

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, March 5, 2002 at 5:30 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, Illinois.

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

Members Absent: None

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

Elected Officials/

Department Heads: Ms. Ruth Weber, County Recorder; Mr. Don Lee, Director, McLean County Nursing Home; Ms. Rebecca McNeil, Assistant County Treasurer; Mr. Bob Kahman, Supervisor of Assessments; Mr. Phil Dick, Director, Building and Zoning; Mr. Mike Behary, Planner, Building and Zoning; Mr. Craig Nelson, Director, Information Services; Mr. Mike Gallagher, Assistant Director, Information Services

Others Present: Mr. Jim Norton, Cott Systems; Mr. Jim Maxey, Cott Systems; Mr. Charles Hoscheidt, National City Bank; Mr. Dennis Lloyd, Stern Brothers and Co.; Ms. Laurie Dick, Executive Director, SHOWBUS

Chairman Sorensen called the meeting to order at 5:31 p.m. The minutes of the February 5, 2002 Finance Committee meeting were accepted and placed on file as presented.

Mr. Phil Dick, Director, Building and Zoning, introduced Mr. Mike Behary, Planner, Building and Zoning; and Ms. Laura Dick, Director, SHOWBUS. Ms. Dick is Ms. Mary Davis's replacement as the Director for SHOWBUS. Mr. Dick presented a request for approval of an Application for Financial Assistance from the Illinois Department of Transportation and Purchase of Services Agreement with Meadows Mennonite Retirement Community/SHOWBUS.

Ms. Berglund asked if these are the annual contract renewals that are done for SHOWBUS. Mr. Dick replied that the contracts are the same as last year with the exception that there is not a request for computer equipment at this time.

Chairman Sorensen welcomed Mr. Behary and Ms. Dick. Chairman Sorensen thanked Ms. Mary Davis and Mr. Dick for their many years of hardwork on behalf of SHOWBUS.
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Motion by Berglund/Kinzinger to recommend approval of an Application for Financial Assistance from the Illinois Department of Transportation and Purchase of Services Agreement with Meadows Mennonite Retirement Community/SHOWBUS. Motion carried.

Mr. Don Lee, Administrator, McLean County Nursing Home, presented the Monthly and General Reports for the McLean County Nursing Home. This early in the year, the budget projections for the end of Fiscal Year 2002 are not very accurate.

The request for the revenue generated from the September 2001 Private Pay Rate is on the bottom of page 59 in the Finance Committee Agenda Packet. It is a simple calculation, the number of private pay residents multiplied by the number of days in each month since September, multiplied by \$3.00. The increase in the Private Pay Rate has generated \$15,195.00.

Mr. Renner asked if the census counter has decreased further. Mr. Lee replied that during flu season there are always more deaths among residents. The deaths are comparable to those lost last year. The census is low at other local long-term care facilities as well. Due to the mild winter this year, many individuals are able to stay at home longer. Consequently, residents are much more debilitated when they come to a long-term care facility.

Mr. Renner asked if there have been many complaints due to the increase in the Private Pay Rate. Mr. Lee replied that the Nursing Home has not received complaints due to the increase of the Private Pay Rate. Mr. Renner asked if the Private Pay census has remained consistent at 25%. Mr. Lee replied that the Private Pay Census is at 26%. The Private Pay census for all of 2001 was 27%.

The Medicare census has remained high. However, reimbursement payments from the State of Illinois are lagging behind. Mr. Rodman asked if the Nursing Home has sufficient cash flow to meet its obligation with the slow down in State payments. Mr. Lee replied that cash flow is not a problem. Mr. Arnold asked, if necessary, would lending institutions approve a loan to cover the delayed payments from the State. Mr. Lee replied that private Nursing Home facilities have applied for loans and were approved. Chairman Sorensen noted that the Enterprise Fund has 3.1 million dollars in investments, which the Nursing Home could use if necessary.

Ms. Rebecca McNeil, Assistant County Treasurer, presented the County Treasurer's Statement of Revenues, Expenditures and Fund Balance Report as of February 28, 2002, the County Treasurer's Investment Report as of February 28, 2002 and the Employee Benefit Fund Report as of February 28, 2002.

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Ms. McNeil advised the Committee that Investment rate for Merrill Lynch has decreased. The Motor Fuel Tax Fund and Nursing Home Funds have been transferred to the Illinois Funds. The Certificate of Deposit for the Motor Fuel Fund came due for renewal. The renewal rate is 1.75%, down from 5%.

Mr. Arnold asked why more money was not placed in Certificates of Deposits. Ms. McNeil explained that in order to cover the County's cash flow needs, funds could not be locked in Certificates of Deposits for six months.

Ms. McNeil stated that Ringer Foods has been bought. As a result, the CDAP Revolving loan for Ringer Foods has been paid in full. Mr. Arnold asked if that CDAP Revolving Loan for Victory Enterprises is current. Ms. McNeil replied that Victory Enterprises is current.

Clifton Gunderson, the outside auditor, has began the external audit for Fiscal Year 2001. Ms. McNeil indicated that she would prepare a report showing the soft close for Fiscal Year 2001 for the Committee's review.

Chairman Sorensen suggested that the Employee Benefit Fund be reviewed by the Committee quarterly, since there are no longer claims coming from the Self-Funded Health Insurance Plan. The Committee agreed that a quarterly review of the Employee Benefits Fund is sufficient.

Motion by Kinzinger/Renner to accept and place on file the County Treasurer's Statement of Revenues, Expenditures and Fund Balance Report as of February 28, 2002, the Investment Report as of February 28, 2002, and the Employee Benefit Fund Report as of February 28, 2002. Motion carried.

Mr. Bob Kahman, Supervisor of Assessments, presented the Assessment Status Report for the Supervisor of Assessment's Office. Complaints filed have increased only slightly over last year. This consistency shows that even though it has been three years since the quadrennial assessment, that the Community is still experiencing growth. Township Assessors are bringing problems to the Board of Review before the taxpayer file a complaint.

The tentative multiplier has been received from the State. The tentative multiplier is a "1". By the end of the month, the books will be ready for the County Clerk's Office to begin calculating the extension and rate.

Ms. Ruth Webber, County Recorder, presented a request for approval of an End User Software License and Support Agreement. Since Fidlar Doubleday, the current software vendor for the Recorder's Office, was sold a year and a half ago, there have been numerous Minutes of the Finance Committee Meeting

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problems with the system. Those who are knowledgeable of the Fidlar computer system no longer work for the company. It is extremely difficult to find someone at Fidlar who can correct the software problems. This has caused numerous problems for the Recorder's Office. With the help of Information Services, several alternative software companies have been researched. The best of these companies is Cott Systems. The Cott's System's attributes are listed on page 62 of the Finance Committee Agenda.

Mr. Rodman asked how many companies were researched. Ms. Weber replied that four companies were researched. Mr. Kinzinger asked how the does price for the Cott System compare to the other companies researched. Ms. Weber replied that Cott Systems is available at a lower cost than the other systems researched. Mr. Arnold noted the cost of installing and maintaining the system is quite high. He stated that he would like to see the costs of the other companies for a comparison.

Mr. Joe Norton, Cott Systems, stated that Cott offers the Recorder's Office more options than the current system provides. The Recorder's Office is responsible for recording, imaging, searching and indexing. Cott Systems has an added option of allowing imaging to be done in house, using bar codes.

The Web Browser Search feature would allow the Recorder's Office to use Information Service's servers to connect to the Internet. Although most companies charge an extra fee for this service, there is no additional charge for the Web Browser with Cott Systems.

The cost includes a licensing fee for each module. For the Recorder's Office, the price is computed for three modules and five end users. Also included in the cost is some third party software.

Mr. Renner asked if that Cott Systems could give any assurances that the company has a sound financial base. Mr. Norton replied that he could forward the resumes of the key management personnel who have been at Cott Systems for many years. Cott Systems have been in the land records business for many years. The company is strong in terms of the balance sheet and customer base.

Mr. Rodman asked how many individuals would provide support to the Recorder's Office. Mr. Norton replied that the technical support department is made up of 15 individuals. The Recorder's Office would receive on-going support and enhancements.

Mr. Kinzinger asked what is wrong with the Fidlar System. Mr. Craig Nelson, Director, Information Services, replied that the Fidlar system is a database system, that was originally

designed for an optical disk system. The system is very slow and at full capacity. There is no more space available and the system does not allow daisy changing. There have been problems with corrupt indexes, which Fidlar has not been able to provide support for.

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Another problem is that Fidlar will not make on site visits. Fidlar handles all problems via long distance.

Mr. Kinzinger asked where Cott Systems is located. Mr. Norton replied that Cott is based in Worthington, Ohio. There will not be a problem with on site visits. Information Services is going to maintain control of the hardware. Support of the applications would be the responsibility of Cott Systems. Mr. Jim Maxey, Cott Systems, stated that Cott Systems was established in 1888 as a Land Recorder's Company.

Mr. Nelson stated that most of the systems researched were incomplete products. One was a DOS based system that is in the process of being converted to a Windows based system. Mr. Mike Gallagher, Information Services, and the Recorder visited Cedar Rapids, Iowa to see the Cott System in use. The product is much faster. The new Cott System, which is Windows based, is in four other sites. Although the Windows installation is new, the original DOS system is installed at 500 sites.

Mr. Rodman asked if there would be a need to update the hardware. Mr. Nelson replied that the new system would need a Network Service Device. Mr. Gallagher added that all the workstations would need to be replaced. Since the County replaces workstations every five years, this cost is expected anyway.

Mr. Arnold replied that if the other systems are inadequate, there is no need to make a comparison to them. He suggested that the Recorder look at other comparable companies to make a comparison.

Mr. Arnold asked if the bar coding would cause extra work in the Office. Ms. Weber explained that currently the Office is stamping each page. Mr. Norton replied that when a document is received, there is an import process. The documents are copied before being sent out. With the Cott System, the documents would be bar coded and imaged. Bar coding automates the process.

Chairman Sorensen noted that this is a specialized system. He asked how many companies offer Recorders the software in Illinois. Mr. Norton replied that there are four reputable vendors in Illinois.

Mr. Renner replied that he would still like to see comparisons with the other companies. Mr. Kinzinger agreed. Chairman Sorensen stated that there are timetable constraints. He suggested that the Committee meet for a Stand-up Meeting prior to the Board Meeting. The Committee agreed to meet at 8:15 a.m. Mr. Renner stated that he would like the information

prior to the meeting. Mr. Norton stated he would prepare the company's resume and a list of the support staff.

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Mr. Rodman asked if Cott Systems would customize the program to adhere to Illinois statutes. Mr. Norton replied that Cott would customize the system for Illinois.

Ms. Weber noted that the contract in the Finance Committee Agenda packet has been approved by the Civil Assistant State's Attorney.

Ms. Weber presented the Committee with copies of the Office Activity Report for February 2002. As expected, the Office has processed 2,500 more documents than were processed for the same time period in 2001 with a 53% increase in revenue.

Mr. Arnold asked if the money was budgeted in 2002 for the upgrade in systems. Chairman Sorensen explained that the upgrade would be paid for out of the recorder's Document Storage Fund. Mr. Zeunik stated that the Fund balance could be provided with the other information for the Committee's review.

Mr. John Zeunik, County Administrator, presented a request for approval for McLean County to Participate in the Assist 2002 First Time Homebuyer Down Payment Assistance Program. The request was received by Chairman Sweeney after the February Board Meeting. Chairman Sweeney asked that the Administrator's Office research the request. After meeting with Mr. David Rausch, Managing Director, Stern Brothers and Company, and members of the local lending community, the request is being presented for the Finance Committee's review.

Mr. Chuck Hoscheidt, National City Bank, stated that in the State of Illinois 2421 loans totaling \$175 million were loaned out in the past two years. The program sponsored 148 loans in Champaign-Urbana totaling \$10.5 million. In Decatur, 332 loans totaled \$16.6 million were loaned out. In Peoria, 234 loans totaling \$14.1 million were loaned out. In Springfield, the program provided 296 loans for \$18.4 million. For the first year, it is estimated that \$4 to \$6 million would be loaned out to first time homebuyers in McLean County. This would help approximately 60 to 80 families.

Mr. Renner asked if the \$190 million is available to only non-home rule communities. Mr. Hoscheidt explained that the \$190 million available through the State of Illinois is available for non-home rule communities.

Mr. Renner stated that 40% of individuals fail to qualify for a loan due to the inability to have a down payment. Mr. Dennis Lloyd, Stern Brothers and Company, stated that with the FHA program and the ASSIST program, very little money from the individual is needed for a down payment.

Mr. Renner asked why a first time homebuyer is defined as someone who has not owned a house in the past three years. Mr. Lloyd replied that federal law defines a “first time” homebuyer as someone who has not owned a home in the past three years.

Mr. Renner asked what the Maximum Purchase Price is based on. Mr. Lloyd explained that the guidelines are based on federal tax law that governs these types of loans. The purchase prices are tied to historic purchase prices in the area. Mr. Renner asked if individuals would be able to use the loans to “fix up” existing homes. Mr. Lloyd replied that the loans could be used to “fix up” existing homes on a limited basis within the appraisal or individuals would have to get rehabilitation loans.

Mr. Arnold asked why there is discrimination between the purchase prices for new construction and existing constructions. Mr. Lloyd replied that federal law established the criteria in 1979 that requires the purchase price limits to differentiate between new and existing homes based on historic data. In some communities, the existing price is higher than the price for new construction.

Mr. Zeunik stated that when he worked for Cook County, there were two similar programs. One of the strongest advocates for doing this type of program was the homebuilders. Mr. Renner stated that the Housing Act of 1934 did not allow for rehabilitation loans and did not allowed non-whites to purchase homes until 1961.

Mr. Rodman asked what is the impact to the County. Chairman Sorensen replied that this is not applied to against the County’s debt limit. Mr. Renner replied that there is a benefit to the individuals who purchase homes, who could not have done so without the program.

Mr. Rodman asked what the default rate is for the program. Mr. Hoscheidt replied that the default rate at National City Bank is 1.55%. The State average is 2.92%.

Chairman Sorensen stated that the program does not directly cost McLean County any money. This is a State funded program, which the Board needs to approve in order to have the program available to McLean County residents. There is no additional workload to McLean County employees other than the Committee and Board votes.

Mr. Zeunik stated that there would be an identified list of lenders. Individuals would go to those institutions to apply for an ASSIST low interest loans. Mr. Zeunik stated that one of his concerns was that there are sufficient funds set aside for McLean County. Mr. Rausch addressed the concern in a previous conversation indicating that a set dollar amount for McLean County is doable. Mr. Zeunik asked Mr. Hoscheidt and Mr. Lloyd if they agreed.

Mr. Hoscheidt and Mr. Lloyd agreed that a set amount of money could initially be set aside for McLean County residents.

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Mr. Rodman asked how individuals would find out about the program. Mr. Hoscheidt replied that press releases would be prepared. The program would also be promoted to the real estate community. Mr. Renner suggested that the United Way be made aware of the program. Mr. Zeunik stated that ads are usually placed in local newspapers once the money is available.

Motion by Renner/Berglund to recommend approval of a resolution for McLean County to Participate in the Assist 2002 First Time Homebuyer Down Payment Assistance Program. Motion carried.

Mr. Zeunik presented a request for approval of an Intergovernmental Agreement to Fund the McLean, DeWitt, and Livingston Counties Educational Service Region. Chairman Sorensen stated that the funding split is not consistent with the formula provided by State Law. DeWitt and Livingston County are taking on more of the burden than they are required by law to do.

Motion by Kinzinger/Renner to recommend approval of an Intergovernmental Agreement to Fund the McLean, DeWitt, and Livingston Counties Educational Service Region. Motion carried.

Chairman Sorensen stated that the Committee needs to go into an Executive Session for the purpose of discussing collective bargaining matters.

Motion by Renner/Rodman to go into Executive Session with Mr. John Zeunik, Mr. Terry Lindberg, and Ms. Lucretia Wood to remain. Motion carried.

The Committee went into Executive Session at 6:40 p.m.

The Committee returned to open session at 7:02 p.m.

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

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

There being nothing further to come before the Committee at this time, Chairman
Sorensen adjourned the meeting at 7:03 p.m.

Respectfully submitted,

Lucretia A. Wood
Recording Secretary

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