

## Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, January 4, 2005 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent:: Member Selzer

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

Department Heads/  
Elected Officials

Present: Ms. Becky McNeil, County Treasurer; Mr. Don Lee, Director, Nursing Home; Ms. Jackie Dozier, County Auditor; Mr. Lee Newcom, County Recorder

Others Present: Mr. Don Everhart, County Recorder's Office; Mr. Derick Love, Chief Deputy Sheriff, Sheriff's Department

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

Chairman Sorensen presented the minutes from the December 7, 2004 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Don Lee, Director, Nursing Home, presented the Monthly Financial and Statistical Reports for the Nursing Home. He noted that the census was up for the month of November, finishing the month in a positive stance. Mr. Lee reported that he is projecting to end the year in the black. He reported that the census has been holding at approximately 143 residents. Revenues for the next month should remain high. Mr. Lee indicated that he expects the month of December to end positively as well and expects to end the year with an increase in the retained earnings.

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

Chairman Sorensen presented the monthly Assessment Status Report as submitted by Robert Kahman, Supervisor of Assessments. Mr. Zeunik reported on an item that was not received in time to be included in the packet. The County received its tentative multiplier from the Illinois Department of Revenue for the 2004 tax bills due and payable in 2005. The tentative multiplier is a "1." There are still a few open townships where the Board of Review is finishing up hearings. It is expected those hearings will be completed by the end of this month. The final Assessor's Books for 2004 should be en route to Springfield in February, which is the earliest it has ever been accomplished.

Mr. Nuckolls asked for clarification on the "complaints filed" section of the report, noting the second set of numbers. He wondered if the second set of numbers were the ones that were sent on to the Board of Review. Mr. Zeunik explained that those were additional complaints. Mr. Zeunik further explained that Mr. Kahman implemented a new method of dealing with complaints. Previously, every complaint went before the Board of Review and had a hearing. They have now instituted an adjudicated decision wherein they meet with the complainant and try to work out a resolution. If the complainant wants to present a full presentation to the Board of Review, they may do so. However, most of the complaints are handled without going through a hearing process.

Mr. Zeunik also explained that if an error is found in the Assessment made by the Township Assessor or the Supervisor of Assessment's Office, the Board of Review can initiate a complaint to correct the error.

Mr. Owens asked if the Finance Committee could receive a report noting which complaints resulted in a change of assessment. Mr. Zeunik replied that Mr. Kahman could prepare a report that would show the number and dollar value of the complaints and what was the adjustment.

Chairman Sorensen informed the Committee that the 1.0 tentative multiplier is a testimonial to the quality of the County's process and the quality of the Assessor's work, including the township assessors. The 1.0 multiplier means that the County's assessments were correct. Mr. Zeunik explained that the State Department of Revenue has the final say on the multiplier. The Department of Revenue looks at the actual sales and, by law, the assessed value of property is to be set at 33 1/3% of fair market value. If there is an error, the multiplier would be increased or decreased, which would mean that all of the assessed value in McLean County would be changed by that figure.

Chairman Sorensen asked if anyone had any comments, observations or questions on the report.

Ms. Jackie Dozier, County Auditor, distributed an update on the Law Library. She noted that the report demonstrates the status of the Law Library Fund after the first year of the increase in fees.

Mr. Owens asked for an explanation of the Law Library and the fees. Ms. Dozier replied that the fees were increased one year ago from \$6.00 to \$10.00 due to a large deficit in the Law Library Fund. Mr. Owens asked to whom the fee was charged. Ms. Dozier replied that it was a filing fee charged to civil cases. Mr. Zeunik explained that the General Assembly gave counties the ability to increase the Law Library Fee.

Chairman Sorensen explained that, through an outside audit, the County learned that the Law Library Fund was running a substantial and growing deficit. The Finance Committee increased the fee, knowing that it would take three to four years to adjust to a positive fund balance. He noted that the deficit is decreasing and should be on the plus side in two years. Chairman Sorensen advised that when it becomes a positive figure, it is anticipated that the Law Library would like to begin making purchases for the Library.

Chairman Sorensen asked for a short update on the New World Government Accounting program software. Ms. Dozier replied that an error was found in the Statement of Activities report, which she is working on.

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

Ms. Becky McNeil, County Treasurer, reviewed the unofficial soft-close reports as of December 31, 2004. She explained that these are soft-close reports as the Treasurer's Office will continue to make entries back into 2004 through January.

Ms. McNeil reviewed the Treasurer's General Pooled Investment Account, noting that it reflects five or six CD's that matured and were renewed in December. They were renewed at rates over 2%. The total pooled funds are over \$12 million and the total of all County funds are \$24,276,286.25.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance as of December 31, 2004. The County Revenue and General Fund was \$26,080,103.69 and the County's expenses were \$25,077,869.03. The Revenue

was at 98.6% of budget and the expenses were at 94.88%. Ms. McNeil reminded the Committee that these are not final numbers. The Treasurer's Office will be doing adjustments accruing revenues and expenses back into 2004, including payroll. The Treasurer's Office will begin their audit preparation in February and start the audit in March, at which time the books will be handed over to Clifton and Gunderson. Ms. McNeil advised that she expects the General Fund to end 2004 in a positive status. She indicated that she was very pleased to see that the cost and interest from delinquent taxes, which was budgeted at \$390,000, came in at \$472,000.

Ms. McNeil presented the Summary of Retailers Occupation Tax-Sales Tax, State Income Tax, and Personal Property Replacement Tax Report. She reported that the County came in over budget on all of these. The Retailers Occupation Tax, the combination of Sales, Revenue Sales, and Local Use came in at \$5.2 million, which is \$220,000 over budget. The Income Tax came in at \$1.2 million, \$114,000 over budget. Personal Property Replacement Tax came in at \$1,004,000, which is \$182,000 over budget. The Property Tax Revenue in the General Fund was budgeted at \$6,806,498, the Property Tax Revenue came in at \$6,822,000, which is 100% of what was budgeted.

Chairman Sorensen asked if the County intentionally budgets low on Property Tax, assuming there is a certain amount of taxes that the County will not collect. Ms. McNeil replied that the amount includes the real estate taxes, mobile home privileged taxes and interest, which is then split across all of the property tax funds.

Ms. McNeil reviewed the Revolving Loan Fund Semi-Annual Report. She noted that she included a summary taken from the internet for the Committee to become familiar with the program. She reported that, several years ago, the County applied and received one grant for \$500,000 and one grant for \$100,000. These grants were used to help businesses develop in the community. Ms. McNeil reviewed the summary of the loans the County has given from these funds. Five of them are paid in full, one was not recovered, and two are current. She noted that initially there was a \$500,000 principal and there is currently \$611,000 in principal and \$113,000 in interest recaptured from the initial grant.

Chairman Sorensen noted that there is a Fund Balance of \$798,000 available in the Revolving Loan Fund. Mr. Owens asked where businesses apply for the loan. Mr. Zeunik replied that an applicant first contacts the Economic Development Council (EDC). The EDC has the application forms and assists them with the application. He noted that, with the change in administrations in

Springfield, the Department of Commerce and Economic Opportunity is looking much closer at job creation and are more concerned with the ratio of the loan to the number of jobs being created or retained. Once the EDC walks the applicant through the application process, EDC then contacts the County with the name of the viable applicant. At that time, the EDC identifies a bank in town that does not have a relationship with the applicant. The bank does a free credit review and analysis of the application. The CDAP loan usually is a third or fourth position, which means collateral to the County would be very little. After all of these steps are taken, the application goes to the Finance Committee and the Finance Committee has an opportunity to hear from the applicant, the EDC and the bank that analyzed the loan. Mr. Zeunik noted that the County has done fairly well, with only a couple of loans that were unsuccessful.

Ms. Berglund reported that the EDC is planning to publicize the County CDAP loan program in order to use more of the money before the State takes the money back. Mr. Zeunik agreed that there was a possibility that Springfield may, at some point, take back the money and manage the program.

Mr. Nuckolls asked why there hasn't been a loan given since 2000. Mr. Zeunik indicated that two or three applicants started the process, but either did not complete the process or the application did not meet the requirements of the program.

Mr. Zeunik gave a brief description of the two outstanding loans, noting that both are minority business enterprises. One is the Debbie Thomas Learning Center, which is an expansion of a Day Care Center. The second is Victory Enterprises, which is franchise for a new form of dry cleaning business.

Ms. McNeil presented the Employee Benefit Fund Report, which is a summary of Fund balance as of December 31, 2004 of the Revenues going into the Fund and the expenses coming out. The Fund balance is \$745,945.50. The Fund balance at the end of last year was \$781,766.46. Ms. McNeil explained that this is the Fund through which the County insurance is funneled.

Ms. McNeil presented the Summary of State Income Tax, Personal Property Replacement Tax and Sales Tax Collections. She noted that this report provides answers to the questions regarding Local Use that the Committee requested last month. The report reviews the State's intergovernmental revenues, when it is paid and how it is divided up, etc.

Mr. Nuckolls asked how many people have taken advantage of the credit card payment method. Ms. McNeil replied that credit card usage has gone up and she anticipates it will continue to rise.

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

Mr. Lee Newcom, County Recorder, distributed the Recorder's Office monthly reports. He advised that the first report shows the monthly reconciliation, noting that the month of December balanced. The second report is the Recorder's Receivable Reconciliation and the final report is the Revenue Stamp Inventory.

Chairman Sorensen asked if there were any questions regarding the reports.

Mr. Moss asked for clarification regarding closing business for the day at 2:00 p.m. Mr. Newcom reviewed some historical details regarding the method of recording documents. He indicated that it is critical that the documents be recorded in the order by which they are received at the counter. Mr. Newcom reported that the Recorder's Office is setting up a system of recording the documents with a time stamp and each will be given a number. Since the documents need to be consecutively numbered by day, the Recorder's Office will be asking Cott Systems if the software system can handle a mid-day closing and still keep up with the consecutive numbering. Mr. Newcom informed the Committee that he and Don Everhart are going to go to Columbus, Ohio next week to do two days of training on the Cott Systems.

Mr. Newcom indicated that the Recorder's Office wants to balance on a daily basis the same day as the Treasurer's Office. At this point, they need to learn if their software system can do so.

Mr. Newcom reiterated the importance for all documents to be numbered in the consecutive order they are received. He indicated that in order to achieve this goal, it will be necessary to set up a written standard on how the mail is opened.

Mr. Newcom reported on the issue of credit and whether it should be reinstated. He stated that he does not believe the credit issue is important to the public who use the copy machine in the office. He noted they are considering creating a pre-paid account.

Mr. Moss asked what is the status on lost documents or documents not recorded. Mr. Newcom replied that there appears to be less documents lost or not recorded

than previously thought. He noted that there appears to be approximately 80 documents that the Recorder's Office has no record of except that it was recorded. However, there are still over 11,000 documents that have some type of recording problem. Mr. Newcom indicated that time is being scheduled in the Recorder's Office to address this issue.

Mr. Moss asked for an update on the mail issue. Mr. Newcom replied that the mail is up-to-date. He reported that he is considering creating a daily CD to eliminate the handling of documents by outside companies who come in and make photocopies. Mr. Newcom indicated that they are also looking at a fee structure that will produce additional revenue.

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

Mr. John Zeunik, County Administrator, presented one item to the Committee, namely a request for approval for additional compensation for certain exempt positions. He noted that this is a housekeeping item that is a direct result of the Budget Policy that the Board approved last May. Mr. Zeunik asked Mr. Lindberg to address the request.

Mr. Lindberg reported that last May, the Budget Policy included a statement that said that employees who occupy exempt positions get paid a salary and if additional compensation is paid to them, it first needed to be requested and authorized by the Finance Committee. The Federal Fair Labor Standards Act (FLSA) requires that overtime be paid after 40 hours to non-exempt positions. FLSA allows additional payments, but does not require additional payments, to exempt positions. The request consists of five different job titles in six different departments for a total number of 26 positions. These positions do not always get overtime. There are two positions, Civil Engineer II in the Highway Department, that receive overtime due to an order from the U.S. Department of Labor based on an investigation done in the early 1990's. The Facilities Maintenance Supervisor position is a Grade 11 position that is on-call 24/7 and is frequently called out. There are five registered nurses in Jail Medical who cover two shifts and frequently work odd hours. There are ten registered nurses in the Nursing Home who work nights and weekends. There are two Communicable Disease Investigators in the Health Department who respond to communicable disease situations on a call out basis, frequently evenings and weekends. There are four Case Managers in the Child Advocacy Center who need to be ready to interview and counsel whenever needed. Mr. Lindberg requested that the Committee authorize overtime or additional compensation for these positions.

Chairman Sorensen suggested that it is important for the Committee to consider this request. He also suggested the Committee adopt a thought-process around establishing criteria for making these types of decisions in the future.

Mr. Nuckolls asked why lieutenants in the Sheriff's Department were not included on this list. Mr. Lindberg replied that the Sheriff's Department designates a first-responder lieutenant and adjusts the normal work hours for that lieutenant.

Motion by Nuckolls/Berglund to recommend Approval  
of the Administrator's Recommendation for Additional  
Compensation for Certain Exempt Positions.  
Motion carried.

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

Motion by Owens/Moss to recommend the Finance  
Committee go into Executive Session at 5:16 p.m. to  
discuss Collective Bargaining with the Committee  
members and Administrator's Office staff.  
Motion carried

Motion by Owens/Nuckolls to recommend the Finance  
Committee return to Open Session at 5:24 p.m.  
Motion carried.

Chairman Sorensen presented the December 31, 2004 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund is \$359,052.84, with the prepaid total the same. The Finance Committee Fund total is \$646,003.56 with the prepaid total the same.



Finance Committee  
January 4, 2005  
Page Nine

Motion by Berglund/Owens to recommend approval of the December 31, 2004 Finance Committee bills as presented to the Committee by the County Auditor.  
Motion carried

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 5:30 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

E:\Ann\Minutes\Finance\Finance\_Jan.05