

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, July 5, 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, Berglund, Owens and Selzer

Members Absent: Member Nuckolls

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

Department Heads/
Elected Officials

Present: Ms. Jackie Dozier, County Auditor; Mr. Don Lee, Director, Nursing Home; Mr. Lee Newcom, County Recorder; Mr. Bob Keller, Director, Health Department

Others Present: Mr. Lucas Hellmer, Illinois State University Intern; Mr. James Malic, Illinois Wesleyan Intern; Mr. Mark Kazzaz, Illinois State University Intern

Chairman Sorensen called the meeting to order at 4:05 p.m. He announced that the County Treasurer's Report will be presented at a Finance Committee Stand-up Meeting prior to the County Board Meeting on Tuesday, July 26th.

Chairman Sorensen presented the minutes from the June 7, 2005 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Eric Ruud, First Assistant State's Attorney, presented a request for approval of an Amendment to the Ordinance to License and Regulate Raffles. He explained that, at the Rules Sub-Committee Meeting on February 22, 2005, the County Board Rules were amended to transfer the jurisdiction of Class C raffle license permits from the Land Use and Development Committee to the Finance Committee. This Amendment transfers the jurisdiction from the Land Use and Development Committee to the Finance Committee.

Motion by Selzer/Owens to recommend Approval of
an Amendment to the Ordinance to License and
Regulate Raffles.
Motion carried

Mr. Ruud gave a brief history of the McLean County Ordinance to License and Regulate Raffles, as follows:

- Raffles are considered legalized gambling under Illinois Law.
- State law, in 1981-1982, gave Counties the power to regulate and license raffles.
- In 1982, the County Board passed a County Ordinance as a comprehensive method to license raffles.
- The County licenses all raffles in McLean County except those that are solely conducted on the Illinois State University campus.
- The only people eligible for raffle licenses are not-for-profit organizations that have been in existence for five years.
- One exception is neighborhoods/groups raising funds to help someone with catastrophic medical expenses. This is approved under the Hardship Exception under Illinois Law and Raffle Licensing.
- There are four classes of Raffle Licenses in McLean County: A, B, C, D.
- Class A licenses are the most frequently applied for license and are raffles where prizes do not exceed \$1,000.00. There is a \$10.00 application fee.
- Class B licenses have a \$25.00 application fee and up to \$20,000.00 in cash or prizes can be given away.
- Both A's and B's are licensed by the Administrator's Office and do not require Committee approval.
- Class C licenses must be approved by the Finance Committee only. Prizes can be from \$20,001.00 to \$200,000.00. The fee starts at \$50.00, but increases depending upon the amount of the value of the prize.
- Class D licenses must be reviewed by the Finance Committee and approved by the County Board. The value of the prize can be up to \$300,000 and the application fee is \$500.00.
- There are approximately two raffle license applications received each day.
- The County receives about \$2,000 in annual fee revenue.
- Typical applicants are churches, school PTO's, civic organizations and special interest groups.
- Most A and B license applications are reviewed and approved within two days of receipt of the application.
- Under Illinois law, license applications must be acted upon within 30 days.

- The County is pro-active in enforcing the raffle license application regulations, often calling organizations if they have not submitted a license application and are advertising ticket sales.

Mr. Selzer suggested that the County License number be printed on the raffle tickets. Mr. Ruud indicated that with the A and B licenses, it would be difficult to do so. He stated that it is feasible to include the County License number on the tickets for Class C and D applications.

Chairman Sorensen suggested that a permit number be issued prior to approval of the application. The Committee will consider this issue.

Mr. Ruud explained the distinction between raffle licensing and bingo. He noted that bingo is handled by the Bingo and Charitable Gains Division of the Illinois Department of Revenue.

Mr. Selzer asked what is the status of 50-50 drawings. Mr. Ruud replied that 50-50 drawings require a raffle license.

Mr. Moss asked how often Mr. Ruud sees an advertisement for a raffle that he knows has not been approved. Mr. Ruud replied that it happens three to five times per year.

Mr. Moss asked if it is well-known in the community that McLean County is the licensing agent for raffles. Mr. Ruud stated that it is well known. He indicated that some organizations, such as high school sport's booster clubs, obtain a license for a year's worth of raffles for 50-50 drawings at half-times of sporting events. If it is unknown how much will be raised over the year, it is required that they purchase a Class B license, which will get the raffle licensed up to \$20,000.00.

Mr. Moss asked if the ticket price is regulated. Mr. Ruud responded that a Class A raffle ticket must not exceed \$5.00; a Class B ticket must not exceed \$100.00; a Class C ticket must not exceed \$300.00 and a Class D ticket must not exceed \$300.00.

Ms. Berglund asked what is the status of silent auctions. Mr. Ruud replied that there are no regulations for silent auctions.

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

Ms. Jackie Dozier, County Auditor, presented two items for information. The first is the need for an accountable plan for County Board mileage reimbursement. She noted that mileage was being determined by using mileage from home to meetings, with no verification or accounting as to the actual miles. Ms. Dozier stated that, according to IRS rules, if the actual mileage is not used, all income from travel reimbursements must be reported on the W-2 as non-compensation income.

Ms. Dozier recommends that new recording procedures need to be adopted. County Board members need to verify actual mileage to any of the meetings for which they are being reimbursed.

Mr. Selzer asked if the County Administrator's Office is going to develop a form to be filled out and turned in every month for reimbursement. Ms. Dozier replied that the Administrator's Office will need to decide how best to obtain the correct mileage.

Ms. Dozier reported that IRS Rules regulate the mileage reimbursement differently for motorcycles. The mileage for motorcycles is less per mile than automobiles.

Chairman Sorensen suggested that the members of the Finance Committee discuss this issue informally with other Board members with the idea of eliminating mileage reimbursement. Ms. Dozier responded that there are three members of the County Board who do not take mileage reimbursement.

Mr. Selzer asked what is paid out of County Board mileage. Mr. Zeunik reported that approximately \$700 per quarter is paid for mileage reimbursement for all Committee meetings. The Travel Expense annual appropriation is around \$3,000 a year for County Board travel.

Mr. Selzer suggested that each Board member receive a small stipend per month for travel. Ms. Dozier stated that a significant amount of time is spent by the Administrator's Office figuring and maintaining mileage reimbursement, considering the small amount of reimbursement involved. Mr. Zeunik advised that County Board members are entitled, under Illinois law, to receive a reimbursement allowance for attending Committee meetings. He noted that it is not possible to change the Board members' salaries in the middle of the term. Chairman Sorensen asked if the Travel Reimbursement policy can be changed to \$2.00 per meeting paid as a W-2 non-wage payment. Mr. Zeunik said that the Travel Reimbursement policy could be changed.

Chairman Sorensen asked that Board members consider possible changes to the mileage reimbursement policy over the next couple of months.

Ms. Dozier introduced the Auditor's Office intern, Mr. Mark Kazzaz. She stated that there have been a lot of problems with outside audits in regard to grant recognition and monitoring. Ms. Dozier advised that part of the salary of an employee who is on military leave has been used to pay for a summer intern to research a grant monitoring program.

Mr. Kazzaz reported that he has been researching grant monitoring at the County level. He noted that, since it is a relatively new topic for Counties, it has been difficult finding material. Several software options that create stand-alone monitoring systems cost from \$500.00 to \$100,000.00, which is cost prohibitive. Mr. Kazzaz indicated that his research moved towards finding cost-effective programs using resources that are currently available. He reported that other Counties are also struggling to find solutions to monitoring grants. Mr. Kazzaz stated that there are no guides available from any government entity or agency, although quarterly and year-end grant reports are required by the Department of Justice, Department of Transportation, etc.

Mr. Kazzaz reported that he met with a number of Counties, including Rock Island, Will and Sangamon. He stated that the New World Accounting System, currently being used by the Auditor's Office, has a "Projects Grant Module," which was originally intended for project monitoring. This module was recently updated to incorporate grants. In 2003, Will County used that module for strictly grant monitoring. The system lets them compute the grant amounts and it is integrated with the financial system. He indicated that Sangamon County is also interested in doing the same thing. Mr. Kazzaz expressed his belief that Will, Sangamon and McLean Counties could work together to set up a grant monitoring system.

Mr. Kazzaz noted that he would like to see the New World System handle all of the grant transactions and recording, while a stand-alone Microsoft Access database could be used to document the names, reporting agencies and terms of the grants.

Chairman Sorensen asked if the New World Module program would offer timely reminders when grants are due. He replied that he did not believe there is a way for the program to draw attention to due dates. Mr. Selzer suggested that the Access program could monitor dates.

Mr. Selzer proposed that the County consider hiring a Grant Manager to monitor all County grants. This person could also be responsible for pursuing other grant opportunities. He further suggested that, if necessary, someone be hired on a one-year trial basis to organize all existing grants. Mr. Kazzaz responded that other Counties have dedicated Grant Administrators.

Mr. Selzer suggested that, if the County established a successful Access program to monitor grants, the program could then be marketed to other Counties to create revenue for McLean County.

Chairman Sorensen stated that the last external audit validated the need for a grant management program. He pointed out that the Health Department already has staff that manages their many grants. Chairman Sorensen suggested that, initially, a County grant coordinator would be viable, but more research needs to be done to determine if it is necessary to take the grant responsibility away from individual departments.

Chairman Sorensen asked Ms. Dozier if she is presenting this as information or if she is looking for direction. Ms. Dozier replied that, last year, she anticipated the return of an employee who would work half-time with grant administration and half-time with internal audit. The employee will not return until April or May of 2006. Mr. Selzer suggested that the salary for that employee, which is included in the budget, be used to hire someone part-time to develop a spread sheet with the grant information. Ms. Dozier replied that the Mr. Kazzaz is currently developing an informative spreadsheet.

Chairman Sorensen recommended that Mr. Kazzaz continue the research and provide an update in the near future.

Chairman Sorensen thanked Ms. Dozier and Mr. Kazzaz for their report.

Mr. Don Lee, Director, Nursing Home, presented the monthly reports for May 2005. He stated that there is nothing unusual to report. The census for May was down, with an average of 138 residents. He noted that the June census has increased and should average close to 143 residents per day. Mr. Lee advised that the census for Medicare is not as high as he would like, due to the higher census of other residents.

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

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Chairman Sorensen presented the Supervisor of Assessment report as submitted by Mr. Bob Kahman. He asked if there were any questions. There were none.

Mr. Lee Newcom, County Recorder, reported that the Governor signed the Bill for the Recorder's \$10.00 Fee increase, which is effective August 1, 2005. He advised that the increase in the GIS Fee will be implemented at the same time. Mr. Newcom stated that the information will be placed on the Website and notices will be sent out.

Mr. Newcom presented the financial reports for April 2005.

Mr. Selzer asked about the end of the day adjustments in the General Ledger Balance and the Recorder's receipts. Mr. Newcom explained that the adjustment is the result of the one day difference between the Recorder's report and the General Ledger. He reminded the Committee that all documents must be stamped the day they are recorded so they will never be able to close the day in time to balance with the General Ledger.

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

Mr. Robert Keller, Director, Health Department, presented two items for action that can be acted upon together. The first is a request for approval of an Ordinance of the McLean County Board Amending the 2005 Combined Appropriation and Budget Ordinance for Fund 0104 – Health Promotion Grant. The second is a request for approval of a Resolution amending the Fiscal Year 2005 McLean County Full-time Equivalent Position Resolution associated with an Ordinance to Amend the Fiscal Year 2005 McLean County Combined Appropriation and Budget Ordinance for Fund 0104 – Health Promotion Grant.

Mr. Keller stated that the Health Department had a \$16,000.00 grant from the Department of Human Services for a Teen Parent Program, which was not renewed. He indicated that a .09 FTE for a Public Health Communications position will be eliminated from grant fund 0104. However, an adequate FTE complement exists within grant fund 0107 to support the reduced position by using bioterrorism grant funds for the remainder of the budget year and probably next year as well. A .19 FTE for a Health Promotion Specialist position will be eliminated. This is attached to an existing .90 FTE 0515-8115 which will be reduced to a .71 FTE within the same job class. The remainder of this budgeted position resides in grant fund 0105. A corresponding budget amendment

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eliminates \$6,666 from the grant fund 0104 budget for the remainder of County Fiscal Year 2005.

Mr. Selzer noted that this reflects the rule that “when the grant goes away, the job goes away.”

Chairman Sorensen also pointed out that this is an example of a department, namely the Health Department, that has more grant revenue than any other department and they have sufficient control of the grant funding process to know exactly where they are at all times. He suggested that a grant coordinator might be located in the Health Department due to their large volume and knowledge of grants. Mr. Keller stated that the Health Department keeps a journal on each grant.

Chairman Sorensen asked if Mr. Kazzaz is working with the Health Department to learn their grant procedures. Ms. Dozier stated that Mr. Kazzaz has been working with them and has received a copy of their grant template.

Motion by Owens/Berglund to recommend Approval of an Ordinance of the McLean County Board Amending the 2005 Combined Appropriation and Budget Ordinance for Fund 0104 and Approval of a Resolution Amending the Fiscal Year 2005 McLean County Full-time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2005 McLean County Combined Appropriation and Budget Ordinance for Fund 0104 – Health Promotion Grant.
Motion carried.

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

Mr. John Zeunik, County Administrator, stated that there is one personnel item for Executive Session.

Motion by Moss/Owens to recommend the Finance Committee go into Executive Session at 4:54 p.m. to discuss a personnel issue with the Committee members, Administrator's Office staff, and Mr. Bill Yoder, State's Attorney.
Motion carried.

Motion by Owens/Berglund to recommend the Finance Committee return to Open Session at 5:59 p.m.
Motion carried.

Mr. Selzer requested that, in the future, a written justification of need accompany requests for financial issues, such as fee changes, salary increases, etc.

Motion by Berglund/Owens to approve the request from Mr. Bill Yoder, State's Attorney to promote an employee within the State's Attorneys Office to a vacant Attorney IV position at Step 65 of the salary range.
Motion carried.

Chairman Sorensen reiterated the desire of the Finance Committee that a process be built to ensure that the structure of determining salaries be consistent with the needs of the County to avoid the necessity of handling salary adjustments on a case by case basis.

Chairman Sorensen presented the June 30, 2005 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund is \$352,909.07 with the prepaid total the same. The Finance Committee Fund total is \$903,511.63 with the prepaid total the same.

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Motion by Owens/Selzer to recommend approval of the
June 30, 2005 Finance Committee bills as presented
by the County Auditor.
Motion carried

Chairman Sorensen announced that there will be a Stand-up Committee meeting
for a presentation of the monthly reports from the Treasurer's Office on Tuesday,
July 26th.

There being nothing further to come before the Committee at this time, Chairman
Sorensen adjourned the meeting at 6:03 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary