

## **Minutes of the Finance Committee**

The Finance Committee of the McLean County Board met on Tuesday, May 3, 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 and Owens

Members Absent: Members Selzer and Nuckolls

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

Department Heads/  
Elected Officials

Present: Mr. Phil Dick, Director, Building and Zoning; Ms. Becky McNeil, County Treasurer; Ms. Peggy Ann Milton, County Clerk; Mr. Don Lee, Director, Nursing Home; Mr. Bob Keller, Health Department Administrator; Mr. Lee Newcom, County Recorder; Ms. Jennifer Ho, Risk Management; Mr. Derick Love, Chief Deputy, Sheriff's Department

Others Present: Ms. Katie Flynn, Tax Extension Program Administrator, County Clerk

Chairman Sorensen called the meeting to order at 4:00 p.m.

Chairman Sorensen presented the minutes from the April 5, 2005 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Sorensen advised that the minutes would stand approved as presented.

Mr. Phil Dick, Director, Building and Zoning, presented a request for approval of State Fiscal Year 2006 Section 5311 Non-Metro Public Transportation Operating Assistance Grant Application and Intercity Bus Grant Application. In conjunction with that, Mr. Dick submitted a request for approval of a Purchase of Service Agreement between McLean County and Meadows Mennonite Retirement Community d/b/a Show Bus. Mr. Dick explained that these are applications that have been approved in the past. He stated that last year the contract for Operating Assistance was \$291,675.00 and this year it is \$297,509.00.

Motion by Berglund/Owens to Recommend Approval of the State Fiscal Year 2006 Section 5311 Non-Metro Public Transportation Operating Assistance Grant Application and Intercity Bus Grant Application, and to Recommend Approval of the Purchase of Service Agreement between McLean County and Meadows Mennonite Retirement Community d/b/a Show Bus.  
Motion carried.

Ms. Peggy Ann Milton, County Clerk, introduced Ms. Katie Flynn, Tax Extension Program Administrator in the County Clerk's Office. She then presented the First Quarter Activity Report, January-March 2005. Ms. Milton informed the Committee that she worked with Mr. Zeunik to find a way to report the monthly activity in the County Clerk's Office. She indicated that the report will be submitted to the Committee on a quarterly basis.

Ms. Flynn commented that there are notes on the bottom of the report that explain the numbers at the top of the report and explained why the monthly totals when multiplied by the fee amount do not equal the year-to-date revenue amount. For some categories, there is a different fee charged for the second copy of a page or document.

Ms. Milton reported that Ms. Flynn is compiling a prior year-to-date and prior year totals column for future quarterly reports. She indicated that because they are a cyclical office, the month to date figures may not reflect similar numbers.

Ms. Milton asked the Committee if they would like to receive these reports on a quarterly basis. Chairman Sorensen responded that the Committee would be pleased to receive the quarterly report from the County Clerk's Office.

Mr. Moss suggested that the title "Death Requests" be renamed "Death Record Requests." Chairman Sorensen suggested that over the next few quarterly report presentations, Ms. Milton give a short presentation on how things happen in the County Clerk's Office, citing the "take notices" as an example of one procedure that the Committee might like to learn more about.

Ms. Flynn informed the Committee that the State of Illinois E-PAY Website was edited this afternoon and Information Services will put a link in the website so that birth, death and marriage requests can be accepted over the web. Ms. Milton indicated that they have already had a couple E-PAY requests as it is on line with the State, but it is not linked to the County website as yet.

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Chairman Sorensen asked if requests received by E-PAY require the same amount of work by the County Clerk staff. Ms. Flynn replied that it is the same amount of work for the staff, but it saves the customer quite a bit of time.

Ms. Milton reported that training will begin May 9<sup>th</sup> for the automated Phone Attendant Program, which was approved several months ago.

Chairman Sorensen asked if there were any questions for the Clerk's Office. Hearing none, he thanked Ms. Milton and Ms. Flynn for attending.

Mr. Don Lee, Director, Nursing Home, presented the monthly reports for March 2005, noting there was nothing unusual to report. He stated that in March the Nursing Home was briefly at maximum capacity. Mr. Lee indicated that the month of April is now down to an average of 140 residents, due to several deaths and discharges. He expects some admissions soon, but it will likely take a while to build the census back up.

Mr. Lee reported that the Nursing Home will be presenting a request to the Property Committee for approval to award a bid to resurface the rear parking lot of the McLean County Nursing Home to McLean County Asphalt Company. He indicated that the project was placed in the budget, but the bids received were higher than anticipated. The budget allowed for \$35,000 and the low bid came in at \$57,000. Mr. Lee reported that the difference can be made up through other capital lines.

Ms. Berglund asked how many bids were received. Mr. Lee replied that there were two bids and McLean County Asphalt was the low bid. He indicated that the rear parking lot is much larger than the front parking lot. Although the rear lot doesn't need to be dug out, its size was the significant reason for the increase in cost.

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

Mr. Lee Newcom, County Recorder, presented the March 2005 reports. He stated that the reports all balance and there was nothing unusual upon which to remark.

Mr. Newcom updated the Committee on the status of the new CD program. He indicated that, in the past, private title companies used the Recorder's Office to make copies of documents. Mr. Newcom stated that this process has been

eliminated and replaced with a CD program, wherein a CD is made every day on the documents that have been processed. The CD's are then sold to the private companies by a subscription service. Mr. Newcom indicated that this will give the Recorder's Office greater security of the documents and there will be less chance of documents being damaged.

Ms. Berglund asked what the response has been to the new system. Mr. Newcom replied that the response has been fine. He mentioned that the title companies were initially concerned about the timeliness of receiving the information and the accuracy of the information, but the office is operating on an on-time basis and the information on the CD is accurate.

Ms. Berglund asked if the copy machines located in the Recorder's Office, owned by the title companies, have been removed. Mr. Newcom replied that the copy machines have been removed.

Mr. Newcom reported that the efficiency of the Recorder's Office continues to improve, due to the improvement of the work flow. He stated that there is a huge project currently underway to correct past improperly recorded documents, particularly from 1991-1993 when there was a high volume of recordings. Mr. Newcom implied that it could be a very large and tedious project. He explained that many of the documents are not "linked" which means there is a lack of consistency when searching for documents.

Mr. Newcom informed the Committee that in recent seminars he has attended, it is evident that electronic recording is becoming the preferred method of recording documents. He stated that he is working with their vendor, Cott Systems, to install electronic recording in the Recorder's Office. Mr. Newcom indicated that this will enable the Recorder's Office to save a great deal of time since most of the work is done by the title companies and the Recorder's Office will just check the documents for accuracy and authenticity.

Mr. Owens asked what is the cost of the software. Mr. Newcom replied that the software companies and processing companies make their money off of the documents on a per processing charge. The cost to the Recorder's Office is \$240.00 to install the electronic software, including all of the training.

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

Ms. Becky McNeil, County Treasurer, presented the County Treasurer's Monthly Financial Reports, April 30, 2005. She enthusiastically announced that the Treasurers Office will soon be sending out the single tax bill, which will be due in two installments.

Ms. McNeil reviewed the Summary of Retail of Occupation Tax, State Income and Personal Property Replacement Tax report. She reported that all three categories are significantly above last year and, overall, compared to last year (April 2004), the County is \$265,000.00 ahead on what has been received, which will benefit the General Fund. She noted that the Retail Occupation Tax is 4.70% above last year and 35.25% of budget. The State Income Tax is 19.65% over last year and 42.49% of budget. The Personal Property Replacement Tax is 21.34% over last year and 67.62% of budget received. Ms. McNeil stated that she called the State of Illinois to confirm the figures. She indicated that we are finally seeing numbers now that were similar to 2001, which is a sign that the State's economy is improving.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance. She stated that the County is currently at 21.18% of budget on Revenue at \$5.6 million. Expenses are 28.90% of budget at \$7.7 million. Ms. McNeil observed that these figures are comparative to last year's numbers. She reminded the Committee that revenue during the first four months of the year is limited, and tax distributions should start arriving in May. Ms. McNeil advised that the fund balance is \$3.9 million as of April 30, 2004, as compared to \$3.2 million a year ago. She indicated that the 2004 audit is nearing its final stages. It appears that in the General Fund, revenues will exceed expenses by approximately \$1 million, which is very positive.

Motion by Owens/Berglund to accept and place on file the month-end financial reports from the County Treasurer's Office for the month ending April 30, 2005, as submitted.  
Motion carried.

Mr. John Zeunik, County Administrator, presented a request for approval of an Amendment to the McLean County Personnel Policies and Procedures Ordinance approving and adopting policy governing County-provided cell phones and laptop computers. He explained that McLean County provides certain employees with cell phones and laptop computers for the benefit of the County and in order to have these employees available and accessible when away from their County office in the event of an emergency or if there is a need to contact

these employees for County government related purposes. Mr. Zeunik indicated that, under Section 280F (d) (4) of the Internal Revenue Code, these items are considered "listed property." He noted that since the County-issued cell phones and laptop computers can be used by the employee for personal use, the Internal Revenue Service requires that the County have in place an "accountable plan" to limit and account for personal use of listed property.

Mr. Zeunik recognized the assistance of Mr. Bob Keller, Mr. Derick Love, Ms. Becky McNeil, Ms. Jackie Dozier and Mr. Craig Nelson in developing a policy that complies with the Internal Revenue Code. He explained that the Internal Revenue Code says that if the County provides an employee with a cell phone or a laptop computer, it is intended strictly for business use. If it is used for personal use, it is liable to be taxed. Mr. Zeunik warned that the Internal Revenue Code is looking at this process quite closely and there are municipalities in Illinois that have been audited by the Internal Revenue Service.

Mr. Zeunik reported that a number of different policies were reviewed, including those established by other private firms, local governments and school districts. He indicated that the proposed County policy is included in the Agenda Packet. Mr. Zeunik expects the IRS will accept the program as an accountable plan. He reviewed the plan, as follows:

- Section 1, page 82, states that if the County provides you with a laptop, it is to be used for County business only and prohibits personal use, including use by the employee's immediate family. It requires Information Services to install all software on any County-provided laptop. It requires Information Services to periodically and randomly audit the usage of the laptop to ensure appropriate business usage.

Any employee who is issued a County cell phone shall be required to properly account for the usage and employee personal use of County provided cell phones must be reimbursed. There are two ways that reimbursement can be made: 1) An employee may indicate that they will only use the phone for business and declare that it will not be used for personal use, or 2) the County-provided cell phone may be used for limited personal use and the employee shall be assessed a monthly charge of \$6.00 per month for personal use. This monthly charge shall be deducted from the employee's pay check as follows: \$3.00 per pay period, two times per month for a total annual charge of \$72.00 per year.

Mr. Zeunik advised that one of the difficulties that the County faces is that there is not a uniform cell provider for County government. The Sheriff's Department, Coroner's Office and Information Services use Nextel; the Highway Department uses Verizon; and some departments use Sprint PCS. He indicated that a search was made to find some middle ground that was acceptable, given the different plans available from the various providers. Mr. Zeunik indicated that the \$6.00 per month fee was a reasonable number, per a study done by Information Services and the Health Department.

Mr. Zeunik referred to the Authorization Form that was developed and which employees, who have been issued a County provided cell phone, must complete with their signature as well as the signature of the Department Head and the Payroll Supervisor in the Treasurer's Office. This form would go in the employee's file and would be updated as employees or assignments change.

Mr. Zeunik asked Mr. Keller, Ms. McNeil and Mr. Love to make any comments they felt appropriate. He noted that Ms. Dozier and Mr. Nelson are out of town. Mr. Keller responded that he believes the policy fits the needs of the County and satisfies the IRS rules and regulations. Ms. McNeil added that the document clearly states that personal use should be limited and that personal use be reimbursed to the County.

Mr. Owens asked if Jack Mitchell with the Highway Department was included in the development of the plan. Mr. Zeunik replied that Mr. Mitchell was not involved in the research of the plan.

Motion by Berglund/Moss to recommend approval of an Amendment to the McLean County Personnel Policies and Procedures Ordinance Approving and Adopting Policy Governing County Provided Cell Phones and Laptop Computers.

Chairman Sorensen asked if there were opportunities identified to group some of the needs together for a centralized contract, for example, grouping the Health Department and the Highway Department if their needs are similar. Mr. Keller responded that it would be fine with him if it was possible to take the diversity of needs and find a vendor at a reasonable cost.

Chairman Sorensen asked if there might be any "portable number" issues, namely can someone leave the County and take the phone number with them. Mr. Keller indicated that McLean County is listed as the owner of the number and an employee cannot take the number with them should they leave the County.

Mr. Zeunik indicated that the Authorization Form requests the cell phone number assigned to the employee and the manufacturer and model of the phone, with the idea that these are cell phones the County has required an employee to carry and the ownership of the cell phone can be tracked to the County.

Motion carried.

Mr. Zeunik presented a request for approval of an Ordinance authorizing the execution and delivery of an Intergovernmental Cooperation Agreement for the Assist 2005 Single Family Mortgage Revenue Bonds. He explained that this request has been before the Committee in the past. Mr. Zeunik stated that the County has participated with a number of other Municipalities and Counties in the Assist Single Family Mortgage Revenue Bond Program. He noted that the Ordinance is the means to approve and adopt the Intergovernmental Cooperation Agreement. Mr. Zeunik pointed out that other material in the packet included information on the various communities participating in the program and a list of the first-time home-buyers who took advantage of the program in McLean County.

Motion by Berglund/Owens to recommend approval of an Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement for the Assist 2005 Single Family Mortgage Revenue Bonds.

Motion carried.

Mr. Zeunik presented a request for approval of the Resolution Establishing the Budget Policy for Fiscal Year 2006. He advised that in May of each year, the proposed budget policy resolution is submitted to the Committee. Mr. Zeunik noted that the Supervisor of Assessments provided the anticipated growth in Equalized Assessed Value (EAV), and, this year, because the tax bills are completed, the adjusted EAV is also known for purposes of setting the rates for this year's tax bill. This allows for a much better estimate of what the adjusted EAV will be in 2006 and we also know what the County's final rate is for tax bills due and payable this year. The final rate is \$0.938729 per \$100 of equalized assessed value.



Mr. Zeunik reported that the major state revenue lines seem to be rebounding from the flat to modest growth that the County has experienced over the last three years. The Illinois Municipal League projects that the local government's share of income tax will increase by 5% in 2006. Mr. Zeunik expressed a concern that, because of the State budget and the fact that there are no budget negotiations going on in Springfield, the State may decide to keep some of that Local Government State Income Tax money to balance its own budget. Personal Property Replacement Tax is expected to grow again in 2006 and Sales Tax Revenues continue to run higher than 2.5%, possibly 4% over last year.

Mr. Zeunik stated that the biggest change the County will see in the next couple of years is an increase in the IMRF rates, with a significant increase in the Sheriff Law Enforcement Personnel (the "SLEP") rate. The IMRF Pension system for the SLEP and regular employees will increase. In 2007, with the enhancements that have been approved by the Illinois Senate, the SLEP Pension cost will significantly increase over what it is now. This will have a direct impact on the County's tax levy in 2007. Mr. Zeunik indicated that the material in the packet projects a 4.9% increase in the EAV, up to \$3.2 billion and the Rate Setting EAV is expected to go to \$2.9 billion. The Table includes the final numbers for 2005, the 2004 taxes and information from the Assessment Office on historical data. Mr. Zeunik noted that no changes have been made to the budget policy and the language in the policy is identical to what was presented to the Committee in 2005. There is still a lot of uncertainty about what is going to happen in Springfield in terms of their final budget and issues involving Probation Officers' salary reimbursement and other State mandated programs.

Mr. Lindberg added that there will be significant cost increases in the IMRF property tax levy. The five year averaging of the investment return and a reduction in the over-funded pension liability will result in an increase of about 30% over the current rate. The projected increase will be in the hundreds of thousands of dollars.

Chairman Sorensen asked if the SLEP Levy is included in the IMRF Levy. Mr. Lindberg replied that it is included in the IMRF Levy and independent of the General Fund.

Motion by Moss/Berglund to recommend approval of  
a Resolution Establishing the Budget Policy for Fiscal  
Year 2006.  
Motion carried.

Ms. Jennifer Ho, Risk Management, presented the First Quarter Risk Management Fund Report, Fiscal Year 2005. She noted that the County has closed three auto physical damage claims that occurred in December, four general liability claims, and seventeen workers compensation claims.

Ms. Ho reported that a notable closed claim involved the resolution of the workers compensation claim involving Deputy Dana Becker who suffered a life-long injury when his squad car was struck by a semi-trailer while he and another deputy were providing winter assistance to a motorist on February 16, 2003. The County, and its excess carrier, have provided for his care and with the resolution of the claim, have provided the financial resources to ensure his continued care. Ms. Ho noted that, for this claim, the County assumed \$250,000 for his care, with the excess carrier responding to the remaining amount.

Ms. Ho stated that in the first quarter Fiscal Year 2005, the overall claims experience for the County is in line with the previous year, except for workers compensation. She indicated that, in the first quarter, an employee sustained a knee injury which required surgery. The remaining twelve workers compensation claims are in line with the previous work injuries for the County.

Ms. Ho announced that eight representatives from six departments within the County attended an Illinois Occupational Safety and Health Day Program. She noted that one of the things Risk Management does is provide funds for departments to send representatives to attend special events to assist them with obtaining information and training in the area of occupational health and safety.

Mr. Owens asked if our insurance carrier offers a discount when County employees attend the safety seminars. Ms. Ho replied that the insurance carrier does not offer discounts.

Chairman Sorensen asked if the reserves being held for anticipated losses are held in a fund or in the unencumbered fund balance. Ms. Ho replied that the funds are set aside. Mr. Zeunik explained that the reserves are held in the Tort Judgment Fund, which is reflected in the General Investment Pool of the Treasurer's Report.

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

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Chairman Sorensen presented the April 30, 2005 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee Fund total is \$554,104.53 with the prepaid total the same. The Nursing Home Fund is \$421,582.69 with the prepaid total the same.

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Motion by Owens/Moss to recommend approval of the  
April 30, 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 5:08 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary

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