

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Tuesday, March 1, 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 and Berglund

Members Absent: Members Selzer and Nuckolls

Staff Present: Mr. John Zeunik, County Administrator, Mr. Terry Lindberg, Assistant County Administrator, Ms. Lucretia Wherry, Human Resources Assistant 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. Don Everhart, Chief Deputy Recorder; Ms. Jennifer Ho, Risk Manager; Mr. Craig Nelson, Director, Information Services; Ms. Peggy Ann Milton, County Clerk; Mr. Derick Love, Chief Deputy, Sheriff's Department; Mr. Eric Schmidt, Assistant County Engineer, Highway Department

Others Present: Mr. Wally McColloch, Agent, Acordia/IRM

Chairman Sorensen called the meeting to order at 4:03 p.m.

Chairman Sorensen presented the minutes from the February 1, 2005 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Don Everhart, Chief Deputy Recorder, reported that the action item listed on the agenda was not ready for consideration. He presented the Reconciliation to the General Ledger report, noting that it balanced as of January 31, 2005. Mr. Everhart informed the Committee that the Recorder's reports will always be one month behind due to timing with the Treasurer's Office. He indicated that the Recorders Receivable Reconciliation and Reconciliation of the State Revenue Fund Stamp machine reports both balanced.

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

Ms. Becky McNeil, County Treasurer, presented two items for action. The first was a request to approve Resolutions authorizing the Chairman of the Board of McLean County to execute a Deed of Conveyance or Cancellation of the Appropriate Certificate of Purchase for parcels 21-23-301-001, 24-16-429-007, 21-21-130-013 and 07-02-100-028. She referred to the 2004 Joseph Meyer Auction report which was distributed prior to the meeting, which lists the four parcels. She explained that this is a program that the County Collector entered into in 1999 with Joseph Meyer and Associates to sell unsold taxes.

Ms. McNeil reported that, in 1999, they sold all unpaid taxes and priors, with McLean County as Trustee. In 2000 and 2001, the subsequents were picked up by McLean County as Trustee. She reported that, in 2002, the Treasurer's Office went before a judge and acquired deed to those parcels as the taxes had not been redeemed by the parcel owners. Ms. McNeil noted that the parcels were originally sold in 1998, 1999 and 2000 and the original price sold ranged from \$68.00-\$158.00. She explained that these are dollars that have accumulated between the actual taxes due and the payments that have not been given to the taxing bodies. Ms. McNeil explained that the goal of this program is to get the parcels back onto the tax rolls and into active status. She noted that the total cost to acquire these properties was \$1,156.31 and they were sold at auction for \$2,365.79. Starting in tax year 2006, the parcels will once again become active.

Motion by Owens/Moss to recommend Approval of Resolutions to Authorize the Chairman of the Board of McLean County to Executive a Deed of Conveyance or Cancellation of the Appropriate Certificate of Purchase for Parcels: 21-23-301-001
24-16-429-007
21-21-130-013
07-02-100-028

Motion carried.

Ms. McNeil presented the second action item, namely a request for approval of a Resolution of the McLean County Board Rescinding the Accelerated Method of Property Tax Billing and Approving and Adopting the Standard Method of Preparing one Final Property Tax Bill. She acknowledged Ms. Peggy Ann Milton and Mr. Craig Nelson for their assistance and asked them to assist her in presenting the Resolution. Ms. McNeil announced that rescinding the

accelerated method of property tax billing is a monumental accomplishment for the County. She explained that the County has been working towards this goal for many years. Ms. McNeil indicated that this achievement was a joint effort between the County Treasurer and staff, the Supervisor of Assessments and staff, Township assessors, the Board of Review, the County Clerk and staff, Information Services staff and the Administrator's Office. She noted that one of the biggest decisions that led to this point was contracting with DevNet. Ms. McNeil explained that the DevNet System has allowed the three offices to come together on one system and should eliminate numerous conversions of data between the Assessor's system, the County Clerk's system and the County Treasurer's system.

Ms. McNeil announced that a duplicate second billing for taxes will be eliminated, which will save the County approximately \$20,000-\$24,000 per year. She noted that a separate drainage billing will also be eliminated. Ms. McNeil commended the Supervisor of Assessment for his work in receiving the State equalization factor on February 22nd this year as compared to May 6 last year. She stated that she expects, with the assistance of DevNet, that they will be able to keep this momentum going in time to issue a single bill by late April or early May.

Ms. Berglund asked if the taxpayers can still pay their bill in two payments. Ms. McNeil replied that they can either pay it all at once or in two equal installments.

Mr. Nelson announced that the conversion balanced and they expect training to begin next week.

Mr. Owens asked if there will be proper notification to the public regarding the new billing. Ms. McNeil indicated that the new billing system will be properly publicized through the newspaper, radio, and television.

Ms. Berglund asked if this process will continue through the years or need to be reconsidered each year. Ms. McNeil replied that it is anticipated the County will be on the new system from this point forward.

Ms. Milton indicated that, in previous years, the taxing bodies were forced to prepare their budgets based on an estimate. The one-billing process will be advantageous for them as they will have actual numbers rather than estimates. Ms. Milton commended the Supervisor of Assessments for his work in getting the equalization number from the Department of Revenue so quickly.

Mr. Moss asked if they anticipated an increased number of late payments on the second installment without having the second reminder. Ms. McNeil replied that she does not anticipate a problem due to the promotion that will be done through her office. She also indicated that if she observes a significant problem, she will review the option to send a second reminder notice.

Ms. Milton noted that other Counties who have adopted this method of payment, have reported few problems.

Motion by Berglund/Owens to recommend approval of a Resolution of the McLean County Board Rescinding the Accelerated Method of Property Tax Billing and Approving and Adopting the Standard Method of Preparing One Final Property Tax Bill.
Motion carried.

Ms. McNeil reviewed the Treasurer's General Pooled Investment Account report as of February 28, 2005. She noted that there has not been a significant change as revenues have not come in as high as the expenses going out. Ms. McNeil pointed out that in some of the money market accounts, the balance has gone down. She indicated that some of the rates reflect the balance as of the end of last month, while some reflect current interest rates. Ms. McNeil stated that the Illinois Funds money market rate as of March 1st was 2.46% and the prime was 2.49%, as compared to last November when the money market rate was at 1.6% and prime was 1.65%.

Ms. McNeil presented the Summary of Retailers Occupation Tax-Sales Tax, State Income Tax, and Personal Property Replacement Tax Report. She reported that, for the month of February, the Sales Tax and Local Use Tax was \$428,000, Income Tax was \$149,000 and there was not a disbursement for Personal Property Replacement Tax. So far, for the year, Sales Tax and Local Use Tax is 3% above last year and at 16.53% of budget. The Income Tax is 14% above last year and at 22.6% of budget. The Personal Property Replacement Tax is 6.3% of budget over last year and 21.24% of budget for 2005.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance as of 2/28/05. She indicated that it is very early in the year, but so far revenue is at \$2,033,000 and expenditures are at \$3,282,000. Ms. McNeil noted that this is the time when expenditures exceed revenue as property tax dollars do not start coming in until May.

The final report Ms. McNeil examined was the Statement of Revenue, Expenditures and Fund Balance as of 12/31/04. She announced that this will be the last time she will bring this report before the Committee. The outside audit will begin on Friday, March 4, 2005. Ms. McNeil reported that, as of 12/31/04, the revenues were 102.96% of budget, at \$27,213,000 and expenditures were 99.06% of budget, which came in at \$26,184,000. She noted that this is a difference of \$1,029,000. Ms. McNeil advised that these are not final numbers and are subject to change. She announced that revenues will exceed expenditures in 2004.

Motion by Moss/Owens to accept and place on file the month-end financial reports from the County Treasurer's Office for the month ending February 28, 2005, as submitted.
Motion carried.

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

Mr. Don Lee, Director, Nursing Home, presented the Monthly Financial and Statistical Reports for the Nursing Home. He noted that the report reflects a good month in January.

Mr. Lee reported that the census has been up for the month of January, with an average of 144 residents. The Census for the month of February has remained constant. He indicated that the census for the year is beginning better than anticipated and better than the budget projected. He expects another good year.

Mr. Lee announced that he did not include a 2004 annual report as they are in the process of adjusting some costs, but assured the Committee that it shouldn't be much different than the report he distributed last month.

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

Mr. Peggy Ann Milton, County Clerk, presented one item for action, namely a request for approval of a supplemental list of Judges of Election. She noted that there is a continual demand for election judges to serve in McLean County. Ms. Milton explained that they have been working with Precinct Committeemen, Central Committee Chairmen, High School Principals and the general public in their efforts to find Judges of Election. There are also forms available on the

Website and made available at meetings and conferences. She indicated that, before the judges are used, she requests approval from the Board and subsequently the Circuit Court.

Motion by Berglund/Owens to recommend approval of
the Supplemental List of Judges of Election.
Motion carried.

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

Ms. Jennifer Ho, Risk Manager, presented two items for action, namely a request for approval of an "amended" 2005 Risk Management Program and a request for approval of an "amended" Brokerage Service Agreement. Ms. Ho explained that, following the Board approval of the FY 2005 insurance programs and approval of the Brokerage Service Agreement for FY 2005, two errors were found by Mr. Wally McColloch, Acordia/IRM, the County's agent. The two errors affected the premiums for the excess workers compensation insurance and for the excess liability insurance that resulted in an increase of \$319.00 in the overall costs to the County. Ms. Ho introduced Mr. McColloch. Ms. Ho informed the Committee that Mr. McColloch acknowledged that his Agency was responsible for the errors and they were amendable to re-negotiating his service fees to offset the increase so that the County will not be held to the additional costs of the programs. The approved amount for the Excess Workers Compensation, Excess Liability Insurance and Brokers' fees was \$247,872. The corrected amount is \$248,191.

Mr. McColloch stated that the coverage on the Liability program was quoted correctly at a \$250,000 limit of coverage. However, the premium for a \$500,000 deductible retention option was transposed and his Agency did not catch the error.

Chairman Sorensen asked for a motion to take both action items together.

Motion by Berglund/Moss to recommend approval of
Risk Management Insurance "Amended" Program for
FY'2005 and recommend Approval of "Amended"
Renewal of Service Agreement for Brokerage Service
for FY'2005.
Motion carried.

Ms. Ho presented the Marketing Report Summary for the insurance program, which was generated by Mr. McColloch. Mr. McColloch reported that one of the functions of the insurance agency is to be up to date on the insurance market. He stated that his Agency is a national brokerage with a local presence, which gives them an opportunity to have access to almost every market. Mr. McColloch indicated that they look for the markets that will be most viable and that offer the best programs for the County. He reported that Chubb Insurance came forth with an outstanding proposal for the County and a decision was made to switch from Hartford Insurance to Chubb Insurance. Part of the reason for that decision was the need to insure the Law and Justice Center building, including earthquake insurance. Mr. McColloch stated that, by moving the coverage to a more competitive program, they were also able to get more of an earthquake coverage which reduced the need for excess coverage from another carrier. He further reviewed the savings to the County by switching from Midwest Indemnity Insurance to Safety National Insurance, noting a \$30,000 savings in premiums.

Mr. McColloch informed the Committee that Acordia is an agency/broker. They have access to wholesalers that research the market and find the best insurance for the County. He explained that Acordia is available to the County throughout the year to search the market, assist in activities input and in claim activities.

Chairman Sorensen asked if there were any questions or comments. He noted that one member of the Board who is absent may ask some follow-up questions sometime in the future. Mr. McColloch offered to attend a Board meeting to answer questions.

Chairman Sorensen asked if there were any further questions or comments for Ms. Ho. Hearing none, he introduced Mr. Zeunik.

Mr. Zeunik reported that the only action item he had required the Committee to go into Executive Session to discuss collective bargaining.

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

Motion by Owens/Berglund to recommend the Finance Committee go into Executive Session at 4:49 p.m. to discuss Collective Bargaining with the Committee members, Administrator's Office staff, Chief Deputy Derick Love and Mr. Eric Schmidt.
Motion carried

Finance Committee
March 1, 2005
Page Eight

Motion by Owens/Moss to recommend the Finance Committee return to Open Session at 5:13 p.m.
Motion carried.

Chairman Sorensen presented the February 28, 2005 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee Fund total is \$1,120,649.26 with the prepaid total the same. The Nursing Home Fund is \$426,030.47 with the prepaid total the same.

Finance Committee
March 1, 2005
Page Nine

Motion by Berglund/Owens to recommend approval of the February 28, 2005 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 5:15 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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