Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, May 7, 2008 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present:	Chairman Selzer, Members Owens, Clark, Butler, Moss and Rackauskas
Members Absent:	None
Other Members Present:	None
Staff Present:	Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office
Department Heads/ Elected Officials Present:	Mr. Don Lee, Director, Nursing Home; Mr. Lee Newcom, County Recorder; Ms. Peggy Ann Milton, County Clerk; Ms. Becky McNeil, County Treasurer; Ms. Jackie Dozier, County Auditor; Mr. Bill Yoder, State's Attorney; Mr. Bob Keller, Director, Health Department; Ms. Roxanne Castleman, Director, Court Services; Mr. Dave Goldberg, Director, Juvenile Detention Center
Others Present:	Ms. Carol Ash, Internal Auditor, County Auditor's Office; Mr. Brian Hug, Assistant State's Attorney

Chairman Selzer called the meeting to order at 7:33 a.m.

Chairman Selzer presented the minutes from the April 1, 2008 Finance Committee Meeting to the Committee for approval. Hearing no corrections to those minutes, Chairman Selzer advised that the minutes would stand approved as presented.

Mr. Don Lee, Director, Nursing Home, presented his Monthly Report, noting that the census is coming up slowly. He advised that the census is current 136 residents.

Chairman Selzer asked if there were any questions or comments. Hearing none, he thanked Mr. Lee.

Mr. Lee Newcom, County Recorder presented a request for approval of the purchase of a Storage Area Network (SAN) Device. He indicated that the fiscal year 2008 Adopted Budget includes an appropriation of $41,700.00 fin the Recorder's Document Storage Fund for the purchase of an Equallogic PS400E Storage Array. Mr. Newcom stated that this expense was anticipated and budgeted for per the recommendation of Craig Nelson, Director of Information Technologies.

Mr. Newcom advised that the SAN is listed on GSA Contract GS-35F-4342D at $62,700.00. He noted that the contract holder is willing to provide an instant rebate of $27,745.00 in order to clear inventory for newer offerings. Combined with three years of support, the final figure is $41,700.00.

Mr. Newcom advised that this purchase, along with an identical purchase by the McLean County Circuit Clerk, will allow Information Technologies to place one device in the Law and Justice Center and another in the Government Center. By allocating one-half of the storage space on each device to the other's department, the data can be in a constant state of mirroring. This alleviates the need for a tape backup of the images.

Mr. Newcom reported that the SAN device is a strong opportunity to improve the storage capacity for the Recorder's Office and the Circuit Clerk's Office. He asked that the Committee consider recommending approval of this request.

> Motion by Owens/Rackauskas to Recommend Approval of the Purchase of a Document Storage Area Network (SAN) Device for the Recorder's Office.
> Motion carried.

Mr. Newcom presented the County Recorder's Monthly Report. He stated that there was nothing unusual in the report.

Chairman Selzer asked if there were any questions. Hearing none, he thanked Mr. Newcom.

Chairman Selzer presented a request for approval of endorsement to Property Coverage for Licensed Road Vehicles as submitted by Ms. Jennifer Ho, Risk Management. Mr. Zeunik explained that this request is to endorse coverage for licensed County vehicles while the vehicles are not in use and are stored or parked at any location for a cost of $13,890.00 in premiums and $50,000.00 deductible for 125 licensed vehicles with a total replacement value of $4,340,767.00. He stated that the vehicles would include squad cars, dump trucks, pickup trucks, transportation vans, and passenger vehicles. Mr. Zeunik advised that the addition of this coverage to the County's property insurance policy will be within the budget cost of the County's insurance program for Fiscal Year 2008.

Mr. Zeunik indicated that this coverage will mitigate the hardship from a catastrophic chain-reaction event such as a fire that engulfs a garage where dump trucks are parked or should an explosion impact a row of squad cars. Such events will eclipse the $50,000.00 deductible, which is the equivalent cost of 2.5 squad cars. He noted that coverage is secured on the County's property insurance policy.

> Motion by Rackauskas/Clark to Recommend Approval of the Endorsement to Property Coverage for Licensed Road Vehicles.
> Motion carried.

Ms. Peggy Ann Milton, County Clerk, reviewed Public Act 095-0711 affecting 30 ILCS 105 State Finance Act. She stated that this act becomes effective June 1, 2008, requiring first and second class County Clerks to collect an additional fee of $5.00 for all marriage licenses issued. The fee will be remitted to the State Treasurer for the Married Families Domestic Violence Fund. This increase will raise the fee to $29.00.

Ms. Milton advised that many of her peer County Clerks submitted this fee increase as an action item to their County Boards.

Chairman Selzer questioned why it was not an action item as the Finance Committee establishes the fee schedule for marriage licenses. He pointed out that the Act states "$5 from all marriage license fees shall be remitted by the clerk to the State Treasurer for deposit into the Married Families Domestic Violence Fund." Chairman Selzer noted that it does not say that an additional $5.00 must be added to the current fee.

After a lengthy discussion, the Committee concurred that the $5.00 fee increase should be regarded as an Ordinance Amendment and a recommendation for approval should be considered at a Stand-Up meeting on Tuesday, May 20th.

Ms. Milton reviewed her Monthly Activity Report, noting that she added "Taxes Redeemed" on the report.

Chairman Selzer asked for an explanation for the delay in mailing the tax bills. He expressed concern that the bills have not been sent out and that taxing bodies are being forced to take out intermediate loans to fund their operations.

Chairman Selzer asked who is responsible for the delay and what has slowed the process down. Ms. Milton responded that the lawsuit between the townships and the City of Bloomington requires a considerable amount of manual processing that cannot be done by the Devnet Software. She added that the taxing bodies were slow in returning their precertification forms. Ms. Milton indicated that when a mistake is discovered in the County Clerk's Office or the Assessor's Office, the software requires that the entire process be started over again. She stated that, although the precertification process is not legally required, it has been used by County Clerk's in other Counties and has proven to be helpful in discovering errors that need to be corrected before the bills are mailed.

Chairman Selzer requested that Ms. Milton provide a detailed report explaining why the bills are delayed.

Chairman Selzer asked if there were any additional questions or concerns. Hearing none, he thanked Ms. Milton.

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending April 30, 2008, as distributed.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending April 30, 2008, as follows:

- Retailers Occupation Tax Revenue Year to Date is $1,940,656.00, which is 2.02% above last year and 32.89% of budget.
- State Income Tax Revenue is $667,701.35, which is 12.10% above last year and 36.08 % of budget.
- Personal Property Replacement Tax Revenue is $661,071.96, which is 1.27% above last year and 39.10% of budget.

Ms. McNeil reviewed the Treasurer's Investment Report. She advised that several CD's matured (over $2 million) and were cashed out. Ms. McNeil pointed out that two CD's, namely Free Star Bank at a rate of 2.75% (formerly 5.15%) and Bank of Illinois at a rate of 3.37% (formerly 5.39%) were retained. She noted that these rates are a reflection of what is happening as a result of the Federal Reserve Bank lowering the federal funds rate. Ms. McNeil predicted that it will be some time before interest rates come up again. The total Pooled Cash Funds is $6,814,717.18.

A recap of the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of April 30, 2008 is as follows:

- The total Revenue as of April 30, 2008 was $6,384.601.41, which is 20.05% of budget;
  - Last year Revenue as of April 30, 2008 was $6,750,144.98
- Expenditures are $10,697,063.67, which is 33.59% of budget;
  - Last Year Expenditures were $9,812,452.31
- The Fund Balance as of April 30, 2008 was $8,522,543.09
  - Beginning Fund Balance was $12,835,005.35

Chairman Selzer asked what is the average payroll. Ms. McNeil replied that it is approximately $1.2 million.

> Motion by Owens/Butler to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending April 30, 2008, as submitted.
> Motion carried.

Chairman Selzer asked if there were any questions. Hearing none, he thanked Ms. McNeil.

Ms. Carol Ash, Internal Auditor, County Auditor's Office, presented the Semi-Annual McLean County Petty Cash Funds Report.

> Motion by Clark/Rackauskas to accept and place on file the Semi-Annual McLean County Petty Cash Funds Report.
> Motion carried.

Chairman Selzer asked if there were any questions. Hearing none, he thanked Ms. Ash.

Mr. John Zeunik, County Administrator, presented a request for approval of the Resolution Establishing the Budget Policy for Fiscal Year 2009. He stated that this is presented to the Finance Committee, which will recommend it to the Executive Committee and then to the Board. Mr. Zeunik advised that this Resolution is presented in May of each year. He indicated that the County begins the departmental preparation of the 2009 Budget in June, which is then presented to the Board in September.

Mr. Zeunik referred to a section under 12.23 Fund Balances that requires the County to maintain in the Corporate General Fund an unencumbered fund balance equal to 10% of the County's total Combined Annual Budget and Appropriation Ordinance. He indicated that there are some specific things for which the Fund Balance can be used. Within the last year, the Board authorized using a portion of that fund balance to complete the exterior renovation work at the Old County Courthouse, which is an appropriate use of those dollars.

Mr. Zeunik pointed out one significant change that has been made to the Resolution, namely an additional paragraph under 12.27 PERSONNEL regarding a reduction in overall growth of County revenues. He noted that this is the only change in the Resolution.

Mr. Zeunik stated that this language was added as a result of a discussion between the Administrator's Office, Chairman Sorensen and Vice Chairman Selzer. He anticipates that the County's revenues in 2009 will be impacted by the overall economic slowdown. Mr. Zeunik expects that the County will see less from sales tax dollars. This year's budget includes a reduction in sales tax dollars over what was collected in 2007. It is likely that there will be a reduction in State Income Tax and Personal Property Replacement Tax dollars. Mr. Zeunik read the following: "to prepare for a potential reduction in the overall growth of County revenues as a result of the national economic slowdown and recognizing the need to manage staffing levels, the County Administrator is hereby directed to evaluate all current full-time equivalent staffing levels in every County office and department and to recommend adjustments to full-time equivalent levels."

Mr. Zeunik stated that the Resolution continues to say the following:

- The County Administrator shall review employee compensation and the associated costs of employee healthcare benefits and employee pension costs, specifically Social Security (F.I.C.A.) and Illinois Municipal Retirement Fund (I.M.R.F.).

- Every County Office/Department should review its Fiscal Year 2008 Full-Time Equivalent Staffing levels with a goal of justifying every full-time equivalent position and identifying opportunities for savings in all personnel-related expenses."

Mr. Zeunik advised that personnel expenses represent 65% of the County's budget. He noted that, as this is the County's largest expense and to prepare a budget for 2009 reflecting the concerns of the economy, it is important that this cost be considered the most significant cost to the County.

Mr. Zeunik stated that the next section of the Resolution covers Employee Compensation, which is followed by the calendar for preparation of the budget. He indicated that preparation begins next month for County offices and departments. Mr. Zeunik noted that the Recommended Budget will be ready in September.

Chairman Selzer advised that this Resolution does not mean there will be an employee freeze nor is it a potential lay-off for employees. It is simply a review of staffing levels. Chairman Selzer stated that this could result in some departments getting more staff because of certain increases in volume of work. He pointed out that the court system continues to grow, while other areas shrink, such as housing sales. Chairman Selzer noted that department heads need to be ready to justify their staff.

Ms. Rackauskas complimented Chairman Selzer and Board Chairman Sorensen for bringing this to the attention of the Committee.

> Motion by Owens/Clark to recommend Approval of the Resolution Establishing the Budget Policy for Fiscal Year 2009.
> Motion carried.

Mr. Zeunik presented a request for approval of a Resolution to authorize the I.M.R.F. Early Retirement Incentive Program. He reported that, under Illinois Law, specifically under the Pension Code, there is a provision where local governments can offer what is known as the I.M.R.F. Early Retirement Incentive Program (the "ERI").

Mr. Zeunik stated that, in 1998, the McLean County Board authorized offering the I.M.R.F. Early Retirement Incentive Program (the "ERI") to County employees. Of the 44 employees who were eligible in 1998, 23 employees took advantage of this program. Mr. Zeunik indicated that, at that time, the Finance Committee discussed offering ERI every 3-4 years as another way to retain employees. After offering ERI in 1998, the Finance Committee learned that the expense of ERI could not be fully recovered in 3-4 years and decided not to offer the program. Since then, County employees have asked the Administrator's Office if ERI would ever be offered again. Mr. Zeunik stated that, as a result, the Administrator's Office began looking at ERI as an option. He noted that ERI was also considered because 2009 will be a more difficult year financially for the County. Mr. Zeunik advised that the County has had three years of strong growth in budget and revenue. He added that the County has been able to increase and add programs and services. Mr. Zeunik indicated that next year could be an adjustment year again.

Mr. Zeunik stated that, in response to requests from employees to offer ERI again and as part of the preparation for the fiscal year 2009 budget, the Administrator's Office prepared an analysis of employee interest in an ERI program and the projected costs and benefits of offering an ERI program.

Mr. Zeunik advised that Section 7-41.1 of the Illinois Pension Code provides that the County Board may elect to adopt an early retirement incentive program offered by the Illinois Municipal Retirement Fund. To be eligible to retire under the ERI Program, the following conditions must be met:

- The County Board must adopt the program.
- An eligible employee must be participating in I.M.R.F. on the effective date of the ERI program.
- An eligible employee must be at least 50 years old and have at least 20 years of service credit by the date of retirement.
- Under I.M.R.F. rules, the employer must offer employees a window of 12 months for ERI, for example, a twelve month period beginning on May 31, 2008 and ending on May 31, 2009 (this is an arbitrary number and can be any 12-month period). An eligible employee's date of retirement must be no later than 12 months from the County's ERI program effective date.
- An eligible employee cannot have previously received a pension using I.M.R.F. service credits.

Mr. Zeunik advised that the 12-month period of May 31, 2008 to May 31, 2009 is an arbitrary window. He noted that the County Board can set any 12-month period they wish. Mr. Zeunik stated that this window was picked for two reasons. One, It parallels the preparation of the 2009 Budget. If employees who are eligible and are willing to let the Administrator's Office know that they would take advantage of the program between May 31, 2008 and May 31, 2009, it can be factored into the preparation of the 2009 budget. Second, if someone is eligible this year and retires before June 30, 2008, under the I.M.R.F. rules, they are eligible for what is known as the 13th check. Mr. Zeunik noted that the 13th check is not equal to the full amount of the employee's pension, rather it is a check that

I.M.R.F. issues based on their own earnings and performance to all retirees. In order to get that check, an employee must retire before June 30th.

Mr. Zeunik stated that an eligible employee must be at least 50 years old and have at least 20 years of service credit by the date of retirement. He indicated that the employee can buy up to five years, but for each year of service credit an eligible employee purchases under ERI, the employee will pay 4.5% (7.5% for Sheriff's Law Enforcement Personnel – SLEP) of the employee's highest 12 consecutive months of salary within the final rate of earnings period. This cost is one of the reasons that not everyone who is eligible takes advantage of the program.

Mr. Zeunik advised that, according to the County's personnel records and I.M.R.F. eligibility list, there are 81 employees who would be eligible for ERI beginning on May 31, 2008 and ending on May 31, 2009. The County Administrator's Office sent a survey along with an ERI information packet to the 81 eligible employees. Mr. Zeunik stated that, of those eligible, 80 returned the survey and 41 employees indicated that, if the County offered ERI again, they would "absolutely" or "very likely" take advantage of this program if it is offered.

Mr. Zeunik indicated that, using the County's eligibility list, I.M.R.F. prepared a cost estimate of the County's cost if all of the eligible employees took advantage of the ERI. The I.M.R.F. analysis shows a total cost of $8,731,058.00 if all eligible employees took advantage of ERI during the 12 month window. Mr. Zeunik noted that I.M.R.F. also estimated the employer's cost if the County elected to amortize the ERI cost over a period of five years up to ten years.

Mr. Zeunik stated that, using I.M.R.F.'s cost data, the Administrator's Office prepared an analysis of the ERI cost if the 41 employees who responded "absolutely" or "very likely" opted to retire under ERI. For the 41 employees who responded "absolutely" or "very likely", the County's ERI cost would be $4,904,973.00. Mr. Zeunik noted that this ERI cost is the sum total of the actual cost for each employee as calculated by I.M.R.F. As noted in the I.M.R.F. actuarial analysis, this cost can be amortized over a period of time up to ten years. In addition, the analysis of the County's pension liability calculates that the County pension obligation to I.M.R.F. is funded at 106% of the actual liability. Under I.M.R.F. guidelines, the County can apply a portion of the excess funding to pay for the County's cost of offering ERI.

Mr. Zeunik stated that if all 41 employees take advantage of the ERI program, the additional I.M.R.F. expense that the County would be required to pay would be recovered within six years. The County recovers the ERI expense from salary savings that result when employees near the top of the salary range retire and are replaced with employees at a lower salary. Mr. Zeunik noted that, depending on the number of County employees who decide to take advantage of ERI, the program cost may be recovered sooner than six years or it may take longer to recover this expense. In addition to the projected salary savings, the County would also see a decrease in the annual F.I.C.A./Social Security expense as a result of the reduction in salary cost. Mr. Zeunik stressed that this program is not one that can be offered again quickly. He pointed out that if fewer employees take advantage of the program, the cost may be able to be recovered sooner. If more employees take advantage of the program, it might take longer to recover. Mr. Zeunik predicted that not all of the 41 employees will take ERI because of health insurance costs, up-front costs, kids in school, etc.

Ms. Rackauskas asked if this one year window means that if an employee has only 19 years, they would not be eligible. Mr. Zeunik replied that she is correct, unless the employee reaches 20 years of service during that window.

Mr. Zeunik advised that, earlier this month, the City of Bloomington Council approved offering this program to City employees.

Mr. Zeunik referred to the list in the packet that breaks down the 81 employees by the different departments. He noted that there are some departments with several eligible employees and others with few or none. Mr. Zeunik pointed out the I.M.R.F. Actuarial Analysis that begins on page 46 of the packet. He stated that, with this actuarial study, I.M.R.F. must assume that all employees are going to take the ERI. Mr. Zeunik indicated that I.M.R.F. also provides a list of all of the 81 employees who are eligible and a specific cost for each employee. He noted that you can look at any one of the 81 employees who are eligible and I.M.R.F. will show the cost attributable to that employee. Mr. Zeunik added that the County Administrator's Office used the figures in this study to determine the exact cost of the 41 employees who responded "absolutely" or "very likely" to the survey, which is $4.9 million versus the $8.1 million if all 81 eligible employees accepted ERI.

Mr. Butler asked how is the recovery of the cost tracked. Mr. Zeunik replied that it is tracked two ways. One, the Early Retirement Program offers County offices and departments an opportunity to look at restructuring and reorganizing their office. In talking with a number of department heads, particularly departments who have eligible employees, it is clear that some of the departments would restructure offices. Work that is now being done by three employees may be done by two employees. Mr. Zeunik explained that some departments can take advantage of new technology and refresh positions. Also, when an employee files paperwork to retire under this program, you can track the process of replacing that employee with the individual County office and department. Mr. Zeunik noted that you monitor how the position is being filled, how long it takes to be filled, and at what level the position is filled. He pointed out that some departments may have more than one position to be filled. It is likely that if one person leaves, a person below that individual will move up to that position, leaving that person's vacancy to be filled and so on down the line. Mr. Zeunik referred to the Highway Department that has seven employees who are eligible for ERI. He noted that a majority of those employees are covered by the Collective Bargaining Agreement. The employees who are eligible in the Collective Bargaining Unit are at the top end of the salary range, with more than 30 years of service. Mr. Zeunik stated that, should those employees decide to retire, the people replacing them will come in at Step 1. He indicated that there will be a savings when the employees at the top of the salary range are replaced by employees at the bottom of that salary range.

Mr. Zeunik advised that, in some instances, that type of savings will not be gained. He noted that the six-year estimate determined by the Administrator's Office was reached very conservatively. Mr. Zeunik stated that there are department heads with 25-30 years of experience that are eligible under this program. He indicated that it will be impossible to replace a department head with someone starting at step one. It is likely that there is someone within the organization who has a significant number of years experience at an assistant director level or at a number three level that would be a candidate for promotion into that position.

Mr. Butler asked if the cost recovery is an estimate and is a new figure discovered each year. Mr. Zeunik replied that, to determine the succession of employees and to project that over six years, the County Administrator's Office looked at the gross number of $4.9 million, looked at the 41 individual employees in each department, and looked at the employer's exact cost if all 41 of those people decided to leave. He stated that it is a compounding affect over time. Some savings will be gained in the first year, and in subsequent years the savings may not be equal to the first year.

Chairman Selzer pointed out that if an employee retires on a certain date, it is unlikely the position will be replaced immediately. He noted that if all 41 positions are left vacant for 30 days until a new person filled the position, there could be a savings of as much as $250,000.00-$300,000.00. Chairman Selzer indicated that the six-year recovery period is a conservative figure.

Ms. Rackauskas asked if there is an analysis of savings from the last time ERI was offered. Mr. Zeunik replied that it was discovered that it took longer to gain the savings back versus the anticipated cost. He indicated that the Finance Committee thought the cost of the program could be recovered in two or two and a half years. It took much longer to recover than anticipated.

Mr. Zeunik advised that I.M.R.F. allows local governments that are over-funded to use some of that money to buy down the cost of this program. He noted that the fiscal year 2007 financial reports indicate that the County is at about 106% in the regular I.M.R.F. program. Mr. Zeunik stated that some of these funds can be used to buy down the cost of this program. It would be possible to work with I.M.R.F. to use 2% to 3% of those dollars in the 2010 budget cycle to buy down our costs up front and shorten the length of time it would take to recover.

Chairman Selzer asked what does the 6% equal in real dollars. Mr. Lindberg replied that he did not know, but he could provide the information in the future.

Ms. Rackauskas suggested that if employees are ready to retire, it is to the department's interest and the employee's interest for them to do so. She also noted that it allows other employees to move up thereby building morale.

Chairman Selzer referred to the earlier discussion regarding the 10% reserve that the County is allowed to keep under our Budget Policy in the Unencumbered Fund Balance. He advised that this year the Unencumbered Fund Balance amount started to exceed the 10% level, which is why the work was started on the Old County Courthouse.

Mr. Butler asked if the County must continue to contribute to I.M.R.F. to help pay the retirement pay. Mr. Zeunik responded that I.M.R.F. looks at all of the 81 eligible employees' ages, their years of service, and whether they have any reciprocal service. Mr. Zeunik stated that I.M.R.F. looks at what is the likely pension that each individual would be eligible to collect based on their years of service (the first 15 years it is at 1 2/3% of your salary, from years 16 to 40, it is at 2%). If someone has 40 years of service when they retire, they receive a pension equal to 75% of the average of their highest four year's salary. I.M.R.F. projects what the increase in the County's pension cost will be as the result of these employees taking advantage of this program. The employee will pay the cost up front by writing a check to I.M.R.F. to buy from one to five years of additional service. The County will also be assessed and that amount will be built into I.M.R.F.'s rate. Mr. Zeunik advised that there are two components to that rate, namely the rate for the regular employees and a separate rate for the Sheriff's law enforcement personnel because they have the option to retire at full benefits earlier than the regular employees. I.M.R.F. looks at the number of McLean County retirees that they have to fund and the amount that the employer must contribute in order to continue to fund those retirees. In addition, the people who continue to work pay 4½% to I.M.R.F. every pay period. Chairman Selzer advised that, in theory, the budget should reflect a decrease in salaries and an increase in I.M.R.F. Mr. Zeunik added that there will also be a decrease in F.I.C.A. expense.

Chairman Selzer pointed out that the County Administrator is eligible for ERI. He stated that Mr. Zeunik is one of the most ethical people he knows and did not lobby one way or another for this program.

> Motion by Clark/Owens to recommend Approval of a Resolution to Authorize the I.M.R.F. Early Retirement Incentive Program.
> Motion carried.

Chairman Selzer asked if there were any additional questions or discussion. There were none.

Mr. Zeunik presented two requests for proposed Ordinances setting salaries for elected officials and the County Board. He advised that the County is required, by law, in May, to adopt a Resolution of an Ordinance setting the salary for those County-wide elected officials who will take office this December. Mr. Zeunik indicated that these are two separate items. The first request is for approval of an Ordinance of the McLean County Board establishing the annual salary of the Circuit Clerk, Coroner, County Auditor and Recorder. The second Ordinance sets salaries for members of the County Board.

Mr. Zeunik asked Mr. Lindberg to review the Ordinances and answer any questions.

Mr. Lindberg advised that, in preparation for bringing this item to the Committee, the County Administrator's Office gathered 2008 salary data from nine comparable Illinois Counties. The nine Counties are: Champaign, Kankakee, LaSalle, Macon, Peoria, Rock Island, Sangamon and Tazewell. Mr. Lindberg indicated that McLean County ranks fourth in population among the nine-County group. He stated that the bottom table on Exhibit A in the packet shows salaries per capita and corresponding rankings. Since all Counties are on the same timetable for the salary setting process, no information is available on what the other Counties will enact for 2009-2012 salaries.

Mr. Lindberg stated that Exhibit B shows the salary history of the Countywide Elected Officials and County Board Members since 2005. The figures in bold print show the annual salaries and percentage increases proposed by the two ordinances. Mr. Lindberg advised that, for Elected Officials, the proposed ordinance provides a 4.00% annual increase for 2009 and 2010, and a 4.50% annual increase for 2011 and 2012. He indicated that the County Board will be asked to set salaries for the Sheriff, Treasurer and County Clerk for 2011 through 2014 in May of 2010.

Mr. Lindberg reported that, for County Board Members, salaries for members whose terms run through 2010 have already been set by ordinance as shown on Exhibit B. However, the proposed Ordinance needs to be enacted to set salaries for Members elected to serve a term running from 2009 through 2012. Continuing with the process established in 2004, the Ordinance proposes a 2.50% annual increase in County Board Members' salaries.

Chairman Selzer noted that the State's Attorneys salary is set by the state.

Mr. Owens expressed concern that, faced with a potentially difficult financial future, the 4% increase for the Circuit Clerk, Coroner, County Auditor and Recorder may be excessive. He suggested a 2% increase. Mr. Owens stated that he will vote "no" on the Board raises.

Chairman Selzer asked what is the across-the-board increase for non-union employees this year. Mr. Lindberg replied that the across-the-board increase for non-union employees as of January 1, 2008 was 2.5%. The average step increase is approximately 1.6% on average, which is a total of 4.1%. Chairman Selzer pointed out that 4% increase for elected officials is just keeping up with the pace of their employees.

Ms. Rackauskas asked what is the annual cost if this salary increase is approved. Mr. Lindberg replied that the cost is $6,000.00. Ms. Rackauskas suggested that this is not the best area in which to try to save funds.

Ms. Rackauskas asked what is the annual cost if the salary is increased for the Board members. Mr. Lindberg replied that the cost would be $2,500.00.

> Motion by Butler/Rackauskas to recommend Approval of an Ordinance of the McLean County Board Establishing the Annual Salary of the Circuit Clerk, Coroner, County Auditor and Recorder.
> Motion carried.

Chairman Selzer called for a motion to recommend approval of an Ordinance of the McLean County Board setting salaries of the members of the McLean County Board.

> Motion by Clark/Rackauskas to recommend Approval of an Ordinance of the McLean County Board Establishing the Annual Salary of the McLean County Board.
> Motion carried with Mr. Owens voting "No."

Mr. Zeunik reviewed the disposition of the non-perishable items from the More for Less Grocery Store. He stated that, pursuant to the CDAP Revolving Loan Fund Agreement between More for Less Grocery Store and the County, Mr. Eric Ruud, First Assistant State's Attorney, was successful in obtaining a release from U.S. Bank, the principal lender to More for Less Grocery Store, of all non-perishable items remaining at the More for Less Grocery Store to the County. Mr. Zeunik advised that, working with the landlord for the building, the Facilities Management Department staff moved all of the remaining non-perishable food items from the grocery store to the basement of the Government Center. An inventory of all the items was prepared and those items with expired dates were set aside for disposal. Mr. Zeunik indicated that personnel from the Sheriff's Department, Juvenile Detention Center and the Nursing Home were invited to go over the remaining inventory to see if there were any items that the kitchen staff could use. He stated that food items not taken by the above departments were given to the Midwest Food Bank.

Mr. Zeunik advised that, for your information and review, included in the packet is a complete listing of the non-perishable items removed from the More for Less Grocery Store and the disposition of every item. He added that the unit price was the price listed on the display shelf at the grocery store.

Mr. Zeunik stated that, per Mr. Ruud, negotiations continue with Mr. Boitnott's attorney to obtain some repayment of the outstanding balance due on the CDAP Revolving Loan.

Chairman Selzer presented the April 30, 2008 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Fund Total of $1,060,034.85 with a Prepaid Total the same. The Nursing Home bills include a Fund Total of $681,054.09 with a Prepaid Total the same.

> Motion by Owens/Butler to recommend approval of the Finance Committee bills as of April 30, 2008 as recommended by the County Auditor.
> Motion carried.

Chairman Selzer called for a motion to go into Executive Session.

> Motion by Butler/Rackauskas to Recommend the Finance Committee go into Executive Session at 9:00 a.m. to discuss Personnel matters with the Committee Members, the Administrator's Office Staff and the County Recorder.
> Motion carried.

> Motion by Clark/Butler to recommend the Finance Committee return to Open Session at 10:45 a.m.
> Motion carried.

Chairman Selzer advised that there will be a Stand-up Committee meeting on Tuesday, May 20th to discuss and make a recommendation on a Resolution of the McLean County Board Authorizing the County Recorder to Offer a Salary above the Maximum Salary.

Chairman Selzer called for a vote on the proposed settlement from the Tort Judgment Fund in the amount of $1,912.80.

> Motion by Clark/Rackauskas to approve the proposed Settlement from the Tort Judgment Fund in the amount of $1,912.80.
> Motion carried with Mr. Moss voting "No."

Chairman Selzer asked that the payment be made as soon as possible.

There being nothing further to come before the Committee at this time, Chairman Selzer adjourned the meeting at 10:48 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary