\$	11,693.25

#N/A January 1900

H. Lee Newcom
McLean County Recorder

Year-to-date Totals through December, 2008

Month-to-date Totals

Account #	Account Description	Cash/Check/ Change	Charge	Charges Paid	Other Pay Method	Total	Cash/Check/ Change	Charge	Charges Paid	Other Pay Method	Total
01-0-0-201-070-034	Due Idor-Rental Hsg Prog	\$16,950.00	\$0.00	\$0.00	\$279.00	\$17,229.00	\$262,668.00	\$0.00	\$0.00	\$2,898.00	\$265,566.00
01-6-8-410-008-034	Copy Fees	\$616.05	\$5.25	\$5.25	\$0.00	\$616.05	\$12,342.35	\$15.00	\$15.00	\$0.00	\$12,342.35
01-6-8-410-029-035	Recording Fees	\$38,021.00	\$6,574.00	\$6,508.00	\$531.00	\$38,618.00	\$498,349.00	\$11,609.00	\$11,396.00	\$5,336.00	\$503,898.00
01-6-8-410-032-036	County Revenue Stamps	\$30,556.25	\$0.00	\$0.00	\$0.00	\$30,556.25	\$356,286.25	\$0.00	\$0.00	\$0.00	\$356,286.25
01-6-8-410-111-111	Payment On Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01-6-8-410-128-100	Microfilm Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01-6-8-410-132-100	Data Sales	\$180.00	\$0.00	\$0.00	\$0.00	\$180.00	\$2,060.00	\$0.00	\$0.00	\$0.00	\$2,060.00
01-6-8-410-195-035	Rental Hsg Support Program	\$1,882.00	\$0.00	\$0.00	\$31.00	\$1,913.00	\$29,184.00	\$0.00	\$0.00	\$322.00	\$29,506.00
16-8-4-102-222-222	Balance Brought Forward	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16-8-4-102-222-222	Balance Brought Forward/Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
37-6-8-410-089-284	Document Storage	\$7,902.00	\$1,755.00	\$1,737.00	\$93.00	\$8,013.00	\$98,792.00	\$4,374.00	\$4,272.00	\$978.00	\$100,872.00
37-6-8-410-181-100	Gis Document Storage	\$2,634.00	\$585.00	\$579.00	\$31.00	\$2,671.00	\$33,254.00	\$1,458.00	\$1,424.00	\$326.00	\$33,624.00
51-0-0-126-001-903	State Revenue Stamps	\$61,112.50	\$0.00	\$0.00	\$0.00	\$61,112.50	\$712,548.50	\$0.00	\$0.00	\$0.00	\$712,548.50
67-6-8-410-181-100	Gis Fund	\$12,981.00	\$2,724.00	\$2,706.00	\$155.00	\$13,154.00	\$163,626.00	\$4,524.00	\$4,447.00	\$1,630.00	\$165,333.00
Final Total:		\$172,834.80	\$11,643.25	\$11,535.25	\$1,120.00	\$174,062.80	\$2,170,120.10	\$21,980.00	\$21,554.00	\$11,490.00	\$2,182,036.10

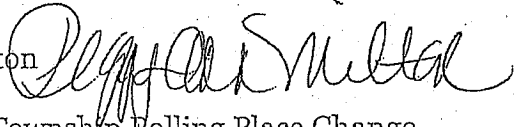


PeggyAnn Milton
McLean County Clerk

Government Center
115 E. Washington Street, Room 102 • PO Box 2400 • Bloomington, IL 61702-2400
(309) 888-5190 • Fax (309) 888-5932
Tax Administration (309) 888-5187
Elections Administration (309) 888-5186
peggyann.milton@mcleancountyil.gov • www.mcleancountyil.gov/countyclerk

DATE: January 15, 2009

TO: Honorable Chairman Ben Owens and Members of the Finance Committee

FROM: PeggyAnn Milton 

RE: Money Creek Township Polling Place Change

Attached please find a request from Mr. Terry Giannoni, Supervisor of Money Creek Township. Mr. Giannoni is requesting that the polling place currently located at East Bay Camp be moved to:

Money Creek Township Building
25397 N 1925 East Road
Lexington, IL 61753

As you will note by supporting documentation, the new Township Building is ADA compliant.

I fully support this polling place change.

Thank you for your consideration.

Attachments (2)

cc: Honorable Terry Giannoni

Milton, Peggy Ann

From: terry1deb@aol.com
Sent: Monday, January 12, 2009 5:14 PM
To: Milton, Peggy Ann
Cc: terry1deb@aol.com
Subject: Change in Polling Place

Good morning PeggyAnn.

Money Creek Township requests moving our polling place from it's current location of East Bay Camp / Alders Gatehouse, 24308 N. Ron Smith Memorial Highway, Hudson, IL 61748 to our newly completed Money Creek Township building, 25397 N 1925 East Rd, Lexington, IL 61753.

Construction was completed on our new building in December 2008. The building complies with all ADA requirements as shown by letters from our architect, Harry Riddle, sent to you previously.

Thank you for all your help.

Terry Giannoni
Supervisor, Money Creek Township

A Good Credit Score is 700 or Above. See yours in just 2 easy steps!

January 6, 2008

TO: PeggyAnn Melton
McLean County Clerk
Fax 309 888 5932

FR: Terry Giannoni
Money Creek Township Supervisor
Phone 309 365 8564
Cell 309 830 1653
Email terry1deb@aol.com

RE: Money Creek Polling Place

Good morning PeggyAnn.

Thanks so much for getting back to Deborah so quickly on our new building. Hopefully, I can save us all a step in the process of moving our polling place.

Attached is a copy of a letter from our architect, Harry Riddle. He states in his December 8, 2008, that the structure meets State of Illinois Accessibility Standards, commonly referred to as ADA, including the parking area. He states the parking "signs are ready to be installed". We have since installed the signs but because of the weather conditions, the space has not yet been striped. It will probably be spring before weather conditions will be suitable for that work to be done.

I hope that his letter will meet your needs to verify that the building does comply with ADA standards. The County Department of Building and Zoning did find it adequate to issue us an occupancy permit based on it.

My hope is to move the process along fairly quickly. With the current state of Illinois politics, who knows if and when we may be having special elections.

Thank you for all your help and assistance.

Terry Giannoni

HARRY E. RIDDLE, ARCHITECT

12/08/08

Terry Giannoni
24133 N 2250 E Road
Lexington, Illinois

Maintenance Building
25397 N 1925 E Road
Lexington, Illinois

Dear Terry:

This letter certifies Substantial Completion of the Money Creek Township project listed.

This is to confirm the facility including the toilet rooms meet the State of Illinois

Accessibility Standards. The required handicapped parking area is designated and the signs are ready to be installed.

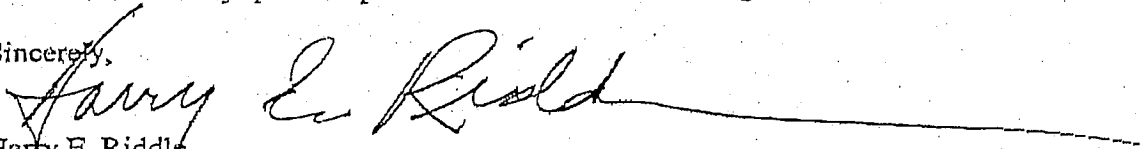
The septic system was approved this afternoon.

You may occupy the building now. The floor cleaning remains the only item for the contractor to complete.

I have signed the next to last request for payment for Cornerstone Construction today as well as the final request which covers retainage on the project.

Should there be any question please do not hesitate in calling me.

Sincerely,


Harry E. Riddle

11 SUN POINTE COURT • BLOOMINGTON, ILLINOIS 61704
PHONE (309) 662-3651 • FAX (309) 662-1858

An Ordinance
Of the McLean County Board
Amending the 2009 Combined
Annual Budget and Appropriation Ordinance

WHEREAS, it has become necessary to reappropriate the unliquidated encumbrances of the prior Fiscal Year 2008 budget, and

WHEREAS, reappropriations in the amount of \$921,641.07 for the Fiscal Year 2008 would be added; and

WHEREAS, the Executive Committee has deemed it necessary and advisable to reappropriate the unliquidated encumbrances outstanding at the close of the 2008 Fiscal Year, now therefore,

BE IT ORDAINED, by the County Board of McLean County, Illinois, that the Fiscal Year 2009 budget is amended by reappropriation of the outstanding purchase orders at the close of the 2008 Fiscal Year as follows:

COUNTY GENERAL FUND/0001

COUNTY BOARD

08-163	General Code	\$26,463.00
TOTAL COUNTY BOARD		\$26,463.00

RECORDER

08-114	SimplexGrennell LP	\$4,340.00
08-115	Bradford Systems	\$1,675.50
08-116	Widmer Interiors	\$1,403.16
08-148	Widmer Interiors	\$935.44
TOTAL RECORDER		\$8,354.10

COURT SERVICES - JUVENILE DETENTION

08-137	Harlan Vance Co.	\$1,297.00
TOTAL COURT SERVICES-JUVENILE DETENTION		\$1,297.00

SHERIFF

08-117	10-8 Outfitters	\$5,039.60
08-142	Widmer Interiors	\$3,367.70
08-145	Bob Barker Co., Inc.	\$ 829.05
08-146	Robinson Textiles, Inc.	\$2,080.20
08-147	CharmTex	\$4,386.80
08-151	Robinson Textiles, Inc.	\$2,389.23
08-152	Ray O'Herron Co., Inc.	\$1,337.35
08-153	10-8 Outfitters	\$1,204.00
08-164	American Correctional Association	\$10,000.00
TOTAL SHERIFF		\$30,633.93

BUILDING AND ZONING

08-160	Sidwell Company, Inc.	\$10,000.00
TOTAL BUILDING AND ZONING		\$10,000.00

PARKS & RECREATION

08-161	PHN Architects	\$60,000.00
08-162	Hanson Professional Services	\$17,000.00
08-167	Conrail	\$20,000.00
TOTAL PARKS & RECREATION		\$97,000.00

FACILITIES MANAGEMENT

08-091	Chief City Mechanical, Inc.	\$20,000.00
08-092	Smiths Detection	\$2,527.50
08-093	JMC Glass	\$31,514.00
08-118	Chief City Mechanical, Inc.	\$200,000.00
08-119	Webtech Solutions	\$160,000.00
TOTAL FACILITIES MANAGEMENT		\$414,041.50

INFORMATION SERVICES

08-113	HP Gem/CEI	\$ 8,322.00
08-138	CrimeCog Technicals	\$18,300.00
08-150	Dell Computer	\$13,695.00
08-154	ESRI, Inc.	\$39,600.00

08-155	Dell Computer	\$9,865.00
08-165	Novanis Global Solutions	\$6,268.00
08-168	CDW Government, Inc.	\$7,150.00
08-169	Dell Computer	\$3,000.00
08-170	Thompson Electronics Co.	\$10,965.00

TOTAL INFORMATION SERVICES \$117,165.00

ASSESSOR

08-156	The Pantagraph	\$2,045.00
08-157	ESRI, Inc.	\$22,000.00
08-158	The Chenoa Town Drier	\$490.00
08-159	The Carlock Quill	\$925.00

TOTAL ASSESSOR \$25,460.00

TOTAL COUNTY GENERAL FUND \$730,414.53

T.B. CARE & TREATMENT/FUND 0111

08-120	Widmer, Interiors	\$719.00
08-121	Tuberson	\$5,000.00
08-122	Versapharm, Inc.	\$204.00

TOTAL T.B. CARE & TREATMENT/FUND 0111 \$5,923.00

HEALTH DEPARTMENT/FUND 0112

08-124	People Friendly Places, Inc.	\$424.00
08-126	Office Depot	\$390.00
08-127	Widmer Interiors	\$509.00
08-128	Alphagraph	\$2,500.00
08-129	Sign-A-Rama	\$912.01
08-130	Commerce Bank/Adobe	\$1,799.00
08-132	Helmer, Inc.	\$4,478.00

TOTAL HEALTH DEPARTMENT/FUND 0112 \$11,012.01

RECORDER DOCUMENT STORAGE/FUND 137

08-095	Widmer, Inc.	\$1,474.50
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TOTAL RECORDER DOCUMENT STORAGE/FUND 0137 \$1,474.50

CIRCUIT CLERK/COURT DOCUMENT STORAGE/FUND 0142

08-089	Byers Printing	\$14,292.50
TOTAL CIRCUIT CLERK/FUND 0142		\$14,292.50

CIRCUIT CLERK/CHILD SUPPORT COLLECTION/FUND 0143

08-136	CrimeCog Technologies, Inc.	\$100,000.00
08-166	CrimeCog Technologies, Inc.	58,524.53
TOTAL CIRCUIT CLERK/FUND 0143		\$158,524.53

GRAND TOTAL COMBINED FUNDS	\$921,641.07
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Adopted by the McLean County Board of McLean County, Illinois this 17th day of February 2009.

Matt Sorensen, Chairman
McLean County, Illinois

Attest: _____
Peggy Ann Milton, County Clerk
McLean County, Illinois

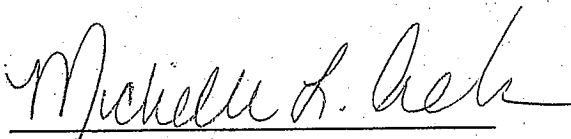
Children's Waiting Room Fund

An audit of the Children's Waiting Room Fund has been completed by the county auditor's office on December 23, 2008, as mandated by the Illinois Compiled Statutes, Chapter 705, Act 105, Section 27.7.

Findings

- On June 20, 2006, the McLean County Board adopted an ordinance to increase the filing fee in all civil cases by \$5.00 in order to offset the cost of establishing and operating a Children's Waiting Room. The ordinance became effective July 1, 2006.
- The Circuit Clerk's office has been authorized to charge the maximum Children's Waiting Room fee of \$5.00.
- Fees collected are banked daily and then transferred monthly to the treasurer.
- The Circuit Clerk's Office confirmed collecting \$18,370.00 through 06/30/2008.
- First, second, and third quarter payments have been made to the Children's Foundation for services provided.
- The year to date cash balance for the account is \$53,856.00.

The scope of this examination consisted of reviewing financial transactions and financial documents related to the Children's Waiting Room Fund. An interview with Will Scanlon, Trial Court Administrator, was also conducted. After reviewing the information gathered, we noted nothing that would indicate the Circuit Clerk's office is not in compliance with statutory requirements regarding the fund account.


Michelle L. Anderson 12/23/2008
Michelle L. Anderson Date

Law Library Fund

An audit of the McLean County Law Library Fund has been completed by the County Auditor's Office as mandated by the Illinois Compiled Statutes, Chapter 55, Act 5, Section 5-39001.

Background

- An amendment to an amendment to the resolution establishing a Law Library fee was passed by the McLean County Board on August 22, 2006. It states that the \$10.00 filing fee will be permanent on all civil case filings.
- The fees for adoptions have been capped at \$65.00. The Law Library Fund fee on adoptions is \$6.00.
- Fees collected are banked daily by the Circuit Clerk and then transferred monthly to the County Treasurer.
- All expenses for this fund must be approved by the Chief Judge of the Circuit Court, or her designee.
- The grant through Prairie State Legal Services for a part-time Computer Navigator to assist in the Legal Self-Help Center ended August 31, 2008. A subsequent agreement with the McLean County Bar Association has been entered into, that entitles the County to receive reimbursement for the part-time salary.
- The year-end cash balance for the account is \$36,240.18.

Findings

- A copy of the semi-annual report filed with the McLean County Clerk's Office was obtained and is in balance through June 30, 2008.
- All expenditures, as of December 11, were tested. Exceptions were noted.
- The following exceptions were noted during testing:
 - In one instance, the Assigned Judge of the Law Library authorized a payment of \$1,939.00 to a vendor. The Auditor's Office paid the full amount of the invoice, which was \$2,166.80. The full amount was due to the vendor; however, the \$227.80 that was not initially approved by the Chief Judge's designee was to be divided by the three departments that use the service. In discussion with the Trial Court Administrator, they were aware that the Auditor's Office paid the full amount of the invoice, but, decided not to make any adjustments to the payment, as the amount was small enough.
 - In one instance, the Trial Court Administrator approved an invoice.

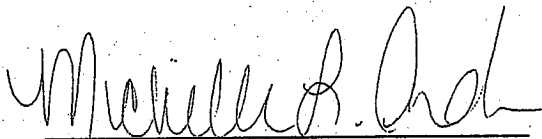
- In two instances, no evidence was located to show that the Chief Judge, or her designee, approved invoices that were paid.

Discussion

- The scope of this examination consisted of reviewing financial transactions and financial documents related to the Law Library Fund and conducting an interview with Will Scanlon, Trial Court Administrator.

Recommendations

- The Auditor's Office recommends that the Assigned Judge's Secretary, who is responsible for the Law Library billings and payments, see to it that the Assigned Judge authorizes each and every bill for the Law Library, as required.
- We also recommend the Auditor's Office verify the amount of the payment and that the Chief Judge or her designee has authorized the payment before the check is cut.



Michelle L. Anderson
Financial Reporting Specialist

1/9/09

Date

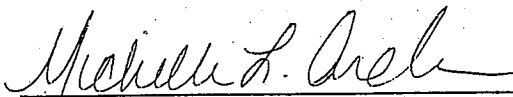
Tax Sale Automation Fund Audit

An audit of the Tax Sale Automation Fund has been completed by the county auditor's office as mandated by the Illinois Compiled Statutes, Chapter 35, Act 200, Section 21-245.

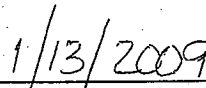
Findings

- The automation fund contains automation fees, duplicate bill fees, tax file fees, and, beginning this year, a new registration fee that was charged to all people who registered for the tax sale. If a purchase was made by the tax buyer, the registration fee of \$250.00 was subtracted off their purchase price. If they made no purchase, the registration fee was refunded back to the individual. If they did not attend the tax sale, the registration fee was forfeited. There were no forfeitures this year.
- The year to date amount of duplicate bill fees collected is \$1,900.00. This year's tax sale was held on November 6, 2008. At the sale, 797 parcels were sold for a total of \$18,810.00.
- During 2008, there was an expenditure for the purchase of an envelope opener. Mrs. McNeil noted that the Treasurer's Office had ordered a new (check) endorsing machine, but they had yet to receive the bill. Mrs. McNeil stated that there will also be an inter-fund transfer for \$25,000.00 at the end of the year to Information Technology for the support of the Automation Fund. This expenditure was approved by the County Board during the overall approval of the Treasurer's 2008 budget on November 20, 2007.

The scope of this examination consisted of reviewing financial transactions and financial documents related to the Tax Sale Automation Fund and conducting interviews with Becky McNeil, County Treasurer and Cathy Dreyer, Assistant County Treasurer. After reviewing the information gathered, we noted nothing that would indicate the Treasurer's office is not in compliance with statutory requirements regarding the fund account.



Michelle L. Anderson



Date

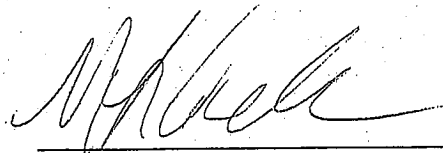
Court Automation Fund

An audit of the Court Automation Fund has been completed by the County Auditor's office on January 27, 2009, as mandated by the Illinois Compiled Statutes, Chapter 705, Act 105, Section 27.3a.

Findings

- The Circuit Clerk's Office has been authorized to charge a maximum Court Automation Fee of \$5.00 by the county board.
- The fee for adoptions has been capped at \$65.00. The Court Automation Fee collected for adoptions is \$3.00.
- Fees collected are banked daily and then transferred monthly to the Treasurer.
- Any expense against the fund is approved by the Clerk and the Chief Judge of the Circuit Court.
- The Circuit Clerk's Office confirmed collecting \$104,241.91 in Court Automation Fees as of 06/30/2008.
- A copy of the semi-annual report filed with the McLean County Clerk's Office was obtained and is in balance through June 30, 2008.
- Phyllis Nelson also explained that there are fee patterns set up for all the fees applicable to the Circuit Clerk's Office. These fee patterns are in the Circuit Clerk's fee processing procedure manual.
- All expenditures were tested and required approvals were verified, or proper approval was included in the original adopted budget.

The scope of this examination consisted of reviewing financial transactions and financial documents related to the Court Automation Fund. An interview with Don Everhart, Circuit Clerk and Phyllis Nelson, Chief Deputy Circuit Clerk, was also conducted. After reviewing the information gathered, we noted nothing that would indicate the Circuit Clerk's office is not in compliance with statutory requirements regarding this fund.



Michelle L. Anderson

Date

1/28/2009

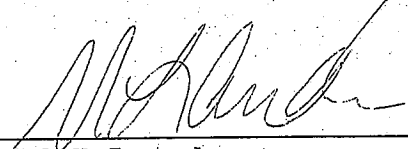
Court Documentation Storage Fund

An audit of the Court Documentation Storage Fund has been completed by the County Auditor's office as of January 27, 2009, as mandated by the Illinois Compiled Statutes, Chapter 705, Act 105, Section 27.3c.

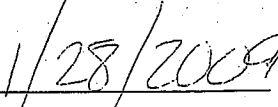
Findings

- The Circuit Clerk's Office has been authorized to charge a maximum Court Document Storage Fee of \$5.00 by the county board.
- The fees for adoptions have been capped at \$65.00. The Court Document Storage Fee on adoptions is \$3.00.
- Fees collected are banked daily and then transferred monthly to the Treasurer.
- Any expense against the fund is approved by the Circuit Clerk, or their designee.
- The Circuit Clerk's Office confirmed collecting \$102,647.40 in Court Document Storage Fees through June 30, 2008.
- A copy of the semi-annual report filed with the McLean County Clerk's Office was obtained and is in balance through June 30, 2008.
- Phyllis Nelson also explained that there are fee patterns set up for all the fees applicable to the Circuit Clerk's Office. These fee patterns are in the Circuit Clerk's fee processing procedures manual.
- All expenditures were tested and required approvals verified.

The scope of this examination consisted of reviewing financial transactions and financial documents related to the Court Document Storage Fund. An interview with Don Everhart, Circuit Clerk and Phyllis Nelson, Chief Deputy Circuit Clerk, was also conducted. After reviewing the information gathered, we noted nothing that would indicate the Circuit Clerk's Office is not in compliance with statutory requirements regarding this fund.



Michelle L. Anderson



Date

McLean County Auditor's Office
Petty Cash Audit
January 7, 2009

An audit of the McLean County Auditor's petty cash account was conducted by the Auditor's Office on January 5, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

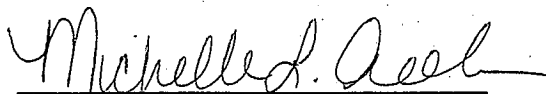
1. The County Auditor's Office has a General Ledger balance of \$200.00.
2. The petty cash box is kept in a locked safe.
3. Julie Osborn is the primary contact. She reconciles the account on a monthly basis.
4. The cash on hand totaled \$129.90.
5. The receipts on hand totaled \$1.92.
6. Receipts that had been submitted for reimbursement totaled \$68.18.
7. Total verified was \$200.00.

Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. None.


Michelle L. Anderson

1-7-2009
Date

McLean County Building and Zoning
Petty Cash Audit
January 7, 2009

An audit of the McLean County Building and Zoning Department petty cash account was conducted by the Auditor's Office on January 5, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

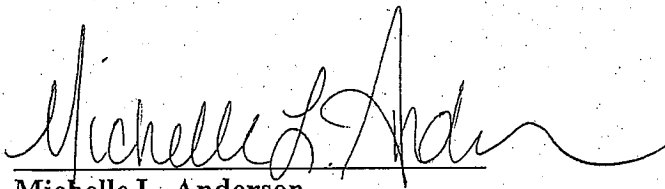
1. The Building and Zoning Department has a General Ledger balance of \$25.00.
2. The petty cash box is kept in a locked cabinet.
3. There was \$14.50 in cash and receipts in the amount of \$14.10 for a total of \$28.60.

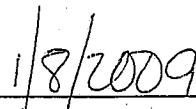
Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. After the petty cash audit, Building and Zoning decided to close out their petty cash account and take a gain of \$3.60. As of January 8, 2009 they no longer have petty cash kept in their office.


Michelle L. Anderson


Date

McLean County Circuit Clerk
Cash On Hand Audit
January 7, 2009

An audit of the McLean County Circuit Clerk's cash on hand account was conducted by the Auditor's Office on January 6, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

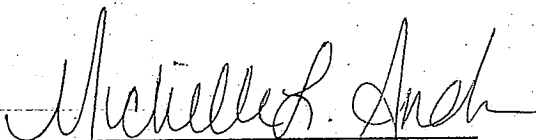
1. The Circuit Clerk's cash on hand account has a General Ledger balance of \$2,310.00.
2. There are three drawers, a two reserves kept in the safe, and a checking account held at Heartland Bank and Trust.
3. Becky Gaither and Phyllis Nelson are primary contacts.
4. One drawer is for civil cases. Total amount verified equaled \$180.00.
5. Two drawers for Criminal and Traffic. Totaled amount verified equaled \$600.00.
6. A \$500.00 reserve for Criminal and Traffic is kept in the safe. Total amount verified equaled \$500.00.
7. A \$220.00 reserve for Civil is kept in the safe. Total amount verified equaled \$220.00.
8. A checking account at Heartland Bank and Trust contains \$810.00. This account is used strictly for child support payments. This account is balanced monthly by Kim Crawford.
9. There are six signors allowed on the account. Don Everhart, Phyllis Nelson, Becky Gaither, and three others in the accounting department.
10. The total verified in the account for November, 2008, was \$810.00.
11. Total amount verified equaled \$2,310.00.

Discussion:

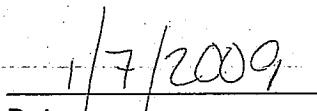
1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. None.



Michelle L. Anderson



Date

McLean County EMA
Petty Cash Audit
January 7, 2009

An audit of the McLean County EMA Office's petty cash account was conducted by the Auditor's Office on January 6, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

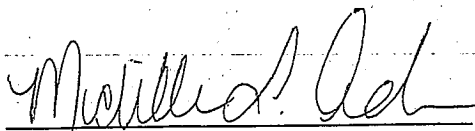
1. The EMA Office has a General Ledger balance of \$125.00.
2. The petty cash box is kept in a locked drawer.
3. Bob Clark is the primary contact. He reconciles the account monthly.
4. Curt Hawk, the EMA Director, periodically balances the account to ensure accuracy.
5. The amount of cash on hand was \$113.78.
6. The receipts on hand totaled \$11.17.
7. The total amount of cash and receipts is \$124.95.

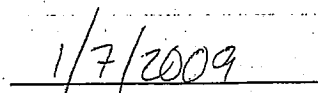
Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. Work with the County Treasurer's Office to replenish the \$0.05 shortage.


Michelle L. Anderson


Date

McLean County Health Department
Petty Cash and Cash on Hand Audit
January 7, 2009

An audit of the McLean County Health Department's petty cash account and their cash on hand account was conducted by the Auditor's Office on January 6, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

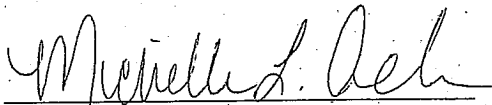
1. The Health Department has a General Ledger balance of \$125.00 for their petty cash.
2. The petty cash box is kept in a locked safe. Donalda Voss is the primary contact.
3. The amount of cash on hand was \$117.03. A receipt for \$7.97 was verified, bringing the total to \$125.00. The receipt was reimbursing sales tax, which is not reimbursable by the County.
4. The Health Department has General Ledger balance of \$200.00 for their cash on hand account. This is primarily used to make change for services provided at the Health Department.
5. The Registrar has \$50.00. The total amount of cash verified was \$134.00. There was \$81.00 in cash transactions that were verified. The cash drawer was \$3.00 over.
6. The Animal Control Registrar has \$25.00. The total amount of cash verified was \$27.00. There was \$2.00 in cash transactions that were verified.
7. The Environmental Health Department has \$25.00. The total amount of cash verified was \$347.75. There was \$322.75 in cash transactions that were verified.
8. The Dental and Immunizations Department has \$75.00. That amount was verified.
9. The Communicable Disease Department has \$25.00. The total amount of cash verified was \$65.00. There was \$40.00 in cash transactions that were verified.

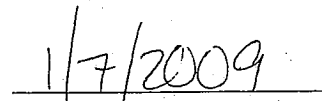
Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. Turn in the \$3.00 overage in petty cash to the Treasurer's Office.
2. When reimbursing expenses, make sure payment is not made for any taxes that may have been charged.


Michelle L. Anderson


Date

McLean County Recorder's Office
Petty Cash Audit
January 7, 2009

An audit of the McLean County Recorder's petty cash account was conducted by the Auditor's Office on January 5, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

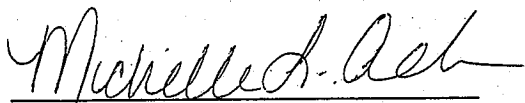
1. The County Recorder's Office has a General Ledger balance of \$50.00.
2. The petty cash box is kept in a locked drawer.
3. Total cash verified was \$50.00.

Discussion:

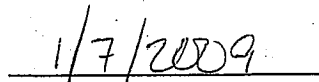
1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. None.



Michelle L. Anderson


Date

McLean County
Petty Cash Audit
January 7, 2009

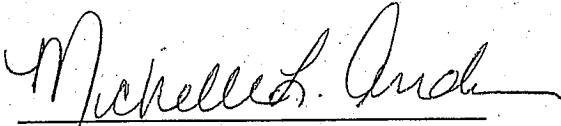
Account number 001-0105-0015 of the General Ledger lists Petty Cash-Post Office. This account is used for postage due with the U.S. Postmaster. There is a General Ledger balance of \$100.00. This account is utilized for the purpose of charging any postage due mail that is coming to McLean County against the \$100.00. The mail room keeps a running daily total of the balance. Quarterly, or when the balance gets low, a check is requested from the Auditor's Office for reimbursement to the U.S. Postmaster.

Findings:

1. Per report from the Post Office, via the McLean Count Facilities Department, the balance on December 24, 2008 was found to be \$123.77.

Recommendations:

1. The Auditor's Office needs to create and book a journal entry to have the Annual Financial Reports reflect the actual cash balance.



Michelle L. Anderson

1/7/2009
Date

McLean County Sheriff's Department
Petty Cash Audit
January 7, 2009

An audit of the McLean County Sheriff Office's petty cash account was conducted by the Auditor's Office on January 6, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

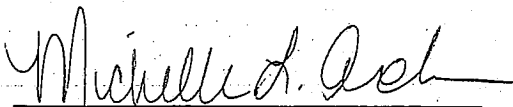
1. The Sheriff's Office has a General Ledger balance of \$100.00.
2. \$75.00 is kept in a locked safe by the Administrative Supervisor. She is the primary contact.
3. \$25.00 is kept in a locked drawer by the Process Specialist. This amount is used to make change.
4. The amount of cash on hand was \$90.60.
5. The receipts on hand totaled \$9.40.
6. The total amount of cash and receipts is \$100.00.

Discussion:

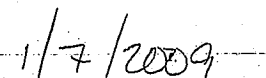
1. Lydia Scott is primary contact. Chief Deputy Sheriff Rusty Thomas is the designated backup.
2. The Process Specialist is the primary contact for the \$25.00. However, in her absence, all front office staff has access to the locked drawer and are able to make change.

Recommendations:

1. None.



Michelle L. Anderson



Date

McLean County Treasurer's Office
Cash on Hand Audit
January 7, 2009

An audit of the McLean County Treasurer's Office cash on hand was conducted by the Auditor's Office on January 6, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

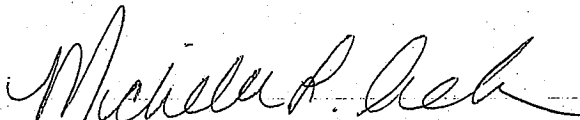
1. The Treasurer's Office has a General Ledger balance of \$600.00.
2. They have a total of three cash drawers. One is kept in the locked vault and two are kept within locked drawers in the office's secured area.
3. The two locked drawers in the secured area are balanced and verified daily. The drawer in the vault is balanced monthly.
4. The amount of cash verified was \$702.50. There were \$102.50 in cash transactions that were verified.


Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. None.


Michelle L. Anderson


Date

McLean County – County Clerk
Cash on Hand Audit
January 7, 2009

An audit of the McLean County Clerk's cash on hand account was conducted by the Auditor's Office on January 6, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

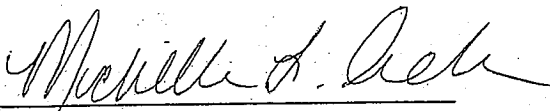
1. The County Clerk's Office has a General Ledger balance of \$100.00.
2. The cash on hand is kept in a locked drawer within their secured area.
3. The primary contact is Megan Nelson, Tax Administrator in the County Clerk's Office. The Chief Deputy County Clerk is the back up.
4. The cash is balanced down to the \$100.00 every night after close of business by the Program Administrator.
5. Program Administrator balances to the previous day's receipts the next business day.
6. The Chief Deputy County Clerk is responsible for the daily bank deposits. Currently, this is being handled by the County Clerk.
7. The cash on hand totaled \$1,564.88.
8. The cash receipts totaled \$1,464.96.
9. Total verified is \$99.92.

Discussion:

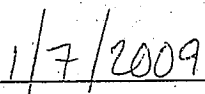
1. All County Clerk employees have access to the cash drawer.

Recommendations:

1. The County Clerk's Office should work with the County Treasurer's office to replenish the \$0.08 shortage of cash on hand.



Michelle L. Anderson



Date

McLean County
Petty Cash Audit
January 8, 2009

An audit of McLean County's Juvenile Detention Center petty cash account was conducted by the Auditor's Office on January 7, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

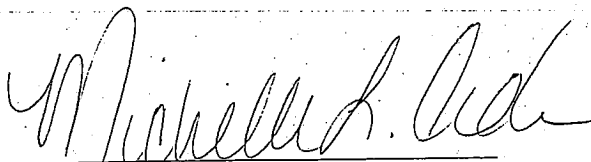
1. The JDC Office has a General Ledger balance of \$100.00.
2. The petty cash box is kept in a locked drawer.
3. Jason Tabb is the primary contact. Cathy Waltz is the designated backup.
4. The amount of cash on hand was \$76.19.
5. There were receipts in the amount of \$23.81. Cathy Waltz, Superintendent of the JDC had approved the expenditure, but, the person who incurred the expense had not signed off to request reimbursement.
6. The total balanced to \$100.00.

Discussion:

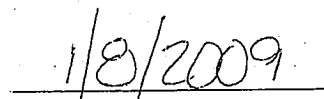
1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.
2. The General Ledger balance of \$150.00 is a combination of \$100.00 located at the Juvenile Detention Center and \$50.00 located in the Juvenile Court Services office.

Recommendations:

1. The Auditor's Office recommends that the JDC use pre-printed petty cash reimbursement forms. This will achieve dual authorization and ensure that expenses are proper.



Michelle L. Anderson



Date

McLean County
Petty Cash Audit
January 8, 2009

An audit of McLean County's Juvenile Court Services petty cash account was conducted by the Auditor's Office on January 7, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

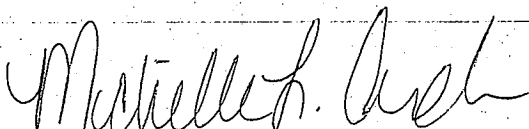
1. The Juvenile Court Services Office is not listed as a separate General Ledger account. It is in the total of the Juvenile Detention Center.
2. The petty cash box is kept in a locked drawer, with Debbie Harris having primary control of the account. Lori McCormick is the backup.
3. The amount of cash on hand was \$15.20.
4. The receipts for reimbursement totaled \$34.80. None of the three receipts had been properly authorized.
5. The total cash on hand and receipts balanced to \$50.00.


Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.
2. The General Ledger balance of \$150.00 is a combination of \$100.00 located at the Juvenile Detention Center and \$50.00 located in the Juvenile Court Services office.

Recommendations:

1. The Auditor's Office recommends that the JDC use pre-printed petty cash reimbursement forms. This will achieve dual authorization and ensure that expenses are proper.


Michelle L. Anderson


Date

McLean County Nursing Home
Petty Cash Audit
January 8, 2009

An audit of the McLean County Nursing Home's petty cash account was conducted by the Auditor's Office on January 7, 2009. The audit was conducted to determine that the appropriate internal controls are in place to ensure that the assets are adequately safeguarded.

Findings:

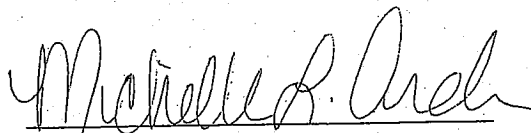
1. The Nursing Home has a General Ledger balance of \$250.00.
2. The petty cash box is kept in a locked safe.
3. Leslie Nickum is the primary contact. Karen Quiram is the designated backup.
4. The amount of cash on hand was \$104.89.
5. Receipts on hand totaled \$145.11. (Copies were present, as the originals had been sent to the Auditor's Office for reimbursement.)
6. The total cash and receipts on hand was \$250.00.

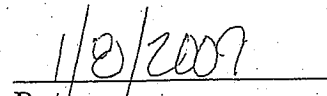
Discussion:

1. Appropriate controls appear to be in place to ensure that the assets are adequately safeguarded.

Recommendations:

1. None.


Michelle L. Anderson


Date

EAV Change Current vs Prior Year After BOR Action

Township	2007 FINAL	2008 FINAL	\$ Change from Prior Year	% Change from Prior Year
Allin	\$18,021,286	\$19,230,891	\$1,209,605	107%
Anchor	\$9,181,499	\$9,695,010	\$513,511	106%
Arrowsmith	\$20,274,007	\$38,459,782	\$18,185,775	190%
Bellflower	\$15,452,429	\$16,292,894	\$840,465	105%
Bloomington	\$281,388,142	\$298,348,755	\$16,960,613	106%
Blue Mound	\$12,770,670	\$13,372,517	\$601,847	105%
Cheney's Grove	\$16,399,301	\$26,808,357	\$10,409,056	163%
Chenoa	\$32,259,661	\$33,517,034	\$1,257,373	104%
City	\$1,573,455,654	\$1,654,698,468	\$81,242,814	105%
Cropsey	\$5,024,589	\$5,289,059	\$264,470	105%
Dale	\$39,539,837	\$41,333,950	\$1,794,113	105%
Danvers	\$38,248,173	\$39,558,717	\$1,310,544	103%
Dawson	\$25,098,054	\$29,327,361	\$4,229,307	117%
Downs	\$29,433,258	\$30,973,568	\$1,540,310	105%
Dry Grove	\$59,647,482	\$61,646,475	\$1,998,993	103%
Empire	\$78,322,349	\$83,203,983	\$4,881,634	106%
Funk's Grove	\$12,415,917	\$13,126,922	\$711,005	106%
Gridley	\$40,064,959	\$41,630,432	\$1,565,473	104%
Hudson	\$64,455,854	\$66,643,487	\$2,187,633	103%
Lawndale	\$7,042,943	\$7,457,114	\$414,171	106%
Lexington	\$48,045,123	\$50,064,088	\$2,018,965	104%
Martin	\$21,770,414	\$22,935,799	\$1,165,385	105%
Money Creek	\$49,685,254	\$52,256,984	\$2,571,730	105%
Mount Hope	\$23,684,472	\$24,585,619	\$901,147	104%
Normal	\$816,883,439	\$858,655,407	\$41,771,968	105%
Old Town	\$85,761,682	\$90,498,010	\$4,736,328	106%
Randolph	\$79,919,474	\$83,925,498	\$4,006,024	105%
Towanda	\$27,074,486	\$29,704,244	\$2,629,758	110%
West	\$10,765,388	\$11,512,966	\$747,578	107%
White Oak	\$18,622,334	\$19,465,765	\$843,431	105%
Yates	\$8,171,173	\$8,418,574	\$247,401	103%
TOTAL:	\$3,568,879,303	\$3,782,637,730	\$213,758,427	106%

Complaint comparison Year to Year

	2007			2008			
Township	Complaints Filed	B/R's Filed	2007 Total	Complaints Filed	B/R's Filed	2008 Total	Change
Allin	4	0	4	5	3	8	4
Anchor	4	2	6	5	2	7	1
Arrowsmith	0	1	1	3	2	5	4
Bellflower	5	0	5	2	0	2	(3)
Bloomington	39	8	47	64	27	91	44
Blue Mound	6	3	9	18	0	18	9
Cheney's Grove	5	11	16	0	6	6	(10)
Chenoa	16	21	37	9	2	11	(26)
City	283	126	409	397	123	520	111
Cropsey	2	0	2	0	1	1	(1)
Dale	28	8	36	30	26	56	20
Danvers	5	5	10	12	3	15	5
Dawson	10	6	16	11	1	12	(4)
Downs	7	0	7	4	0	4	(3)
Dry Grove	1	1	2	13	3	16	14
Empire	19	7	26	26	7	33	7
Funk's Grove	1	4	5	0	0	0	0
Gridley	11	4	15	12	7	19	4
Hudson	6	2	8	14	3	17	9
Lawndale	0	0	0	0	0	0	0
Lexington	9	5	14	12	5	17	3
Martin	6	1	7	23	3	26	19
Money Creek	14	3	17	52	4	56	39
Mount Hope	1	2	3	10	6	16	13
Normal	63	168	231	117	123	240	9
Old Town	14	9	23	19	12	31	8
Randolph	14	20	34	10	10	20	(14)
Towanda	6	92	98	4	15	19	(79)
West	1	1	2	0	2	2	0
White Oak	23	3	26	21	2	23	(3)
Yates	0	1	1	1	0	1	0
Grand Total:	603	514	1117	894	398	1292	175



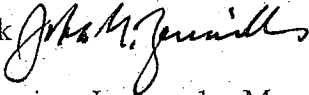
OFFICE OF THE ADMINISTRATOR

(309) 888-5110 FAX (309) 888-5111

115 E. Washington, Room 401 P.O. Box 2400 Bloomington, Illinois 61702-2400

January 30, 2009

Memo to: The Honorable Chairman and Members of the Finance Committee

From: John M. Zeunik 

Re: Interfund Borrowing: January 1 – May 31, 2009

During the first five months of the fiscal year (January 1 – May 31), certain Special Revenue Funds where property tax revenue is the primary revenue source experience a cash flow problem. The first installment of property tax revenue is not distributed until early June. To address the cash flow problems in these Special Revenue Funds, the Board is asked to approve and authorize the County Treasurer to transfer funds among and between County funds. For the Committee's information and review, the attached EXCEL spreadsheet summarizes the anticipated revenues to be received, the expenses to be incurred and the projected cash flow shortfall during the first five months of the fiscal year.

For the first five months of this year, the following interfund borrowing Ordinances and one Resolution are presented for the Board's approval.

- (1) An Ordinance Transferring Monies from the General Fund 0001 to the Children's Advocacy Center Fund 0129, the F.I.C.A./Social Security Fund 0130, the I.M.R.F. Fund 0131 and the Tort Judgment Fund 0135;
- (2) A Resolution Transferring Monies from the Working Cash Fund to the F.I.C.A./Social Security Fund 0130;
- (3) An Ordinance Transferring Monies from the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110.

By approving and authorizing the County Treasurer to transfer funds among and between certain County funds, the County is able to manage the cash flow cycle of revenues and expenses without having to issue Tax Anticipation Notes. If you have any questions concerning the interfund borrowing, please do not hesitate to call me.

Thank you.

PROJECTED CASH FLOW FOR FISCAL YEAR 2009
 JANUARY 1, 2009 - MAY 31, 2009

COUNTY FUND	CASH BALANCE			REVENUE			EXPENDITURES			EST. BALANCE AS OF 5/31/09
	AS OF 12/31/08	ACTUAL REVENUE AS OF 5/31/08	EST. REVENUE AS OF 5/31/09	TOTAL REVENUE EST: 5/31/09	ACTUAL EXPENSES AS OF 5/31/08	EST. EXPENSES AS OF 5/31/09	EST. BALANCE AS OF 5/31/09			
General Fund 0001	8,830,716	8,673,620	8,847,092	17,677,808	13,321,326	13,854,179	3,823,629			
Persons Devel. Disabilities Fund 0110	53,440	-	-	53,440	250,097	307,620	(254,180)			
TB Care & Treatment Fund 0111	251,242	95,320	109	251,351	107,134	99,094	152,257			
Health Department Fund 0112	1,403,055	592,262	554,100	1,957,155	1,511,974	1,745,465	211,690			
Highway Department Fund 0120	916,140	4,822	14,500	930,640	1,062,662	763,000	167,640			
Bridge Matching Fund 0121	1,843,055	65,840	24,523	1,867,578	529,673	272,701	1,594,877			
County Matching Fund 0122	183,434	-	30,000	213,434	-	134,021	79,413			
Children's Advocacy Center Fund 0129	(50,332)	157,585	160,737	110,405	178,366	185,501	(75,096)			
FICA - Social Security Fund 0130	141,882	-	-	141,882	884,068	919,431	(777,549)			
IMRF Fund 0131	(515,737)	60,704	-	(515,737)	1,072,948	1,115,866	(1,631,603)			
Tort Judgment Fund 0135	(310,590)	2,661	325,800	15,210	1,096,934	1,140,811	(1,125,601)			
Veterans Assistance Commission 0136	102,303	-	-	102,303	60,672	63,099	39,204			
Sub-Total:	4,017,892	979,194	1,109,769	5,127,661	6,754,528	6,746,609				
TOTAL Working Cash Fund	12,848,608	9,652,814	9,956,861	22,805,469	20,075,854	6,746,609				
	742,423		742,423							
TOTAL AVAILABLE	13,591,031			23,547,892						

**AN ORDINANCE TRANSFERRING MONIES FROM THE
COUNTY GENERAL FUND 0001
TO THE CHILDREN'S ADVOCACY CENTER FUND 0129,
F.I.C.A./SOCIAL SECURITY FUND 0130, THE I.M.R.F. FUND 0131 AND
THE TORT JUDGMENT FUND 0135
FISCAL YEAR 2009**

WHEREAS, the County Board of McLean County heretofore appropriated monies for the purposes set forth in the Children's Advocacy Center Fund 0129, the F.I.C.A./Social Security Fund 0130, the I.M.R.F. Fund 0131 and the Tort Judgment Fund 0135 in the Fiscal Year 2009 Combined Annual Appropriation and Budget Ordinance; and,

WHEREAS, it is necessary to provide sufficient monies to meet ordinary and necessary expenses that have been budgeted; and,

WHEREAS, there are sufficient monies available in the County General Fund 0001 that may be drawn upon temporarily to meet this projected shortfall; and,

WHEREAS, it is desirable to transfer said monies; and,

WHEREAS, the County Administrator has recommended the need for borrowing and transferring up to \$2,867,426.00 from the General Fund 0001 to the Children's Advocacy Center Fund 0129, the F.I.C.A./Social Security Fund 0130, the I.M.R.F. Fund 0135 and the Tort Judgment Fund 0135; and,

WHEREAS, the Finance Committee, at its regular meeting on Wednesday, February 4, 2009, concurred with the County Administrator's recommendation and so recommends approval of this Ordinance to the McLean County Board; now, therefore,

BE IT ORDAINED by the McLean County Board in regular session that the sum of up to \$2,867,426.00 be and the same is hereby ordered transferred on an as needed basis as follows:

FROM:	County General Fund 0001	<u>\$2,867,426.00</u>
TO:	Children's Advocacy Center Fund 0129	\$ 75,096.00
	F.I.C.A./Social Security Fund 0130	\$ 35,126.00
	I.M.R.F. Fund 0131	\$1,631,603.00
	Tort Judgment Fund 0135	<u>\$1,125,601.00</u>
	Total:	\$2,867,426.00

(2)

BE IT FURTHER ORDAINED that the Treasurer of McLean County be and is hereby directed to make such transfer of up to \$2,867,426.00 accordingly.

BE IT FURTHER ORDAINED that said County Treasurer be directed on or before October 1, 2009 to reimburse said County General Fund 0001 after receipt of general property taxes until the full amount so transferred has been returned to these funds.

BE IT FURTHER ORDAINED that the County Clerk transmit certified copies of this Ordinance to the County Administrator, County Auditor, and the County Treasurer.

ADOPTED by the County Board of McLean County, Illinois this 17th day of February, 2009.

ATTEST:

APPROVED:

Peggy Ann Milton, Clerk of the McLean County Board
McLean County, Illinois

Matt Sorensen, Chairman
McLean County Board

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**A RESOLUTION TRANSFERRING MONIES FROM THE
WORKING CASH FUND 0002
TO THE F.I.C.A./SOCIAL SECURITY FUND 0130
FISCAL YEAR 2009**

WHEREAS, the County Board of McLean County heretofore appropriated monies for the purposes set forth in the F.I.C.A./Social Security Fund 0130 in the Fiscal Year 2009 Combined Annual Appropriation and Budget Ordinance; and,

WHEREAS, it is necessary to provide sufficient monies to meet ordinary and necessary expenses that have been budgeted; and,

WHEREAS, the County has heretofore established a Working Cash Fund and has accordingly collected a special tax therefore pursuant to statute; and,

WHEREAS, it is desirable to transfer to the F.I.C.A./Social Security Fund 0130 monies from said Working Cash Fund; and,

WHEREAS, the County Administrator has recommended the need for borrowing and transferring up to \$742,423.00 from the Working Cash Fund 0002 to the F.I.C.A./Social Security Fund 0130; and,

WHEREAS, the Finance Committee, at its regular meeting on Wednesday, February 4, 2009, concurred with the County Administrator's recommendation and so recommends approval of this resolution to the McLean County Board; now, therefore,

BE IT RESOLVED by the McLean County Board in regular session that the sum of up to \$742,423.00 be and the same is hereby ordered transferred on an as needed basis from the Working Cash Fund 0002 to the following funds as follows:

FROM:	Working Cash Fund 0002	\$742,423.00
TO:	F.I.C.A./Social Security Fund 0130	\$742,423.00

BE IT FURTHER RESOLVED that the Treasurer of McLean County be and is hereby directed to make such transfer of up to \$742,423.00 accordingly.

BE IT FURTHER RESOLVED that said County Treasurer be directed to immediately reimburse said Working Cash Fund on or before October 1, 2009 upon receipt of general property taxes until the full amount so transferred has been returned to the Working Cash Fund 0002.

(2)

BE IT FURTHER RESOLVED that the County Clerk transmit certified copies of this Ordinance to the County Administrator, County Auditor, and the County Treasurer.

ADOPTED by the County Board of McLean County, Illinois this 17th day of February, 2009.

ATTEST:

APPROVED:

Peggy Ann Milton, Clerk of the McLean County Board
McLean County, Illinois

Matt Sorensen, Chairman
McLean County Board

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**AN ORDINANCE TRANSFERRING MONIES FROM THE
TB CARE and TREATMENT FUND 0111 and the
HEALTH DEPARTMENT FUND 0112
TO THE PERSONS WITH DEVELOPMENTAL DISABILITIES FUND 0110
FISCAL YEAR 2009**

WHEREAS, the County Board of McLean County heretofore appropriated monies for the purposes set forth in the Persons with Developmental Disabilities Fund 0110 in the Fiscal Year 2009 Combined Annual Appropriation and Budget Ordinance; and,

WHEREAS, it is necessary to provide sufficient monies to meet ordinary and necessary expenses that have been budgeted; and,

WHEREAS, there are sufficient monies available in the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 that may be drawn upon temporarily to meet this projected shortfall; and,

WHEREAS, it is desirable to transfer said monies; and,

WHEREAS, the County Administrator has recommended the need for borrowing and transferring up to \$127,090.00 from the TB Care and Treatment Fund 0111 and up to \$127,090.00 from the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110; and,

WHEREAS, the Finance Committee, at its regular meeting on Wednesday, February 4, 2009, concurred with the County Administrator's recommendation and recommends approval of this Ordinance to the McLean County Board; now, therefore,

BE IT ORDAINED by the McLean County Board in regular session that the sum of up to \$254,180.00 be and the same is hereby ordered transferred on an as needed basis as follows:

FROM: TB Care and Treatment Fund 0111	\$127,090.00
FROM: Health Department Fund 0112	<u>\$127,090.00</u>
TO: Persons with Developmental Disabilities Fund 0110	\$254,180.00

BE IT FURTHER ORDAINED that the Treasurer of McLean County be and is hereby directed to make such transfer of up to \$254,180.00 accordingly.

BE IT FURTHER ORDAINED that said County Treasurer be directed on or before October 1, 2009 to reimburse said TB Care and Treatment Fund 0111 and the Health Department

(2)

Fund 0112 upon the receipt of general property taxes until the full amount so transferred has been returned to these funds.

BE IT FURTHER ORDAINED that the County Clerk transmit certified copies of this Ordinance to the Director of the Health Department, County Administrator, County Auditor, and the County Treasurer.

ADOPTED by the County Board of McLean County, Illinois this 17th day of February, 2009.

ATTEST:

APPROVED:

Peggy Ann Milton, Clerk of the McLean County Board
McLean County, Illinois

Matt Sorensen, Chairman
McLean County Board

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An ORDINANCE of the McLEAN COUNTY BOARD
AMENDING CHAPTER 10 OF THE McLEAN COUNTY CODE

WHEREAS, the McLean County Board has adopted, and from time to time amended, Chapter 10 of the McLean County Code, commonly known as the Personnel Code; and,

WHEREAS, pursuant to a recent review of the Personnel Code and receipt of the findings and recommendations of a recent personnel investigation, the McLean County Board finds it necessary and prudent to make certain changes in the Personnel Code; and,

WHEREAS, said changes will make the Personnel Code consistent with Federal and State Law; and,

WHEREAS, said changes will clarify the duties and responsibilities of County-wide Elected Officials pursuant to the Personnel Code; now, therefore, and,

BE IT ORDAINED by the McLean County Board, now meeting in regular session, as follows:

Chapter 10.10 of the McLean County Code is hereby amended as follows:

10.10 STATEMENT OF POLICY: The McLean County Board recognizes that a personnel system, which recruits and retains competent, dependable County personnel, is indispensable to an efficient County government. To achieve this goal, the Board has established within the County Board Office the position of County Administrator. The County Administrator shall serve all County offices by participating in or performing the following activities:

Classifying positions in County service;
Developing systems to compensate employees equitably for their service;
Assisting in the recruitment of persons for County service;
Providing for employee welfare;
Providing for employee training and development;
Providing for resolution of employee grievances;
Monitoring for compliance with State and Federal Employment and Labor Laws and
~~Monitoring~~ the McLean County Equal Employment Opportunity Resolution.

Chapter 10.11 of the McLean County Code is hereby amended as follows:

10.11 EQUAL EMPLOYMENT OPPORTUNITY: As a matter of policy, McLean County requires employment, training and promotions, and all personnel actions to be based on individual merit and individual capabilities without regard to race, religion, color, national origin, sex, age, sexual orientation or disability. This policy requires full cooperation of all McLean County employees. We choose to follow this policy on the basis of fairness to all individuals rather than on the basis of our legal requirement. McLean County also complies with all applicable federal, state and local laws regarding non-discriminatory practices. Responsibility for correlation and implementation of the plan and related activities throughout the County has been assigned to the County Administrator.

Chapter 10.12-1 of the McLean County Code is hereby amended as follows:

10.12 SCOPE OF COVERAGE AND GENERAL PROVISIONS: The McLean County Board recognizes the appointing authority vested, by various Statutes, in the Elected Officers of the County. Nothing in these policies should be construed as avoidance of that authority; however, the appointment should be made from a field of candidates developed under the guidelines of these policies and procedures.

10.12-1 SPECIFIC SCOPE OF COVERAGE: All County employment positions not expressly exempted from coverage by these policies and procedures shall be subject to these provisions. ~~including bargaining unit members except where superseded by collective bargaining agreements.~~

All individual Elected Officers shall comply with applicable provisions of State and Federal Employment and Labor Laws.

All advisory boards, commissions and committees appointed by the McLean County Board, ~~All~~ consultants, advisers, and counsel rendering temporary professional service, and independent contractors, are expressly exempted from coverage, except to the extent that State and Federal Labor Laws extend to said individuals.

Sheriffs Department personnel are expressly exempted from coverage by these policies and procedures to the extent that rules of the Merit Board supersede these rules, and bargaining unit members are expressly exempted from coverage by these policies and procedures to the extent that the terms of their respective collective bargaining unit agreements supersede these rules, are expressly exempted from coverage.

10.12-2 EXCLUSION PROCEDURE: Upon passage of these policies and procedures by the McLean County Board, Elected Officers of McLean County are strongly encouraged to submit to the County Administrator's Office; a tabulation of the specific areas of conflict and cite the statutory authority which prohibits cooperation with said policies and procedures. Such tabulation will be submitted as a portion of the annual fiscal year budget process ~~become an appendix to this document.~~

Chapter 10.43-1 of the McLean County Code is hereby amended as follows:

10.43-1 ANNUAL TRAINING AND ACTIVE DUTY LEAVE: An employee who is a member of a reserve component of the armed services or the Illinois National Guard shall be granted annual training leave and leave for active duty. The County shall pay the difference between the government allowance and the employee's base salary for basic training and up to sixty (60) days of special or advanced training per year, and for the duration of any active duty resulting from a Presidential order. Military training leave shall be granted without the loss of general leave time.

10.43-2 COMPENSATION: An employee on Military Leave status who applies for County compensation to make up the difference between military base pay received and their regular straight-time County wage or salary, shall submit copies of all military pay stubs or leave and earnings statements for any pay period for which compensation is requested within sixty (60) days of release from active duty. If an employee chooses not to remit said military pay stubs or leave and earnings statements, no portion of County wages will be paid to the employee. If twenty percent (20%) or more of County employees are mobilized for active duty, compensation shall be limited to two (2) workweeks per year. Military leave of absence shall be granted as provided by State and Federal law then in force, to any employee covered by the terms of this Agreement who is a member of the Armed Forces of the United States, or the State of Illinois in either an active or reserve capacity.

Chapter 10.47-3 of the McLean County Code is hereby amended as follows:

10.47-3 FAMILY AND MEDICAL LEAVE: McLean County will provide all eligible employees and officials with up to 12 weeks of family and/or medical leave during any 12 month period, whether paid or unpaid, as required by the federal Family and Medical Leave Act of 1993. However, all employees shall exhaust all paid leave available, prior to going on unpaid leave.

A) Employees eligible - To be eligible for Family and Medical Leave leave, an employee must:

- 1) Qualify for I.M.R.F. coverage (1,000 hours per year standard) ~~AND either:~~
- 2) Successfully complete the initial evaluation period with the County, ~~or~~
- 3) Complete one (1) year of employment with the County, ~~whichever occurs first.~~

B) Usage - The following situations are allowable under the Family and Medical Leave Policy:

- 1) Care of an employee's child, including birth or placement for adoption or foster care.
- 2) Care of a child, spouse, or parent with a serious health condition.
- 3) A serious health condition which makes the employee unable to perform the employee's job.
- 4) A qualifying exigency arising out of the fact that an employee's spouse, son or daughter, or parent is on active duty or call to active duty status in support of a contingency operation as a member of the National Guard or Reserves.

5) Because an employee is the spouse; son or daughter; parent; next of kin (as defined under FMLA) of a covered service member with a serious injury or illness.

C) Length of Leave - An employee may take 12 work weeks of unpaid leave per each 12 month period of employment, inclusive of any paid leave for the same purpose. In the case of a birth or adoption, the leave option expires one year after the event. This leave is based on a rolling 12 months period for the individual employee, not on a calendar basis.

An employee may take up to 12 weeks of leave for certain qualifying exigencies arising out of a covered military member's active duty status, or notification of an impending call or order to active duty status, in support of a contingency operation, and

An employee may take up to 26 weeks of leave in a single 12-month period to care for a covered service member recovering from a serious injury or illness incurred in the line of duty on active duty. Eligible employees are entitled to a combined total of up to 26 weeks of all types of FMLA leave during the single 12-month period.

D) Intermittent leave up to 12 weeks, per 12 months period may be taken if medically necessary. However, a request for intermittent leave requires consent by McLean County. This shall be approved by the Department Head, only if the Department Head determines that such action would have no detrimental effect on the operations of the department. All other such requests shall be denied.

E) Health Coverage - During the term of leave, McLean County will continue to pay its share of an employee's health coverage. If the employee fails to return to work, unless such failure is due to continuation of a medical condition or circumstances beyond the employee's control, the employee must repay McLean County the full cost of health coverage paid during the leave period.

Chapter 10.80-5 of the McLean County Code is hereby amended as follows:

10.80-5 ILLEGAL HARASSMENT: It is the policy of McLean County Government to provide to all officials and employees a work environment free of harassment based upon gender, sexual orientation, ethnicity, race, religious affiliation, age, physical and mental disability, and marital status, as well as sexual harassment. It is the right of all employees to work in an environment free from harassment and the responsibility of all employees to refrain from harassment. McLean County prohibits sexual harassment and harassment based upon gender, sexual orientation, ethnicity, race, religious affiliation, age, and physical and mental disability of and by its employees. Harassment is inappropriate, offensive, and, in specific cases, may be illegal and will not be tolerated by McLean County.

10.80-6 COMPLAINT PROCEDURE:

Employees of any County Department or Office who wish to register a complaint of sexual harassment (or any form of harassment based on their race, national origin, gender, age, marital status, religion, sexual orientation, or disability) may do so through the County Administrator's Office or their supervisor or any appropriate member of management.

All allegations of harassment will be investigated thoroughly. The facts will determine the response of the County to each allegation. Substantiated acts of harassment will be met with appropriate disciplinary action by the County up to and including termination. All information regarding any specific incident will be kept confidential within the necessary boundaries of the fact-finding process. No reprisal or retaliation against the employee reporting the allegation of harassment will be tolerated.

Chapter 10.80 of the McLean County Code is hereby amended as follows:

10.80 GENERAL RULES OF CONDUCT: It is the purpose of this policy to attempt to provide a framework for the proper conduct of County employees while on the job. It is further intended that discipline, where justified, be meted out in an equitable manner. Finally, it is intended that within very broad and general guidelines, Department Heads and authorized supervisors are responsible for the implementation of this policy within their specific jurisdictional work areas.

- A) Work supervisors or Department Heads should be certain that new employees are aware of existing work rules. This should be done during the employee's initial orientation and should be repeated at the end of the evaluation period.
- B) Employees will be provided with an "Employee Handbook" which will discuss examples of inappropriate working behavior. In addition, Department Heads or supervisors will discuss departmental rules with new employees and periodically with all employees as the need arises.
- C) Employees are expected to follow the regulations set forth in the personnel rules and directions of their supervisor. When an employee fails to follow these rules or disobeys the supervisor, that employee becomes subject to disciplinary action. Causes for reprimand, written or verbal, demotion, suspension, or dismissal include, but are not limited to the following reasons:
- D) Unacceptable Behavior - Any action that reflects discredit upon the County or is a direct hindrance to the effective performance of the departmental function shall be considered good cause for disciplinary action. Common sense is the underlying basis of this work principle. Examples of unacceptable behavior include:

- Repeated tardiness;
- Leaving duty prior to the end of the assigned shift;
- Failure to complete duties as assigned;
- Failure to request leave in the authorized manner;

Abuse of leave;
Discourtesy or disrespect to a member of the public, a coworker or a County official;
Discussing the lawful private lives of other County employees within the workplace;
Any safety violation;
Intoxication while on duty from alcohol or other substances;
Carrying a firearm other than by authorized personnel;
Failure to follow a specific order by a supervisor;
Willful damage to or destruction of County property and/or public records;
Theft of County property and/or public records;
Acts, threats, or perceptions of violence toward any persons while on duty;
Any form of unlawful harassment, particularly sexual harassment;
Willful misrepresentation or concealment of any fact requested during hiring process;
Gross misconduct other than items listed above;
Upon conviction of a felony involving moral turpitude;
Violation of the County Smoking Policy;
Violation of the County Drug And Alcohol Free Workplace Policy;
Violation of County E-Mail or Internet Policy.

- E) While this listing is not comprehensive, it is sufficient to demonstrate the types of behavior that may indicate an improper attitude toward the job. Depending on level of contact with the public and job functions, each department may see it necessary to develop and enforce its own dress code and appearance policies, within reason.

ADOPTED by the McLean County Board this 17th day of February, 2009.

ATTEST:

APPROVED:

Peggy Ann Milton, Clerk of the County Board,
McLean County, Illinois

Matt Sorensen, Chairman
McLean County Board

e:john/cobd/ord_amend personnelcode_feb09

To: John Zeunik, County Administrator
From: RLF Credit Committee
Date: January 30, 2009
Re: Application for Funding from the RLF

Introduction

Enclosed please find a request for funding from the McLean County Revolving Loan Fund for \$400,000. Enclosed you will find the following required items:

1. A letter from Janice Kepple, President of F&M Bank indicating the need for the loan and their commitment to the project.
2. A completed application from the applicant.

Proposal

The applicant, Jeremy Zobrist, President of Watershed Foods, LLC, has asked to County for \$400,000 to fund the purchase of new equipment for his food processing business. Watershed Foods, LLC is a freeze-drier of consumer foods and other products, located in Gridley, Illinois. The company has been in operation for four years and employs 22 people currently.

Watershed seeks funding to construct a 5th freeze-dryer in order to increase output capacity at the plant and to fulfill contracts. The addition of the new dryer would allow Watershed to hire five additional employees as well as retain the current employment of twenty-two workers. Watershed is at a pivotal stage: the addition of more capacity will allow the company to continue its rapid growth and will set the stage for even greater growth in the years ahead. On the other hand, failure to add additional capacity will jeopardize Watershed's relationships with customers who continually ask the company for additional output.

The applicant meets the mission of the CDAP revolving loan program. The mission of the loan fund is to:

- Assist short term economic development by creating and retaining jobs.
- Encourage involvement of area financial institutions.
- Assist long term economic development by increasing the tax base and helping to expand the economy.
- Insure financial security of the Fund through appropriate use.

In addition, the applicant meets the key criteria of the loan program in that they are creating or retaining at least one full-time equivalent job for every \$15,000 being loaned

or requested. For this project, Jeremy will create five new FTE jobs within 12 months and would retain the existing 22 employees at watershed. Financial need is exhibited through the "fill the gap" criteria of the project as evidenced by the letter from the primary bank lender.

Credit Committee Summary

Watershed's Loan application was reviewed by a credit committee assembled by EDC staff. This committee consists of :

John Zeunik, County Administrator
Marty, Vanags, CEO of the EDC
Steve Timmerman, Vice President, First State Bank of Bloomington
Paul Murphy, Vice President, Commerce Bank

The RLF Credit Committee convened on Wednesday, January 28th, 2009 at the EDC's offices to discuss the application and ask questions of the applicant. The committee made the following recommendations:

1. The applicant fulfills the job creation/retention requirements outlined in the RLF guidelines.
2. The applicant has sufficient collateral to secure the RLF loan.
3. The applicant has support from their Bank and the Bank has indicated that "but-for" the RLF loan, the project could not go forward.

Recommendation

Watershed Foods, LLC has the ability to succeed in the coming years, provided that the company has a stable platform on which to grow. Watershed has a strong list of customers and has successfully reduced input costs over the past 3 years. The company is cost and quality competitive against both national and global competitors and has worked to build strong relationships with customers.

The applicant has an excellent relationship with his current banker. F&M Bank is confident in Watershed, but needs outside support on this project in order to proceed.

The credit committee would recommend approval of this loan and ask for County Board approval for these reasons. The project will be a great addition to the business landscape of McLean County, provide good manufacturing jobs in Gridley and the larger McLean County region, and generate tax revenue. The approval should be subject to Bank approval of the applicant's loan (pending), and require a personal guarantee by the applicant. Collateral on this loan would be secured by a 2nd lien on the new dryer along with junior liens on existing machinery and equipment and real estate and guarantees from the parent company and affiliates.

The recommended interest rate is 4.25%, about 150 basis points below current market rates. The loan would have a 36-month balloon.

Respectfully Submitted,

John Zeunik, County Administrator

Date

Marty, Vanags, CEO of the EDC

Date

Paul Murphy, Vice President Commerce Bank

Date

Steve Timmerman, Vice President First State Bank of Blm.

Date



4900 N. Glen Park Place, Suite A
Peoria, Illinois 61614

Phone: 309-683-2881
Fax: 309-683-3043

www.thefmbank.com

January 15, 2009

Economic Development Council (EDC)
Of Bloomington-Normal Area
Attn: Ken Springer
200 W College Ave, Suite 402
Normal, IL 61761

Re: Watershed Foods, LLC
Jeremy Zobrist, Owner

Dear Ken:

Jeremy Zobrist, owner of Watershed Foods, LLC, has applied for financing from The Farmers & Mechanics Bank (F&M Bank) to build and install a 5th stainless steel dryer and to install a new ammonia refrigeration system. Both projects together will cost about \$1.6 million.

Watershed Foods, LLC has requested financing from you in the amount of approximately \$400,000 to assist with financing the new stainless steel dryer. F&M Bank will be considering additional financing in the amount of \$1,040,000 to complete the installation of both projects. Any approval would be contingent upon financing from the McLean County Revolving Loan Fund in the amount of approximately \$400,000. We currently have approximately \$2.9 million in credit available to Watershed Foods, LLC.

F&M Bank is excited about the long term success potential of Watershed Foods, LLC, and we look forward to a long-term relationship with this unique and fast-growing business. The assistance of the McLean County Revolving Loan Fund is essential to make this financing possible which will retain and create additional employment opportunities in the community.

Thank you for your consideration. If you have any questions, please contact me at (309) 368-7981.

Sincerely,

Janice K Kepple
Peoria Market President

APPLICATION

INSTRUCTIONS FOR APPLICATION FORM

Sections I & II - Please provide the information requested in regards to the applicant, business and banking partner.

Section III & IV - Use of the loan money; a detailed project overview, justification of funds and description of jobs created with the completion of this proposal.

Section V - This section is a critical part of the application review process and it is important to include complete, accurate and credible financial information about the applicant and business.

UTILIZE ATTACHED DOCUMENT TEMPLATES or SUBMIT AN EQUIVALENT.

I. APPLICANT INFORMATION	
Name: Watershed Foods, LLC	
Address: 202 N. Ford Street	
City, State, Zip: Gridley, IL 61744	
Telephone: 309-747-3556	Email: jeremy.zobrist@watershedfoods.com

II. INFORMATION ABOUT BUSINESS	
Name: Watershed Foods, LLC	
Address: 202 N. Ford Street	
City, State, Zip: Gridley, IL 61744	Telephone: 309-747-3556
Industry: Food Processing, NAICS 311423	Date of Establishment: 2/1/2004
Number of Employees: 26 Present: <u>26</u> After Approval: <u>31</u>	Federal Employer Number 20-1073792
Bank partner for this request: F&M Bank	

III. PROJECT OVERVIEW

***PROJECT DESCRIPTION:** size of the site; description of existing buildings, improvements and equipment; description of any land to be purchased; description of any new construction or renovation the project would involve; description of any equipment to be purchased as part of the project; and any other matters needed to give a concise description of the project.
DOCUMENT 2

Start Date: 2/15/09

End Date: 4/1/09

***PROJECT COST:**

Use of Project Funds:

Site Acquisition	_____
Site Improvement	_____
New construction	_____
Renovations	_____
Equipment	\$800,000
Furniture/Fixtures	_____
Other (specify)	_____
TOTAL	\$800,000

Source of Project Funds:

RLF	\$400,000
Bank Loan 1	\$320,000
Bank Loan 2	_____
Equity	\$80,000
Other (specify)	_____
TOTAL	\$800,000

IV. JOB CREATION

Current number of jobs: 26		Jobs retained due to project: 26
Number of jobs created by project (12 months): 5		Number of jobs created by project (24 months): 0
Indicate type of jobs created:		
Type	Number	Avg. Compensation
Floor Operators & Packaging	5	\$20,000

DOCUMENT 1

BUSINESS BACKGROUND/HISTORY: Detail of history and background of your business. Include dates of major changes in product/services, employees and sales growth.

Gary W. Ringger, long-time McLean County resident and founder/owner of Ringger Foods, LLC (based in Gridley, IL) founded The Manna Group, LLC (parent company of Watershed Foods, LLC) on April 4, 2002 after the sale of his company Ringger Foods, LLC to Kerry, Ltd., an Irish food-ingredient processor. After the sale, Mr. Ringger retained ownership of a 150,000 square foot food-processing facility in Gridley, IL which was ideally suited for "freeze-dry" processing. After conducting extensive market research and obtaining a purchase commitment from the Kellogg Company, Watershed Foods, LLC was founded February 1, 2004 as a wholly owned subsidiary of The Manna Group.

Freeze-drying (also known as liofilization) is an advanced & highly technical drying method in which a frozen product is subjected to vacuum whereby the ice crystal (solid phase) within the product avoids the direct crystal to liquid transition and directly transitions to the vapor state (phase). The vapor is then condensed onto a cold surface. Heat is added via an enclosed hot-water heat transfer system to maximize the drying rate.

Watershed purchased two state-of-the art freeze dry tunnels from Niro, Ltd., a Danish freeze-dry equipment manufacturer. The tunnels were installed in the summer and fall of 2004 and production began November 2004. Key Company milestones included:

August 2007	Sign contract for 400,000 lbs for 2008 with Kellogg; lay out plans for planned growth
September 2007	Begin designing & planning next dryer project
October 2007	Land contract to sell substantially all of by-product; sign contract with East-Coast distribution company
December 2007	Design of dryer complete and components purchased
January 2007	Installation of 3rd dryer begins
April 2008	3rd Dryer installation complete
April 2008	Director of Operations hired
June 2008	Phase I (Global Supply Chain Initiative) done: \$1.5M savings & competitive advantage created (\$1/lb)
July 2008	Begin Phase II: Vertical Integration in Key Regions (Chile, Peru, Mexico, Egypt & Baja)
September 2008	Expansion (4th dryer) launched, Jeremy Zobrist becomes 100% owner of Manna Group and Watershed
October 2008	Gain additional accounts and 4th dryer completely "sold-out"
November 2008	4th Dryer installed; costs reduced by \$300,000 over #3 and \$600,000 of Niro dryer
December 2008	Begin planning for 5th dryer and expansion of refrigeration infrastructure

New product milestones included the following:

DOCUMENT 1

November 2004	Strawberry
February 2006	Proprietary Nutraceutical
June 2006	Eggs
March 2007	Proprietary Fungus Culture
May 2007	Raspberries
July 2007	Apples
August 2007	Greenbeans
November 2007	Proprietary Probiotic
December 2007	Organic Blueberries
January 2008	Sweet-Corn
February 2008	Proprietary Cranberry Extract
March 2008	Triple Berry Mix
November 2008	Blackberries

Sales and employee growth were as follows:

	Pounds	Sales \$\$\$	Processing			-----Growth-----				
			Margin	EBITDA	People	Lbs	Sales	Margin	EBITDA	People
2005	173,880	\$ 1,997,472	\$ 473,211	\$ (443,479)	19	N/A	N/A	N/A	N/A	N/A
2006	219,876	2,478,483	660,473	(287,432)	18	26%	24%	40%	35%	-12%
2007	293,574	3,756,039	1,019,279	(124,481)	19	34%	52%	54%	57%	0%
2008 a	525,867	5,942,098	2,076,156	530,393	26	79%	58%	104%	426%	47%
2009 e	822,051	12,482,340	5,926,686	3,331,413	48	56%	110%	185%	428%	91%
2010 e	1.5 M	\$21 M	\$10 M	\$6 M	70	82%	75%	67%	82%	46%
2011 e	2.5 M	\$30 M	\$15 M	\$10 M	85	67%	43%	50%	67%	21%
Cumulative Growth										
Thru 2008 (as %)						202%	197%	339%	320%	29%
Thru 2011 (as multiple)						13.4	14.0	30.70	22.5	3.47

a Annualized based on rolling 12 month financials

e Expected based on latest forecast/projections

The Kellogg Company, Watershed's first customer, continues to be a key customer and has factored prominently into Watershed's growth as evidenced by the following table:

	Lbs to Kellogg	Kellogg Volume	% of Kellogg Supply	% of Total Sales
2005	180,000	4,000,000	4.5%	98%
2006	180,000	4,000,000	4.5%	90%
2007	250,000	4,000,000	6.3%	76%
2008 a	400,000	4,000,000	10.0%	74%
2009 e	600,000	4,000,000	15.0%	63%
2010 e	1,300,000	4,000,000	32.5%	75%
2011 e	1,800,000	4,000,000	45.0%	60%
2012 e	2,500,000	4,000,000	62.5%	50%

a Annualized based on rolling 12 month financials

e Expected based on latest forecast/projections

DOCUMENT 2

PROJECT DESCRIPTION: size of the site; description of existing buildings, improvements and equipment; description of any land to be purchased; description of any new construction or renovation the project would involve; description of any equipment to be purchased as part of the project; and any other matters needed to give a concise description of the project.

Background Information

GWR Leasing, LLC, a wholly owned subsidiary of The Manna Group, LLC owns a 150,000 square foot food-processing facility in Gridley, IL and leases portions of this facility to other food processing companies including Watershed Foods. Watershed Foods, LLC currently leases approximately 25,000 square feet for its operations and has first right-of-refusal on any additional space within the building. A layout of the building is attached (attachment # 2).

Project Details

To meet existing customer needs and to further strengthen its position as a viable strategic supplier to the Kellogg Company, Watershed needs to add another dryer (# 5) to have enough capacity. Total cost of adding a dryer is expected to be \$800,000 as evidenced by the following:

<u>Component Breakdown</u>	<u>Costs</u>	<u>Date Ordered</u>	<u>Lead Time</u>	<u>Unit</u>	<u>Date of Completion</u>
Condensor.	\$ 90,000	2/15/2009	4	weeks	3/15/2009
Shell	110,000	2/15/2009	4	weeks	3/15/2009
Heating Elements	150,000	2/15/2009	4	weeks	3/15/2009
Control Systems & Electronics	50,000	2/15/2009	4	weeks	3/15/2009
Ancillaries	70,000	2/15/2009	4	weeks	3/15/2009
Vacuum System	50,000	2/15/2009	4	weeks	3/15/2009
Trolleys, Racks & Trays	120,000	2/15/2009	4	weeks	3/15/2009
Engineering & Installation	160,000	3/15/2009	4	weeks	4/12/2009
	<u>\$ 800,000</u>				

DOCUMENT 3

PROJECT BENEFITS: state why this project will be successful and the direct effects to the growth of your operation if not completed.

Watershed Foods has gained considerable experience & expertise as evidenced by its growth (see Document #1" Business Background") and is considered a premier supplier of freeze dried ingredients to global food companies in categories such as cereal, baby food, soup, and snacks. Watershed has existing demand for the capacity expansion under consideration and has successfully executed two identical projects (improving total project time from eight months to three months and reducing costs by \$300,000).

The Kellogg Company is a key customer and has selected Watershed Foods as a key strategic supplier for its North American needs. Kellogg has purchased an increasing percentage of its North America ingredient needs from Watershed as evidenced below and has indicated that it would like Watershed to eventually supply 30-60% of its total North American needs.

	Lbs to Kellogg	Kellogg Volume	% of Kellogg Supply	% of of Total Sales	Number of Dryers	Jobs Per Dryer	Production Jobs
2005	180,000	4,000,000	4.5%	98.0%	2	8.4	17
2006	180,000	4,000,000	4.5%	90.0%	2	7.6	15
2007	250,000	4,000,000	6.3%	76.0%	2	7.6	15
2008	400,000	4,000,000	10.0%	74.0%	4	6.3	22
2009	600,000	4,000,000	15.0%	63.0% (e)	5	8.4	42
2010	1,300,000	4,000,000	32.5%	75.0% (e)	9	6.7	60
2011	1,800,000	4,000,000	45.0%	60.0% (e)	11	6.7	73
2012	2,500,000	4,000,000	62.5%	50.0% (e)	15	6.7	100

(e) - Estimated

Kellogg has asked Watershed to increase shipments for 2009 (beginning in 2nd Quarter) and has indicated that Watershed has an excellent opportunity to obtain significant additional business in 2010 as existing contracts with other suppliers expire. In order to meet Kellogg's needs in 2009 and position the Company to gain additional volume in 2010, Watershed must add additional capacity in 2009. The expansion will cost approximately \$800,000. Without the expansion, Kellogg will look elsewhere for capacity. Since Kellogg is a large percentage of Watershed's total business and Watershed's three year contract with Kellogg expires December 31, 2009, the loss of the Kellogg account might result in the closure of the Gridley, IL plant and the loss of 26 jobs. Without the 2009 expansion, the potential creation of new jobs over the next five years will also be in jeopardy.

The expansion will also provide a stable platform for Watershed to continue to grow, further its commitment to its Gridley, IL plant, and allow the Gridley, IL plant to gain scale & becomes the most productive freeze drying plant in the world. In turn, it will allow Watershed to gain economies of scale, increase its competitive advantage, and continue to be a competitive supplier for its other customers ensuring that jobs are not only retained but that job creation continues unabated.

DOCUMENT 3

FUND ALLOCATION and JUSTIFICATION: give a brief description of how the RLF will be utilized to complete this project and why public financing is required to complete the proposal.

The total project is estimated at \$800,000 and the RLF involvement will be a key bridge between available funds from Watershed's banking partner (\$400,000) and the total cost of the project. Due to the current banking climate and Watershed's explosive growth, Watershed's banking partner is un-able to approve this project without the RLF's involvement. Without the RLF's involvement, Watershed will be forced to put the project on hold. This will halt job creation efforts and jeopardize existing jobs (26 full-time jobs). The RLF's involvement will not only support job creation (5 FTE) and retention efforts but will further encourage Watershed to invest in its Gridley, IL facility and achieve the RLF's goals of:

- Retain and attract businesses that provide permanent jobs
- Maximize investment within the County
- Promote sales and tax generating projects
- Providing financial assistance to eligible businesses

Fund Allocation, Justification and Collateral

Summary of Total Project Costs:

Land Acquisition	\$ _____	% _____
Building Acquisition	\$ _____	% _____
Building Renovations	\$ _____	% _____
New Construction	\$ _____	% _____
New Machinery / Equipment	\$ 800,000	% 100
Used Machinery / Equipment	\$ _____	% _____
Inventory	\$ _____	% _____
Working Capital	\$ _____	% _____
Other	\$ _____	% _____
TOTAL PROJECT COSTS	\$ 800,000	% 100

Please attach descriptions of equipment, buildings, land, etc... and time sequence for utilization of revolving loan funds.

Source of Funds:

	Amount	Term	Rate	Status
Private Financing				
Bank	\$320,000	10	7%	pending
Equity*	\$ 80,000	N/A	N/A	
Other				
Public Financing	\$400,000	10	5%	pending
TOTAL	\$800,000	10	6%	pending

*cash invested by owner. (If borrowed, state source and terms of loan on an attachment.)

Document 4

Justification for Public Financing: Please provide a justification for the need for public financing. This can be a summary of the supporting letter from the participating conventional lender stating the reason(s) why it will not provide additional funds for the project.

Watershed's capacity expansion efforts and its inability to obtain conventional financing without a "bridge" make it an ideal candidate for public financing (RLF). First off, Watershed's project meets the RLF's goals:

- Retain and attract businesses that provide permanent jobs
- Maximize investment within the County
- Promote sales and tax generating projects
- Providing financial assistance to eligible businesses

and Watershed meets the criteria for an existing businesses:

- Dedicated and experienced management
- Past performance
- Current economic viability of the business
- High potential for profitability
- High potential for growth
- Sufficient collateral and cash flow to service and secure the loan
- Inability to obtain conventional financing at rates and terms that make the project viable

Second, Watershed's banking partner has stated that if the RLF is not involved then it cannot support the project (see attached letter) due to the general banking climate, Watershed's explosive growth and the bank's overall exposure with Watershed. The bank is not necessarily concerned about Watershed's collateral and cash flow to secure the loan. To further mitigate exposure to the RLF, Watershed, its parent company, and its two sister companies, Manna Leasing, LLC & GWR Leasing, LLC, are all willing to be co-guarantors for the RLF loan. On a consolidated basis, The Manna Group has a trailing 12 months debt service coverage ratio of nearly 6 times and has a projected debt service coverage ratio of 12 times.

These two factors make it imperative that the RLF be involved in the proposed project to protect 26 current jobs and to ensure that 44 are created over the next 24 months.

Economic Feasibility & Marketing Information: State why this project will be successful. Document the need for your product/service and new markets gained by the product/service. Detailed marketing plan may be attached.

As pointed out in Document #1 (Business Background & History), Watershed Foods began operations in 2004 and has quickly established itself as a premier global supplier to global companies in the cereal, baby food, soup and snacks categories. Watershed has commitments from Kellogg & other customers for the entire capacity the expansion project will make available and currently has no spare capacity. Watershed expects the capacity expansion to generate about \$1,000,000 in additional processing margin and provide enough free cash flow to more than cover the additional debt (expect a 7:1 debt service coverage ratio). Furthermore, Watershed was forced to abandon several customers in 2008 due to the lack of capacity. Had Watershed been able to full-fill these orders it would have resulted in at least an additional \$500,000 in processing margin.

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	<u>\$ 800,000</u>				