

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Monday, January 5, 2009 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens; Members Butler and Caisley

Members Absent: Members Moss, Rackauskas and O'Connor

Other Members Present: County Board Chairman Matt Sorensen

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Mr. Bill Wasson, Director, Administrative Services; and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials

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

Others Present: Ms. Jan Morris, Health Promotion Program Manager, Health Department; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office and Mr. Robert Neiryneck, Attorney, Costigan and Wollrab

Chairman Owens called the meeting to order at 4:03 p.m. Chairman Owens noted that County Board Chairman Sorensen is attending this afternoon's meeting in order to make a quorum.

Chairman Owens presented the minutes from the December 3, 2008 Finance Committee Meeting and the November 18, 2008 Stand-Up meeting to the Committee for approval.

Motion by Butler/Sorensen to approve the Minutes of the December 3, 2008 Committee Meeting and the November 18, 2008 Stand-up Committee Meeting.
Motion carried.

Chairman Owens advised that the Agenda would be altered to allow Mr. Lee Newcom to present a personnel issue in the Recorder's Office.

Chairman Owens called for a motion to go into *Executive Session* to discuss a Personnel Matter.

Motion by Butler/Sorensen to Recommend the Finance Committee go into Executive Session at 4:04 p.m. to discuss a Personnel Matter with the Committee Members, Mr. Lee Newcom, County Recorder, and the Administrator's Office Staff.
Motion carried.

Motion by Caisley/Sorensen to recommend the Finance Committee return to *Open Session* at 5:01 p.m.
Motion carried.

Motion by Butler/Caisley to recommend Approval of a Resolution of the McLean County Board Authorizing the County Recorder of Deeds to Offer a Salary above the starting Maximum Salary permitted under the County's Personnel Ordinance.
Motion carried.

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

Mr. Don Lee, Director, Nursing Home, presented a request for approval to purchase a 2009 Ford F-150 Truck from Bob Ridings Ford, Taylorville, Illinois via the State of Illinois Joint Purchase Contract #401408 in the amount of \$18,900.00 and to purchase a Western Snow Plow with back drag blade from Quality Truck & Equipment Company in the amount of \$4,540.00 for a total of \$23,440.00.

Mr. Lee indicated that the Nursing Home has budgeted \$25,000.00 for a new pickup truck for general use and snow removal in 2009. He noted that the current truck is a 1996 Dodge Dakota which has served the Nursing Home well, but the years have taken a toll on it.

Mr. Lee advised that the State of Illinois Joint Purchase Contract is the most economical option and has the type and size of truck needed for the Nursing Home. He stated that Heller Ford and Dennison Ford were given an opportunity to bid but could not compete with the State bid prices.

Mr. Lee indicated that he received four bids for a 7.5' snow plow, with a back blade and top mounted strobe light. The low bid was received from Quality Truck & Equipment Company in Bloomington, Illinois for a Western Midweight plow for \$4,540.00. This includes parts and installation.

Mr. Lee requested that the Committee recommend approval to purchase a 2009 Ford F-150, regular cab, 4X4 with an eight foot bed from Bob Ridings Ford, Taylorville, Illinois via the State of Illinois Joint Purchase Contract \$401408 for \$18,900.00 and a Western snow plow with back drag blade, handheld controller and strobe light from Quality Truck & Equipment Company for \$4,540.00.

Motion by Sorensen/Caisley to Recommend Approval to Purchase a 2009 Ford F-150 Truck from Bob Ridings Ford, Taylorville, IL via the State of Illinois Joint Purchase Contract #401408 in the amount of \$18,900.00 and to Purchase a Snow Plow from Quality Truck & Equipment Company in the amount of \$4,540.00

Motion carried.

Mr. Lee advised that he would be glad to answer any questions regarding his Monthly Report.

Mr. Caisley asked why is the census down. Mr. Lee replied that the Nursing Home census has decreased because more people are staying at home. Mr. Lee added that the trend will turn around again as the large "boomer" population retires and reaches the age when they will need skilled nursing care...

Mr. Sorensen pointed out that Mr. Lee has always adjusted the expenses at the Nursing Home to reflect the census. Mr. Lee noted that the budget remains positive.

Chairman Owens asked if there were any additional questions. Hearing none, he thanked Mr. Lee.

Mr. Bob Keller, Administrator, Health Department, presented the 2008 County Wellness Program Report and a request for approval of the 2009 Wellness Program. He noted that participation in the program continues to increase and selected aggregate biometric measures are improving, thus reducing the health risk profile of County employees.

Mr. Keller expressed his appreciation to the Health Department's Health Promotion Manager Jan Morris and Health Promotion Specialist Jackie Lanier for their efforts in maintaining the program since its inception. He also thanked Assistant County Administrator Terry Lindberg and Director of Administrative Services Bill Wasson for their active support of the program. Mr. Keller advised that 2008 marked the Eleventh year for the program.

Mr. Keller introduced Ms. Jan Morris, Health Promotion Program Manager, Health Department.

Ms. Morris also thanked Mr. Lindberg, Mr. Wasson and Mr. Zeunik for their support. She advised that the Health Promotion and Assessment section of the Health Department is proposing to continue the McLean County Employee Wellness Program for the twelfth year. She stated that an on-going employee wellness program will increase health awareness, increase productivity, improve the overall health of the work force, and demonstrate the County's commitment to employee well-being, as well as decrease the number of health claims. Ms. Morris indicated that research shows that having a healthier workforce reduces the increase in rising healthcare costs and absenteeism. She noted that the recommended plan would include biometric screenings, health risk assessment (HRA), wellness fair, and numerous wellness activities addressing risks determined by the HRA. McLean County will participate for the third year in the Health Alliance (HAMP) pilot program, *Better Health by Choice*. Ms. Morris indicated that this program will provide online HRA and online health modules for all employees as well as telephonic counseling for employees covered by HAMP and demonstrating at risk behaviors or screening results.

Ms. Morris reported that the McLean County Employee Wellness Program has provided benefits for County employees since its creation in 1998. The ultimate goal of the program has been to encourage employees to adopt healthy lifestyle behaviors and improve their health and well-being while reducing illnesses and medical expenses.

Ms. Morris advised that, as stated within the text of the report, the recommended intervention strategies for the entire workplace population included coronary and cancer risk reduction, weight management, stress management/mental health, physical activity, and better nutrition. She indicated that several potentially serious health problems were detected in past screenings. Ms. Morris stated that the total cost to the County's Employee Benefit Fund in 2008 was approximately \$21,000.00. She noted that, left undetected, heart disease, stroke or cancer could cost the County considerably more in treatment costs.

Ms. Morris advised that the goal for the 2009 wellness program is to involve more than 600 employees in screenings, HRA, and other wellness activities.

Ms. Morris reviewed the 2008 Employee Wellness Report Executive Summary, noting the following:

- McLean County participated for the second year in the Health Alliance Medical Plans (HAMP), *Better Health by Choice*, their pilot employee wellness program;
- Medical director of HAMP considers McLean County his “poster child”;
- In 2008, 289 persons were screened, 595 participated in online wellness assessment, 230 attended the health fair, 1,960 participated in other wellness activities, with 479 unduplicated participation.
- 11th year for screenings – BroMenn was the provider for 2008
 - 289 employees screened
 - 13% increase from 2007; 204% increase from 1998;
 - 12 (4%) persons with no high risk factors;
 - 18 (6%) employees with one risk factor;
 - 259 (90%) with two or more risk factors;
 - 229 had Carle Primary care Physician (PCP)
 - 73 (32%) had an appointment with PCP within 4 months.
- Compared screening numbers for employees screened in last two years
 - Positive Changes noted in Biometrics
 - Cholesterol less than 200 increased from 14% to 33%;
 - Optimal LDL (100 or less) increased from 25.4% to 34%;
 - Optimal HDL (greater than 69) increased from 19% to 34%;
 - Too low HDL (less than 40) decreased from 32% to 20%;
 - Triglycerides with a very high risk (greater than 500) have steadily declined since 2004;
- Cancer Risks noted on HRA
 - 16.84% of employees reported to be smokers compared to 20% of the general population and a decrease from when first tracking employee data;
 - Only 8% of those participating in biometric screenings were smokers;
 - 2.72% used other forms of tobacco;
 - Personal history of cancer;

- 19.05% alcohol are at moderate of high risk of alcohol abuse.
- Participated in Health Alliance (HAMP) Pilot Project and linked Employee Wellness program activities to health modules in health risk assessment
 - Modules included stress management, weight management, insomnia, healthy eating, smoking cessation, depression;
 - Rebates/Incentives based on participation;
 - Online Health Risk Appraisal and Modules;
 - Telephonic Counseling for employees demonstrating risks on HRA
 - Activities addressing risks noted in HRA
 - More comprehensive picture of the health of employees because more than 90% of employees participated in HRA;
 - More employees participated in wellness activities than in the past years.
 - Biggest Loser Weight Loss Challenge
 - Total loss of 350 pounds;
 - Greatest loss reported at 23% of body weight.
- Compared 437 matched participants in HRA from 2007 and 2008
 - 176 men and 261 women;
 - Reviewed changes in self report disease history, biometrics;
 - Average Lifestyle Score increased from 75.2 to 76.3
 - Behaviors showing improvement
 - Alcohol use
 - Depression
 - Injury Prevention
 - Nutrition
 - Skin Protection
 - Smoking – Cigarettes
 - Stress management
 - Behaviors not showing improvement
 - Physical Activity
 - Weight Management

Ms. Morris stated that the programs this last year concentrated on the physical activity and weight management. She indicated that one of the programs was a “Biggest Looser” challenge. Ms. Morris noted that the total loss for the year was 350 pounds. She added that weight loss will be a focal point for 2009 as well.

Ms. Morris advised that the program has come a long way since 1998. She indicated that she would like to continue the program in 2009.

Ms. Morris stated that the screenings will take place at the end of January. She indicated that the members of the County Board are eligible to be screened. Ms. Morris noted that the four screening locations are: the Highway Department, Regional Office of Education, Law and Justice Center and the Health Department. The screening include: cholesterol, glucose, blood pressure, height, weight, body composition, etc.

Ms. Morris indicated that, through the pilot program, there is a Health Risk Appraisal that will be done during February. She noted that the Health Department will receive a corporate report and each individual gets a report that tracks their health history if they were involved in 2007.

Ms. Morris stated that the Health Fair is being planned in May as well as a variety of activities throughout the year, concentrating on physical activity and weight management.

Ms. Morris requested that the Committee recommend approval of the 2009 Wellness Program with a proposed budget of \$23,720.00.

Mr. Keller advised that the funds for this program are provided by the Employee Benefit Fund. A good measure of the cost of this program, particularly the screening, is born through the employee's group health insurance, so there is no cost to the employee.

Motion by Caisley/Butler to Recommend Approval of
the Proposed 2009 Employee Wellness Program and
the proposed Budget.
Motion carried.

Chairman Owens asked if there were any questions. Hearing none, he thanked Mr. Keller and Ms. Morris.

Mr. Robert Kahman, Supervisor of Assessments, reviewed his Assessment Status Report. He indicated that he is preparing to close the Board of Review. He noted that the last Board of Review hearing was held on the last day of the year. Mr. Kahman noted that this is the first time in the history of McLean County that the Board of Review hearings were concluded that early. He advised that the tentative equalized assessed value is \$214 million greater than last year. Mr. Kahman stated that he will provide a complete report to the Committee next month.

Chairman Owens asked if there were any questions. Hearing none, he thanked Mr. Kahman.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending December 31, 2008, as distributed.

Ms. McNeil reviewed the Statistics on the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending December 31, 2008.

- Retailers Occupation Tax Revenue for December 2008 is \$485,606.19;
- Retailers Occupation Tax Revenue Year to Date is \$5,828,264.37, which is 2.78% above last year and 98.78% of budget.
- State Income Tax Revenue is \$1,914,957.87, which is 6.95% above last year and 103.49% of budget.
- Personal Property Replacement Tax Revenue is \$1,726,505.16, which is -1.49% below last year and 102.11% of budget.
- General Fund Property Tax Revenue is \$7,552,776.42, which is 99.86% of budget.

Ms. McNeil reviewed the Investment Report as of December 31, 2008. She stated that the month of December continued to show a decline in investment rates. Ms. McNeil noted that four CDs matured in December. The previous rates on the CDs were 4.25%, 4.55%, 5.00% and 5.05%. The new rates are 3.51%, 2.35%, 3.55% and 2.75%. Ms. McNeil indicated that the rates at 3.00% and above were 18 month CDs and special CDs.

Ms. McNeil advised that Money Market rates are down, noting that the National City Bank rate is currently 0.62%, Illinois Funds Money Market is 0.51% and State Farm Bank is 2.33%. She stated that the State Farm account is a special account that was set up early in 2000 when Mr. Jim Boylan was Treasurer. Ms. McNeil indicated that State Farm gave the County a very good rate for the Public Funds the County placed in that bank. She noted that, through the years, she has drawn that amount down very low as the Illinois Funds rate went up to 5.00%. As the Illinois Funds rate came back down, State Farm maintained a better rate, which is why the County has a significant amount of funds invested there at this time.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance, as follows:

- The Fund Balance at the beginning of the year was \$10,824,532.32;

- The total Revenue as of December 31, 2008 was \$30,019,542.94, which is 94.27% of budget;
- Expenditures were \$33,0004,736.74, which is 103.64% of budget;
- The Fund Balance as of December 31, 2008 was \$12,062,802.35;
- Year to Date Net Fund Change is a decrease of \$2,985,193.80.

Ms. McNeil stated that she was able to capture the amended budget numbers in 2008. The amended budget increased due to a large amount of amendments to the original budget. On the amended budget the County is at 93.36% of revenue and 96.45% of expenses. Ms. McNeil indicated that there are several expense and revenue items that are going to accrue back into 2008 as we move through January and February.

Ms. McNeil reviewed the CDAP Revolving Loan Fund Quarterly Report. She presented a brief history of the CDAP Revolving Loan Fund, as follows:

In 1987 the County of McLean received a Federal Grant in the amount of \$500,000.00. These funds were loaned to Edwards Warren Tire Company. The full amount of the loan was paid off in addition to accrued interest of \$146,024.00. The amount recovered allowed the County to establish the Revolving Loan Fund to provide financial assistance to new or expanding businesses in McLean County and to secure public benefit for the residents of McLean County by developing a stronger economic base and expanded job opportunities. The use of the fund is governed by a variety of rules and regulations mandated by the State and Federal agencies that provided the original grants to McLean County as well as policies adopted by McLean County.

The Economic Development Council of Bloomington-Normal-McLean County is the administrator of the CDAP Revolving Loan Fund.

Borrowers must comply with the following guidelines and McLean County's CDAP RLF Recapture Strategy:

- Project Location – McLean County;
- Meet the minimum and maximum loan amount; ratio of two private dollars for every one CDAP dollar RLF borrowed;
- Demonstrate financial need and provide a description of the project, project costs, and financial details showing that there is a financing gap;
- Minimum Interest Rate of 3%;
- Terms determined by type of project;

- Job Creation and Retention
 - One FTE must be created and retained for each \$15,000.00 of RLF fund borrowed;
 - At least 51% of the jobs created/retained must benefit low-to-moderate income persons.

Applicant Process:

- Applicant meets with the bank and determines if a gap in financing has occurred;
- Applicant gets referred to the EDC by the bank;
- Applicant and banking representative meet with the EDC and pre-application review of the project will be made;
- Review and recommendation by Credit Committee;
- Review and approval by the McLean County Board's Finance Committee;
- Review and approval by the McLean County Board.

Ms. McNeil advised that several loans have been given over the years. There are currently six active loans, including: Victory Enterprises, Debbie Thomas Learning Center, Boitnott Foods, Trace Design, Coffee Hound and Midwest Moldings. Ms. McNeil noted that Boitnott Foods is still on the list, but it is going through bankruptcy and liquidation. She noted that this loan will likely be a full write-off.

Ms. McNeil reported the following:

- Total Grant (CDAP) Principal Recaptured is \$500,000.00;
- Total Grant (CDAP) Interest Recaptured is \$147,400.64;
- Total Recaptured Principal from the Revolving Loan Projects is \$672,886.36;
- Total Recapture Interest from the Revolving Loan Projects is \$160,922.33;
- Bank Interest Earned on Deposits is \$377,560.07;
- Total Amount in Revolving Loan is \$637,691.20.

Ms. McNeil advised that the Balance of \$637,691.20 is what is available for lending.

Ms. McNeil reviewed the Employee Benefit Fund Quarterly Report. She noted that this fund is kept separate. It is the fund where the County accounts for all revenues and contributions coming into the fund and all health employee benefit related expenses going out of the fund. The fund had revenues of \$4,068,086.65 in 2008 and expenses of \$4,259,705.04, which is a difference of \$191,618.39.

Ms. McNeil stated that this resulted in a fund balance, as of January 1, 2008, going from \$356,312.01 down to \$164,693.62 at the end of 2008.

Ms. McNeil indicated that, on the revenue side, she would like to see the expense offset the revenue in Health Alliance Contributions, Lincoln Life and Interest on investments. Ms. McNeil stated that those three should offset the expenses with the Health Alliance premiums, the Lincoln Employee Life, the HRA rebate, the Employee Assistance Program and the Administration/Program expenses.

Ms. McNeil provided a report on the list of outstanding receivables due from the State of Illinois as of December 31, 2008. She noted that these are the main receivables that the Treasurer's Office monitors. Ms. McNeil reported that the total amount due from the State of Illinois is \$877,781.95. She pointed out that the highest ones are the salary reimbursements for the Probation Officers and Juvenile Detention Officers. Ms. McNeil advised that they just received the July payments on December 31, 2008. She noted that the State has indicated that, now that the State has been authorized to borrow money, they should be able to get caught up on some of these outstanding receivables.

Mr. Butler asked if she collected all of the receivables, would it show up in the Fund Balance. Ms. McNeil replied that the revenue has already been booked and the receivable has been created. When the cash comes in, it will offset the receivable.

Mr. Sorensen asked when was the last time the Treasurer's Office has spoken to Victory Enterprises. Ms. McNeil replied that she talked with Victory Enterprises in December when she asked him to make two payments to make his loan current by the end of 2008. She was told that they would try. Ms. McNeil indicated that Victory Enterprises has a little more than \$12,000.00 due on his loan, which should take a couple more years to complete. She assured the Committee that Victory Enterprises always makes their payments, though they are often late.

Motion by Caisley/Sorensen to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending December 31, 2008, as submitted.
Motion carried.

Mr. Caisley asked if there are any CDAP loans in progress. Ms. McNeil replied that she does not believe there are any new CDAP loans in progress.

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

Chairman Owens called for a motion to go into *Executive Session* to discuss Pending Litigation.

Motion by Caisley/Butler to Recommend the Finance Committee go into Executive Session at 5:35 p.m. to discuss Pending Litigation with the Committee Members, Ms. Jennifer Ho, Risk Management, Mr. Robert Neiryneck, Attorney, Costigan and Wollrab; and the Administrator's Office Staff.
Motion carried.

Motion by Butler/Caisley to recommend the Finance Committee return to *Open Session* at 5:48 p.m.
Motion carried.

Motion by Caisley/Butler to Recommend Approval to Accept the Settlement in the amount of \$88,229.79 and Release all Claims related to the June 15, 2003 Law and Justice Center Explosion and Fire.
Motion carried.

Chairman Owens called for a motion to go into *Executive Session* to discuss Collective Bargaining and a Personnel Matter.

Motion by Caisley/Butler to Recommend the Finance Committee go into Executive Session at 5:49 p.m. to discuss Collective Bargaining and a Personnel Matter with the Committee Members, Mr. Eric Ruud, First Assistant State's Attorney; and the Administrator's Office Staff.
Motion carried.

Motion by Butler/Caisley to recommend the Finance Committee return to *Open Session* at 6:16 p.m.
Motion carried.

Finance Committee
January 5, 2009
Page Thirteen

Motion by Butler/Caisley to Authorize Staff to Execute An Agreement of Voluntary Waiver and Release to Settle All Claims currently Pending with the Illinois Department of Labor, Illinois Human Rights Commission and Federal Equal Employment Opportunities Commission regarding a former Employee of the County.

Motion carried.

Chairman Owens presented the December 31, 2008 Finance Committee bills for review. The Finance Committee bills include a Pending Total of \$901,926.04 and a Prepaid Total that is the same.

Motion by Butler/Caisley to recommend approval of the Finance Committee bills as of December 31, 2008 as recommended by the County Auditor.

Motion carried.

The Nursing Home bills include a Fund Total of \$530,761.06 with a Prepaid Total that is the same.

Motion by Caisley/Butler to recommend approval of the Nursing Home bills as of December 31, 2008 as recommended by the County Auditor.
Motion carried.

Chairman Owens presented a request for approval to transfer \$7,500.00 in the County Clerk's Office from Elections Postage and Election Supplies to Election Judge Expenses.

Motion by Caisley/Butler to recommend approval to Transfer \$7,500.00 in the County Clerk's Office from Elections Postage and Election Supplies to Election Judge Expenses.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the meeting at 6:20 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary