

## **Minutes of the Finance Committee Meeting**

The Finance Committee of the McLean County Board met on Tuesday, May 7, 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, Berglund, Kinzinger and Renner

Members Absent: Member Rodman

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

Elected Officials/

Department Heads: Mr. Phil Dick, Building and Zoning; Mr. Mike Behary, County Planner, Building and Zoning; Mr. Bob Kahman, Supervisor of Assessments; Mr. Don Lee, Director, McLean County Nursing Home; Ms. Jennifer Ho, Risk Management; Mr. James Boylan, County Treasurer; Ms. Becky McNeil, Assistant Treasurer;

Others Present: Ms. Laura Dick, Director, SHOW BUS

Chairman Sorensen called the meeting to order at 5:30 p.m. The minutes of the April 2, 2002 Finance Committee meeting were accepted and placed on file as presented.

Mr. Phil Dick, Director, Building and Zoning, explained that the application being presented is for a Capital Assistance Grant for Fiscal Year 2003 through the Illinois Department of Transportation. Mr. Dick stated that in previous years, the application went to the County Board with the two applications that were presented for approval in March of this year. This particular application was too late to be presented with the applications approved in March. A public hearing is required for this application and it is scheduled for 9:00 a.m. on May 21, 2002.

Mr. Dick explained that this grant application would be used towards the replacement of copiers and printers used for the Rural Public Transportation Office. The current copier used is a small, aging machine that no longer meets the copying needs of the office. The current printers used at the Office are inexpensive and aging ink jet printers. While the printers are adequate for most paperwork, the office needs at least one printer capable of producing high quality documents. Currently, publicity flyers and program brochures have to be printed off site in order to insure print quality. Sending the work offsite increases the cost of production. The grant application is for \$4,510.00.

Motion by Renner/Kinzinger to recommend approval of an Application for Downstate Non Metro Areas Small Capital Assistance Grant for the SHOWBUS Program. Motion carried.

Mr. Bob Kahman, Supervisor of Assessments, presented a report on the State Equalization Multiplier. The Supervisor of Assessments Office has closed the books on the year 2001. The books have been turned over to the County Clerk's Office so they can work on creating the tax rates. Mr. Kahman stated that the process was completed approximately about five weeks ahead of schedule. Mr. Arnold asked if two tax bills would be mailed again same as prior years. Mr. Kahman explained that the process has moved forward in the right direction. However, in order to move the County to single issue tax bills, all of the assessment and Board Review work needs to be done by February 15 of every year. The process can be very complicated because it requires moving all of the township tax assessors to the point where they get their work done faster, and they are not at that point at this time.

Mr. Don Lee, Director, Nursing Home, discussed the Nursing Home Monthly Report. Mr. Lee stated that April can be considered a deficit month due to the decrease in census. Revenue was down in the interest revenue line, Medicare census also decreased. Mr. Lee noted that purchases were made through the commodities lines that won't be necessary again anytime soon. The census as of today was 126, which can still be considered on the low side.

Ms. Jennifer Ho, Risk Management, presented the First Quarter 2002 Fund Report. Ms. Ho noted that the cumulative claims summary includes a summary total of years 1992 through 1995, where no new claims are documented. These claims are summarized by line coverage for each following year. Table 2 provides a comparative description of the claims activity for the first three-months of the latest five years.

Ms. Ho stated since her last report, the County had not settled any Tort claims in excess of \$10,000. Furthermore, winter related claims have been insignificant because of the mild winter. Regarding Auto Physical Damages, a notable loss to mention is one incurred by a parked squad car that was struck by an uninsured motorist. The Deputy involved sustained minor injuries and was back to full-time duty. Ms. Ho noted that the number of Worker's Compensation claims are higher than the preceding three years, but the losses are of the low-severity variety. The County does not have any new auto or general liability that occurred in the first quarter. However, the County is party to two new cases from prior years. In conclusion, Ms. Ho stated that there are no cases pending against the County that are of a material basis to the County's financial position.

Mr. James Boylan, County Treasurer, presented for acceptance and placement on file the County Treasurer's Report and the County Treasurer's Investment Report as of April 30, 2002. Mr. Boylan stated that the Treasurer's Office purchased CDs at \$75,000.00 and \$90,000.00 with a maturation date of a year through the Central Illinois Bank at a 3.210% rate and with the Bank of Chenoa at a 4.210% rate. Mr. Boylan transferred \$4 million from a State Farm Money Market account into a 90-day CD at a 2.53% rate.

Mr. Arnold noted that the bank rates move around quite dramatically. On the 20<sup>th</sup> of April the County garnered 3.2%, while on the 24<sup>th</sup> of April the rates were 2.68%. Mr. Boylan explained that some banks offer promotions and the County takes advantage of some of the promotions.

Chairman Sorensen commented that along with the standard Treasurer's reports, a 100% Close on Fiscal Year 2001 Report had been presented. Chairman Sorensen stated that when reviewing this type of report, he reviews the bottom line total on the percentage side of the ledger. The General Fund collected 101% of the budgeted revenue last year. Mr. Arnold noted that on a \$24 million budget to come in within 2% of revenue and 3% of expenditure was commendable.

Mr. Zeunik noted that one factor that was not reflected in the Fiscal Year 2001 Report, but would be reflected in the final audited financial statements were the budget amendments. The expense side would reflect the budgeted amendments that have occurred, but the amendments are not seen on the revenue side. The expenses should drop below the revenue level.

Motion by Renner/Berglund to accept and place on file  
of the County Treasurer's Report and Investment  
Report as of April 30, 2002. Motion carried.

Mr. John Zeunik, County Administrator, discussed a request for approval of an Ordinance Setting Salaries of Members of McLean County Board. Mr. Zeunik explained that with the Finance Committee's approval the annual salary for a County Board member would be \$4,000.00; the annual salary for the Vice-Chairman, the Chairman of each of the regular Standing Oversight Committees and the Members of the Executive Committee of the Board would be \$5,000.00, and that the annual salary of the Chairman of the County Board would be \$8,500.00. It is also recommended that the proposed salaries of the members of McLean County Board become effective on January 1, 2003.

Mr. Zeunik noted that this is the one time when all twenty members of the County Board stand for election, so whatever salaries are recommended, every member of the County Board would receive that salary after January 1, 2003. The recommendation from the Finance Committee would be presented to the Executive Committee for their approval. The Finance Committee, under the Rules of the County Board, has discretion over all personnel matters and all salary matters. Because this action would impact the County budget, the Executive Committee, pursuant to the budget policy, has the final review of the budget.

Mr. Renner noted that McLean County was still substantially lower than comparable size counties for County Board.

Mr. Kinzinger asked if a study had been performed where other counties' salary were compared. Mr. Lindberg explained that a study on the County Board comparables was not done because the basis was so different. Some Board members are paid on a per diem

basis and others are paid salaries. The one position that was compared was that of the County Board Chairman and the McLean County Chairman's salary was deemed the lowest in the comparison.

Mr. Kinzinger wondered when the last raise occurred before increasing from \$3,000 to \$4,000? Mr. Zeunik stated that prior to that time, the Board members were on a per diem basis. The conversion from a per diem per meeting attendance to an annual salary was staggered over a two-year period from 1986 to 1988. The first change made to that base was the change made four years ago.

Mr. Arnold informed the Committee that he was voting against increasing the "at Large" members of the Executive Committee's salary from \$3,000.00 to \$4,000.00 and asked that his vote be recorded as such.

Mr. Kinzinger clarified that presently the "at Large" members don't make the extra \$1,000.00 and this change would implement that extra \$1,000.00. Mr. Kinzinger stated that he would also vote against this salary increase.

Chairman Sorensen noted that the Chair would vote on this motion.

Mr. Kinzinger voiced his concern regarding the timing of Board members' salaries being increased. This action may send "bad signals" to the community, especially, at this time, since the County was looking into trimming fat and cutting costs. Chairman Sorensen stated that the size of the Executive Committee was not increased but that the Standing Committees were reduced. By keeping the Executive Committee at nine members, the experience of its members was still available. In fact, some costs were reduced by eliminating or merging a couple of the committees, by saving staff costs, mailing costs and travel reimbursements to Committee members.

Mr. Renner commented that an argument could be made that not everyone was involved in the Executive Committee, but there are tiers of people who put effort into the County Board. Members of the Executive Committee, by and large, are thrusting themselves more into their position as part of the Executive Committee.

Mr. Kinzinger stated that by placing those "at Large" members of the Executive Committee on the same level of pay as Committee Chairmen does not allow for distinction of the Committee Chairs and the amount of work they do on a monthly basis.

Motion by Renner/Berglund to recommend approval of an Ordinance Setting Salaries of Members of McLean County Board.

Ms. Berglund voted	Yes
Mr. Arnold voted	No
Mr. Kinzinger	No
Mr. Renner	Yes
Chairman Sorensen	Yes

Motion carried 3-2.

Chairman Sorensen stated that this Ordinance would now be presented to the Executive Committee for their approval.

Mr. Zeunik, referred to a request for approval of an Ordinance establishing the Annual Salary of the Sheriff, the County Treasurer and the County Clerk. Mr. Zeunik referred to Page 18 of the agenda packet. The proposed Ordinance is consistent with the goal established by the County Board setting salaries for the Elected Officials. The Sheriff would be the highest paid official based on the responsibilities, the total operating budget, and the complexity of the department. Three County wide officials would be grouped in the second tier consisting of the County Treasurer, the County Clerk and the Circuit Clerk. The three Elected County wide officials would be grouped in the third tier consisting of the County Coroner, County Auditor and the County Recorder. The goal set by the County Board should be accomplished in the year 2004. Mr. Zeunik stated that the salaries for the Coroner, Auditor and the Recorder were established two years ago, so the salaries reflected on the page, from 2000 to 2004 have already been approved. What was being recommended at this time was setting salaries for the Sheriff, the County Treasurer and the County Clerk for 2002 through 2006.

Mr. Renner questioned the data on Page 19, regarding the comparison group. In terms of the Sheriff's salary, the Sheriff's proposed salary appears to be comparable with the comparison group, but the McLean County Treasurer was the second highest salary when compared to the other Counties. Mr. Zeunik noted that in the mid-1980's McLean County adopted an ordinance that consisted of a very formal process of setting the salaries of the Elected Officials. At that time, two members of the County Board had a view that salaries should be based on the actual scope of responsibility. In the case of the County Treasurer, they looked beyond the fiscal responsibilities that the Treasurer handles for the County and also looked at the fiduciary responsibilities of the Treasurer as County Collector for the 191 separate taxing districts.

Mr. Zeunik explained that there is a major distinction for the three offices in the second tier. The County Coroner, the County Auditor and the County Recorder, under Illinois law, can be abolished by referendum. This does not pertain to the Sheriff, Treasurer, County Clerk and the Circuit Clerk.

Mr. Arnold suggested that some changes should be made on Page 14, Paragraph #1. Perhaps, the paragraph should read, "All members of the County Board, other than the Chairman of the County Board, the Vice Chairman of the County Board, the Chairman of each of the regular Standing Oversight Committee of the County Board, and the "at Large" Members of the Executive Committee of the County Board, shall receive an annual salary of \$4,000.00." Mr. Arnold stated that this change should be made because the people mentioned before that "at Large" are members of the Executive Committee.

Mr. Zeunik stated that the change being suggested by Mr. Arnold could be done in one of two ways: 1) Follow Robert's Rules to the letter, which would mean the need to reconsider the previous motion, or 2) the Finance Committee could approve the change by concurrence of the mover and the seconder and those who voted.

Chairman Sorensen explained that the rationale behind the wording of paragraphs one and two on Page 14 was because there was no specific definition for "at Large" members. Mr. Zuenik explained that the County Board rules provide for up to three "at Large" members to be appointed to the Executive Committee by the County Board Chairman.

Motion by Renner/Berglund to amend a previous motion to recommend approval of an Ordinance Setting Salaries of Members of McLean County Board as discussed.  
Motion carried.

Chairman Sorensen referred to the recommended Ordinance establishing the annual salaries of the Sheriff, County Treasurer and the County Clerk.

Motion by Kinzinger/Renner to recommend approval of an Ordinance establishing the Annual Salaries of the Sheriff, County Treasurer and the County Clerk.

Chairman Sorensen stated for the record that these salary increases reflect an across-the-board increase of 4% through 2006.

Motion carried.

Mr. Zeunik discussed a request for approval of a Resolution establishing the Budget Policy for Fiscal Year 2003. Mr. Zeunik stated that he has included for the Committee's review, a Fiscal Year 2002 adopted revenue and expenditure appropriations by category for all County funds. Mr. Zeunik explained that the same type of information had been provided for the General Fund, the Projected Overall Tax Rate and the Projected Rate based on completion of the assessment work. Also enclosed is documentation showing the breakdown of the 2002 General Fund salaries outside of the Collective Bargaining Agreement, and the Elected Officials salaries, the amount subject to the across-the-board increase and what the 2.5% across-the-board increase would total, what the savings would be if the County Board reduced that increase by ½%.

Mr. Zeunik stated that, at the time, the variable which could have the biggest impact on the Fiscal Year 2003 budget is what the State of Illinois might do to County government finances. Mr. Zeunik noted that one option could potentially reduce the Counties' reimbursement from State Income Tax dollars by reducing the County's share of 1/10th of the money going to the Local Government State Income Tax Distributive Fund to 1/11th. The State is also considering keeping the Sales Tax portion of the Photo Processing Fee. Mr. Zeunik stated that in the past the salary reimbursement for the Probation Officers had been reduced to around 85 to 90%.

Mr. Arnold commented that with the uncertainties in the State budget, together with difficulties of the Department Heads to anticipate their expenses, it might be advisable to compress the schedule in order to help the Administrator's Office compile the Fiscal Year 2003 budget. Mr. Zeunik explained that the present budget schedule provides the Board and the Committees with sufficient time to review the budget. Mr. Zeunik stated that by receiving the budget in October, the County Board would have nine months of financial data to review, but it would tighten the time line for the County Board members to review and discuss the budget. Mr. Arnold answered that he would endorse that type of suggestion, especially since the most important criterion was a balanced budget that was already reviewed by the County Administrator.

Mr. Renner agreed with Mr. Arnold due to the trust the County Board has in Mr. Zeunik. This may not be the fact further down the road if there was a change in Administrator. Mr. Renner would not object to Member Arnold's suggestion on a temporary basis. Mr. Zeunik clarified that when he started as McLean County Administrator, the County Board wanted the budget in August, so moving the budget to September seemed like a major accomplishment for the Administrator's Office. Mr. Arnold asked Mr. Zeunik what the process would be to make the change of presenting the budget in October instead of September. Mr. Zeunik stated that the Finance Committee can make a recommendation this evening to adjust the budget calendar.

Mr. Lindberg informed the Finance Committee that the House moved the deadline on bills back a week for one House to act on bills from the other House. The May 24<sup>th</sup> budget deadline, undoubtedly, will be advanced by a week. Even if the House gets their part done by May 31<sup>st</sup>, County government typically does not know the full impact of the State's budget decisions until late June 2002.

Mr. Zeunik stated that with the exception of the Justice and Finance Committee, the other Oversight Committees prefer to address budget issues at their regular Committee meetings. The Justice and Finance Committees, because of the numbers of departments and the complexity of the issues, have always scheduled extra meetings. In addition, the County Board has never wanted to schedule extra meetings. The Board has wanted the budget to be presented at a regular County Board meeting. Mr. Arnold commented that if Chairman Sorensen chooses to amend the budget schedule issue, the County Board can just roll into the extra meetings with Justice and Finance Committee, giving both Chairs and members plenty of notice about the extra meetings.

Motion by Arnold/Renner to recommend that the budget preparation calendar be amended to move the presentation of the Fiscal Year 2003 Recommended Budget back one month, from September 2002 to October 2002.

Mr. Arnold suggested that the dates leading up to the presentation of the Fiscal Year 2003 Budget be compressed in order to give the Administrator's Office more time to prepare the budget. Chairman Sorensen asked if the Committee members had any other comments or questions.

Motion carried.

Chairman Sorensen expressed concern that the tax levy in the General Fund is near its statutory limit. Looking at a probable across-the-board 2.5% pay increase for employees, and the merit raise for the employees, this constitutes another \$600,000.00. Best case scenario, Chairman Sorensen noted that the County Board will have to find \$350,000.00 - \$400,000.00 someplace for the 2003 budget. Mr. Renner suggested that the Department Heads be made aware of a possible budget crunch.

Mr. Arnold cautioned the Finance Committee members that at a meeting where County Board members and some Elected Officials salaries are raised, it may not be the time to start talking about cutting expenses.

Mr. Zeunik stated that one of the reasons the analysis was put together for the Finance Committee was so the members could see how much of the budget is salary expense across all the funds. The same process can be applied to revenues. Property Taxes have been the largest source of revenue. This analysis provides a picture of what can be manipulated.

Mr. Zeunik referred to the request for approval of a Resolution establishing Budget Policy for Fiscal Year 2003. Mr. Zeunik discussed Page 26, paragraph I. Mr. Zeunik recommended the following, " Any position which has been reclassified or has received a salary re-grade during the Fiscal Year 2002 budget preparation cycle shall not be considered for reclassification or salary re-grade during the Fiscal Year 2003 budget preparation cycle." Mr. Zeunik stated that the rationale behind this change is the PAS Study was completed two years ago. Last year, the fewest number of requests for re-classifications were submitted. Last year was the first year that Department Heads could request re-classification since the PAS study was completed and implemented. The PAS Study methodology was used by the Administrator's Office to analyze and score each request for re-classification or salary up-grade.

Mr. Arnold asked what if a position had been considered but not reclassified, can it be revisited the following year. Mr. Zeunik answered that it could be revisited.



Motion by Arnold/Kinzinger to recommend approval of a Resolution establishing the Budget Policy for Fiscal Year 2003, as presented by the County Administrator.  
Motion carried.

Motion by Renner/Arnold to move into Executive Session with Mr. Zeunik, Mr. Lindberg, Ms. Lucretia Wood and Mrs. Zielinski to discuss Collective Bargaining Issues.  
Motion carried.

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

The Finance Committee exited Executive Session and resumed the regular Finance Committee meeting at 6:42 p.m.

Motion by Kinzinger/Renner to recommend approval of a Collective Bargaining agreement with AFSCME for the Highway Department Employees for January 1, 2002 through December 31, 2004. Motion carried.

Chairman Sorensen presented and recommended payment of bills and transfers.

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Motion by Renner/Berglund 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 6:44 p.m.

Respectfully submitted,

Mrs. Carmen I. Zielinski  
Recording Secretary

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