

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, May 6, 2009 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Butler, Rackauskas, Moss, Caisley and O'Connor

Members Absent: None

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Bill Wasson, Director, Administrative Services; and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials

Present: Mr. Phil Dick, Director, Building and Zoning; Mr. Bob Keller, Administrator, Health Department; Mr. Lee Newcom, County Recorder; Ms. Becky McNeil, County Treasurer; Ms. Jennifer Ho, Risk Management; Mr. Don Lee, Director, Nursing Home; Mr. Robert Kahman, Supervisor of Assessments

Others Present: Ms. Laura Dick, Executive Director, SHOW BUS; Mr. Eric Ruud, First Civil Assistant State's Attorney; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office; Mr. Matt Riehle, Director of Nursing, McLean County Nursing Home

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

Chairman Owens presented the minutes from the April 8, 2009 Finance Committee Meeting and the March 17, 2009 Stand-up Meeting to the Committee for approval.

Motion by O'Connor/Moss to approve the Minutes of the April 8, 2009 Committee Meeting and the March 17, 2009 Stand-up Meeting.
Motion carried.

Mr. Phil Dick, Director, Building and Zoning, presented three requests related to SHOW BUS. The first is a request for approval of an IDOT FY'2010 Combined Application, Section 5311 Non-Metro Public Transportation Capital/Operating Assistance and Intercity Bus Grant and Downstate Urban Area Operating Assistance Grant. Mr. Dick

explained that this is the annual application for assistance to provide rural public transportation in McLean, Livingston, Ford, Iroquois and DeWitt Counties. He noted that the attached documents are key sections of these documents. The complete documents are available for perusal in the Building and Zoning Department. The second request is for approval of a Purchase and Service Agreement for the Rural General Public Transportation under the Section 5311 Operating and Assistance Program. Mr. Dick indicated that the final request is for approval of a Motor Vehicle Lease Agreement effective July 1, 2009 (changing the lessee name from Meadows Mennonite Retirement Community, Inc., d/b/a SHOW BUS to SHOW BUS).

Mr. Caisley asked if SHOW BUS is, now, completely separate from the Meadows Mennonite Home. Mr. Dick replied that it will be separate as of July 1, 2009.

Ms. Rackauskas acknowledge the hard work and dedication of Ms. Laura Dick. She added that the County is very fortunate that Ms. Dick is the Director of SHOW BUS.

Motion by O'Connor/Caisley to recommend Approval of an IDOT FY'2010 Combined Application, Section 5311 Non-Metro Public Transportation Capital/Operating Assistance and Intercity Bus Grant and Downstate Urban Area Operating Assistance Grant; to recommend Approval of a Purchase and Service Agreement for the Rural General Public Transportation under the Section 5311 Operating and Assistance Program; and to recommend Approval of a Motor Vehicle Lease Agreement, effective July 1, 2009 (changing the lessee name from Meadows Mennonite Retirement Community, Inc., d/b/a SHOW BUS to SHOW BUS.
Motion carried.

Chairman Owens asked if there were any other questions. Hearing none, he thanked Mr. Dick.

Mr. Eric Ruud, First Civil Assistant State's Attorney, presented a request for approval of an Intergovernmental Agreement between the County of McLean and Illinois State University to transfer authority to license and regulate Raffles to the County of McLean from Illinois State University. He advised that this Agreement closes the loop that he has been trying to close since 1982. Mr. Ruud indicated that, when the law was created in 1981 authorizing Counties and Municipalities to regulate raffles within their communities, he was successful in obtaining an Intergovernmental Agreement from every City, Town and Village in McLean County, except Illinois State University, because it is part of the State and the County did not have any jurisdiction.

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Mr. Ruud advised that, after the new legal counsel at Illinois State University arrived, he was able to work with her to create an Intergovernmental Agreement that will allow the County to have jurisdiction to license and regulate raffles on the ISU campus.

Mr. Moss asked if this will likely increase the raffle license business. Mr. Ruud replied that it will increase the revenue from raffle licenses. He added that raffle license revenue is not a significant amount of money.

Motion by Moss/Rackauskas to recommend Approval of an Intergovernmental Agreement between the County of McLean and Illinois State University to transfer authority to license and Regulate Raffles to the County of McLean from Illinois State University.

Motion carried.

Chairman Owens asked if there were any other questions. Hearing none, he thanked Mr. Ruud.

Mr. Bob Keller, Administrator, Health Department, presented a request for approval of a starting pay rate for a promotion that is in excess of the McLean County General Compensation Plan. Mr. Keller explained that the McLean County Board of Health completed their search for a candidate to replace the retiring Health Department Director. The search yielded approximately thirty viable candidates. Mr. Keller indicated that the Board narrowed the search, and, at its April 8, 2009 meeting, offered the position to the incumbent Health Department Assistant Administrator.

Mr. Keller expressed his appreciation for the assistance of the County Administrator's Office, particularly Mr. Bill Wasson and Mr. Terry Lindberg.

Mr. Keller advised that, to maintain internal and external equity and offer a fair compensation level for the incoming Director of the McLean County Health Department, the Health Department requests that the Finance Committee endorse the recommendation for promotion to Step 45 within Grade 19. He noted that this is just slightly above what the normal promotion policy calls for as far as the County's compensation policy. This salary level is approximately 18% above the candidate's current compensation and 18% above the compensation level of the next highest employee within the Health Department. Mr. Keller added that this salary is at the lower end of regional health department administrators' for Counties of a similar size.

Mr. Wasson stated that he compared salary equity with Counties of similar size, both in current salary ranges and experience, and he feels that this salary is very consistent with what is found in the market today.

Ms. Rackauskas asked what is the salary amount. Mr. Wasson replied that the salary is \$95,361.00 annually.

Mr. Keller noted that, in keeping with the County's plan to utilize the IMRF Early Retirement Incentive program to conserve future compensation levels, the salary level being requested is well below the current compensation level for the position.

Mr. Moss stated that, as the Board representative to the Board of Health, he had a chance to work with Mr. Howe, who is the designated successor to Mr. Keller. Mr. Moss advised that none of the other 29 candidates that came before the Search Committee can measure up to Mr. Howe in terms of his knowledge of the Health Department and his overall knowledge of health issues. Mr. Moss concluded that Mr. Howe is worth every dollar the Board approves.

Motion by Rackauskas/Butler to recommend Approval of a Starting Pay Rate for a Promotion that is in excess of the McLean County General Compensation Plan.
Motion carried.

Chairman Owens asked if there were any other questions or comments. Hearing none, he thanked Mr. Keller.

Mr. Lee Newcom, County Recorder, presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2009 Combined Annual Appropriation and Budget Ordinance, County Recorder's Document Storage Fund 0137, County Recorder's Office 0006. Mr. Newcom reminded the Committee that, last fall, the Recorder's Office issued a national request for proposals to accomplish the following:

- To redact (block from view) Social Security numbers from the Recorder's database of over 3.7 million document images.
- To index into the recording system a portion of more than 100,000 documents, which had gone through the office over a 20 year period, but had never been entered into the electronic database of the office.

Mr. Newcom advised that Cott Systems was the low bidder to accomplish these two tasks and the contract was approved by the County Board at the September 2008 meeting. He stated that the total cost in the contract was estimated at \$237,206.00, which was specified as the limit that would be reimbursed to Cott. Mr. Newcom reported that the Social Security Number redaction portion of the project was completed on April 10th of this year and the indexing portion of the project was just completed.

Mr. Newcom indicated that, with amounts paid to date, a balance of \$192,206.00 remains. The funds, in the 0137 Document Storage Fund, were originally appropriated in Fiscal Year 2008 and must be re-appropriated in Fiscal Year 2009, as the work has been completed in 2009. This is a specific use fund, paid for with a \$3.00 per document fee on all recorded documents, and is dedicated to this and similar purposes in the Recorder's Office. Mr. Newcom stated that the funds are available and the project was planned for in the Fiscal Year 2009 budget. No General Fund monies are involved.

Motion by Caisley/Moss to recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2009 Combined Annual Appropriation and Budget Ordinance, County Recorder's Document Storage Fund0137, County Recorder's Office 0006.

Motion carried.

Mr. Newcom distributed an announcement that he will use as a press release on the project that was just approved for payment. The announcement is as follows:

This is to announce to you that the project in our office to redact Social Security Numbers from our database over 3.7 million pages of information available on the internet is complete.

For many years banks and finance companies routinely put Social Security Numbers on documents that were recorded in our public records. That didn't appear to be a problem then, but became one when computers increasingly made identity theft an issue. We began planning this project four years ago, but the cost to clean 35 years of an on-line database then was prohibitive. Closing the database was not an option as banks and title companies nationally use it on a daily basis to conduct business in McLean County. At that time we started blocking all Social Security Numbers on new documents and two years ago closed our on-line records to all but registered users, for further security.

The McLean County Recorder's office becomes one of the pioneering public offices in Illinois to accomplish this privacy initiative. Last year, on recommendation by Attorney General Lisa Madigan's Social Security Number Protection Task Force, in which I am a participant, the Illinois General Assembly mandated that all Illinois County Recorders submit a plan by 2010, detailing how they will eventually block Social Security Numbers from the internet (Public Act 95-0875). We will not need to report those plans to the County Board, as most county recorders will, as we are finished with the project!

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

Ms. Becky McNeil, County Treasurer, reported that the State of Illinois continues to be very slow in making payments to the County. She noted that, currently, we have a receivable of over \$808,000.00 due from the State of Illinois. Ms. McNeil indicated that \$337,000.00 of that goes back to 2008. She stated that this is for the salary reimbursement for Probation Officers. Ms. McNeil added that the money is very slowly coming in to the County, noting that the October 2008 payment was received yesterday. She reiterated that there is over \$808,000.00 due from the State to the County for the salary reimbursements, Supervisor of Assessments, Public Defender, State's Attorney and other areas.

Ms. McNeil presented the Financial Reports for the period ending April 30, 2009, as distributed.

Ms. McNeil reviewed the Statistics on the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending April 30, 2009. She noted that the month of April concluded 33.3% of the fiscal year.

- Retailers Occupation Tax Revenue for April 2009 is \$392,462.79.
- Retailers Occupation Tax Revenue Year to Date is \$1,787,593.37, which is 7.89% below last year and 31.09% of budget.
- State Income Tax Revenue is \$595,905.06, which is 10.75% below last year and 30.96% of budget.
- Personal Property Replacement Tax Revenue is \$564,192.40, which is 14.65% below last year and 30.17% of budget.

Ms. McNeil stated that, with the three categories combined, she would like to have the revenue at about \$3,181,000.00. She indicated that the total of the three through April 2009 is \$2,947,000.00, which is approximately \$240,000.00 below budget right now.

Ms. Rackauskas asked if the State pays interest on the money that they are behind. Ms. McNeil replied that the State does not pay interest. Ms. Rackauskas asked if the County has any legal ramifications to go back to the State. Ms. McNeil responded that the State should reimburse the County 100% for the cost of the salary of Probation Officers. The allocation that has been set up and distributed to the County through AOIC has slowly continued to decrease, so that the State no longer reimburses the County 100%.

Ms. Rackauskas expressed her frustration that there does not appear to be any recourse on the part of the County to force the State to reimburse the funds. Mr. Caisley pointed out that every time a judge puts someone on probation, the judge is saving the State of Illinois \$25,000.00 for an adult male, \$40,000.00 for an adult female and \$56,000.00 for a juvenile female.

Chairman Owens indicated that this issue has been discussed at the Metro Counties meetings.

Mr. Zeunik advised that the County has been living with this issue for years and years. He added that Counties have dealt with this problem going back to the early 1990's. The recourse the County has is to file an action with the State Court of Claims requesting that the State live up to its obligation. Mr. Zeunik stated that the County currently has an action in the Court of Claims that Mr. Ruud filed in 1987 or 1988 requesting reimbursement that was due the County. The basic principle is that the State of Illinois is the "sovereign" and it is difficult, if not impossible, to compel the Legislature to appropriate money.

The Committee discussed the issue and expressed much frustration with the State of Illinois' inability to live up to its obligations to the Counties within the State. It was pointed out that McLean County continues to lose money, not only from the loss of income, but from the interest lost when CD's have to be cashed out in order for the County to meet its financial obligations.

Ms. McNeil pointed out that this issue has been a bit easier on McLean County because it carries a sufficient fund balance, which many other Counties do not have. Mr. Zeunik noted that many Counties within Central Illinois have had to issue tax anticipation warrants, which is driven by the fact that they have outstanding receivables due from the State and they don't have sufficient funds to carry them until they get reimbursed.

Ms. Rackauskas stated that the County must operate under the assumption that the State will not meet its reimbursement responsibilities. Mr. Zeunik replied that the law is very clear that there are certain Probation Officer positions that the State is required to fund 100% of the salary expense. He added that we do not budget that amount in our budget. Rather, we budget for the 47% to 49% that the County will be reimbursed from the State. Mr. Zeunik indicated that the County not only must deal with the slow reimbursement, but also must subsidize the State by covering 51% to 53% of the State's obligation.

Mr. Butler recommended that everyone, individually, talk to our representatives and let them know that the problem not only weighs on the County, but on us as individuals as well.

Mr. Caisley commented that he attended Representative Brady's Town Meeting on the State budget, which detailed the terrible financial problems facing the State.

Ms. McNeil reviewed the Investment Report, noting that rates continue to be down. She indicated that she continues to watch rates bounce around. Ms. McNeil stated that she feels somewhat optimistic. Ms. McNeil indicated that CD rates have been coming in as low as .10% and as high as 2.48% for a 12-month Jumbo CD.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance, as follows:

- Total Revenue last year at the end of April was \$6,796,882.88;
- The total Revenue as of April 30, 2009 was \$6,300,954.37, which is 19.46% of budget;
- Expenditures were \$10,252,967.49, which is 31.66% of budget;
- The Fund Balance as of April 30, 2009 was \$5,805,375.79.

Ms. McNeil announced that Property Tax bills will be mailed out within the next couple of days, and will be due on June 8th and September 8th. Ms. McNeil expects to make the first distribution to the taxing bodies by the end of May.

Ms. McNeil expressed some concern with the General Fund due to the fact that there are three pay periods in May. It may be necessary to move funds from another Fund with the Interfund Borrowing Ordinance.

Motion by Butler/O'Connor to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending April 30, 2009, as submitted.
Motion carried.

Chairman Owens asked if there were any questions or comments. Hearing none, he thanked Ms. McNeil.

Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office, reviewed the following Quarterly Financial Statement Reports:

- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget vs. Actual;
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – March 31, 2009 with Comparative Numbers for 2008;
- General Fund Expenditures by Department;
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Special Revenue Funds;
- Chart – 2009 Expenditure by Classification for all Funds;
- Chart – Revenues to Expenditures (General Fund);
- Chart – Revenues to Expenditures (all Funds)

Ms. Anderson noted that the annual financial Report (CAFR) is not due until June, but since the first quarter financials were ready, she included them in this report.

Mr. Caisley pointed out that personnel costs are more than 62.1%. If you add in the employee benefits, total personnel costs are almost 70% of the budget. Ms. O'Connor responded that employee salaries are the biggest expense for any organization.

Chairman Owens asked if there were any questions. Hearing none, he thanked Ms. Anderson.

Ms. Jennifer Ho, Risk Management, reviewed her First Quarter Risk Management Fund Report. She advised that 2008 had the lowest number of Workers Compensation claims, with 43 claims, including late-reporting claims. The workers compensation claims trend for the first quarter of Fiscal Year 2009 reflects the continued low frequency of work injuries.

Ms. Ho noted that there was one work injury to an employee, which occurred when his Highway Department truck was rear-ended by a speeding SUV in a work zone area. This accident accounted for a significant percentage of the total Worker's Compensation cost for the first quarter. She added that the County employee has returned to work. Ms. Ho reported that the crew that was working with the employee at that time responded very promptly and appropriately to the incident.

Ms. Ho indicated that the work injuries, overall, remain a significant loss area for the County.

Ms. Ho reported that an actuarial study will be undertaken this year to make sure that the County adequately reserves funds for potential losses. She anticipates having the study completed for the 2010 Budget.

Ms. Ho reported that many employees attended the Downstate Illinois Occupational Health and Safety Day, which was held in Peoria this year. She noted that it is a full day of updates on occupational health and safety topics.

Ms. Ho stated that Table 2 is a tabulation of "raw" claims for the first quarter of the fiscal year for the preceding five years. She noted that the County's overall loss experience is remaining within the decreasing or stable ranges over the same period.

Ms. Ho reminded the Committee that she previously indicated that it is possible to save money by consolidating the individual Public Officials Bonds into blanket bonds. She noted that she is planning to consolidate the bonds in the 2010 budget.

Mr. Caisley asked if the person who rear-ended the Highway employee was insured and would the County see a significant financial recovery. Ms. Ho replied that the person was insured. Ms. Ho added that the money recovered by insurance will go back to the Highway Department to reimburse them for a new truck.

Ms. O'Connor asked how will the actuarial study be paid. Ms. Ho responded that the expense will come out of the Tort Judgment Fund. She noted that the report will not be too expensive. Ms. Ho stated that she will come back to the Committee in June or July with a request for an appropriation to pay for the report.

Chairman Owens asked if there were any questions. Hearing none, he thanked Ms. Ho.

Chairman Owens indicated that Ms. Peggy Ann Milton, County Clerk, was unable to attend the meeting. He noted that her Monthly Activity Report for March 2009 is on page 90 of the packet. Chairman Owens stated that should anyone have questions, they can contact Ms. Milton.

Mr. John Zeunik, County Administrator, introduced Mr. Matt Riehle, Director of Nursing at the McLean County Nursing Home. He noted that the County is in the process of conducting a search to find a replacement for Mr. Don Lee, who is retiring as the Director of the Nursing Home as of May 15th. Mr. Zeunik stated that, with Mr. Lee leaving next Friday, Mr. Riehle will assume the responsibility as the Acting Director of the McLean County Nursing Home. He added that Mr. Riehle is fully credentialed and licensed to assume those responsibilities in the interim. Mr. Zeunik asked Mr. Wasson to give a brief update on the search process.

Mr. Wasson reported that the position for the Director of the McLean County Nursing Home was advertised, and approximately 20 applications have been received from licensed nursing home administrators from several different states. He indicated that the applications are being evaluated and interviews will be conducted. Mr. Wasson anticipates that the County Administrator will make an appointment to the position within the next 30 days. He advised that Mr. Riehle is a strong candidate for the position. Mr. Wasson noted that, because the nursing home industry has a wide variety of different situations in terms of private and public nursing home facilities, evaluating candidates requires an in-depth process.

Mr. Don Lee, Director, Nursing Home, stated that Mr. Riehle has been with the McLean County Nursing Home for more than ten years. He noted the following:

- Mr. Riehle has a Nursing Degree from Illinois Wesleyan University,
- Mr. Riehle worked, initially, as a Staff Nurse for the McLean County Nursing Home for one year;
- Mr. Riehle then assumed the position of the Assistant Director of Nursing until five years ago;
- Mr. Riehle has held the position of Director of Nursing for the last five years.

Mr. Lee pointed out that it was a wise decision to name Mr. Riehle as the Interim Director of the Nursing Home, as Mr. Riehle is a valued member of the team, and his appointment as Interim Director will ensure that the transition period will be very smooth.

Mr. Lee reviewed his Monthly Report. He stated that March was a good month for the Nursing Home. Mr. Lee projected that the Nursing Home will continue in a positive financial status for the year.

Mr. Lee reported that the census continues to be lower than he would like. He indicated that, to Mr. Riehle's credit, the staffing levels are being managed to reflect the census.

Ms. Rackauskas asked Mr. Riehle what he thinks is the greatest challenge that the new Director of the Nursing Home will face. Mr. Riehle replied that the greatest challenge will be the 31 years of experience and stability that Mr. Lee had with the Nursing Home.

Chairman Owens expressed his appreciation to Mr. Lee for all of his years of service. He also thanked Mr. Lee for attending Committee meetings, even when he had nothing to present for action.

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Mr. Lee stated that it has been a pleasure working with the Finance Committee and the County Board. He expressed his appreciation of the support that the Board has given to the Nursing Home. Mr. Lee indicated that he believes that McLean County is one of the best, if not the best, run County in the State of Illinois.

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

Mr. Robert Kahman, Supervisor of Assessments, reviewed the status of Elected Township Assessors in McLean County. He referred to the map on page 94 of the packet that reflects the small number of Township Assessors. Mr. Kahman advised that fewer and fewer people are willing to run as Township Assessor. He attributed this reluctance with the cost of the training to become an assessor and to the low salary that Township Assessors receive. Mr. Kahman noted that many Townships rely on contract assessors.

Ms. Rackauskas asked if contract assessor make more money. Mr. Kahman replied that the cost is subject to contract law as opposed to someone who was appointed and is paid whatever was budgeted for the Township Assessor. He noted that contracting assessors is becoming common in Illinois. Mr. Kahman predicted that we will start to see large firms come in and bid on the assessments.

Mr. Caisley suggested that the State Legislature authorize County Boards to set salaries for Township Assessors based on a certain cost per parcel for residential property, for agricultural property and for commercial and manufacturing property. Mr. Kahman replied that the battle will rage on between people who want to eliminate Township government and those who are in favor of Township government. He noted that some Counties authorize the County Assessor's Office to provide all of the County assessments.

Chairman Owens asked if there were any additional questions. Hearing none, he thanked Mr. Kahman.

Mr. John Zeunik, County Administrator, advised that he brings two items for action to the Committee. The first item is a request for approval of a Resolution Establishing the Budget Policy for Fiscal Year 2010, which is a routine item that is brought to the Finance Committee each May. Mr. Zeunik explained that this Resolution establishes the budget policy to guide in the preparation of the Fiscal Year 2010 budget. He asked Mr. Bill Wasson to review the Resolution.

Mr. Wasson stated that the Budget Policy does not change significantly from year to year. However, based upon the current economic conditions and the County's fiscal reports year-to-date, some modifications have been made to the Budget Policy. Mr. Wasson indicated that he will briefly review those parts of the Budget Policy that remain unchanged and review, in detail, the sections that have been changed.

Mr. Wasson pointed out the following provisions under 12.21-1: New Services shall be considered in the following priority:

- State or federal law specifically mandates such action and imposes penalties on County government for failure to provide such services above and beyond all other considerations;
- The Oversight Committee and the Executive Committee recommend and the County Board approves the proposed new services and/or implementation of certain changes based upon analysis of existing programs, processes, and procedures.

Mr. Wasson reviewed the following:

- 12.22-1 Property Tax and Other Revenue: When preparing the Recommended Budget for Fiscal Year 2010, the County Administrator shall make every effort to hold the 2009 County overall property tax rate as close to the 2008 County overall property tax rate as possible.
- 12.22-2 User Fees and Charges: Every effort shall be made to identify and/or establish appropriate user fees for charges, as authorized by State law, for appropriate public services as recommended in the Fiscal Year 2010 Budget.
- 12.22-3 Intergovernmental Revenue: There shall be no new categorical grant programs considered in Fiscal year 2010 that establish ongoing County funding obligations.
- 12.23-1 Fund Balances: Recognizing the need for the County to maintain a sufficient unencumbered fund balance to meet necessary operating expenditures during the first five months of the fiscal year and to maintain fiscal stability, the County Board shall make every effort to maintain in the Corporate General Fund an unencumbered fund balance equal to 10% of the County's total Combined Annual Budget and Appropriate Ordinance.

Mr. Wasson referred to Page 100 of the Committee packet (page 6 of the Policy), noting that language has been inserted in this section for the Fiscal Year 2010 budget, as follows:

- Every County Office/Department shall work with the County Administrator to develop an accurate Organization Chart that shows the structure and relationships of positions within the department. Departments have been asked to justify all positions within the budget to provide a clearer understanding to Board members of the relationship of staff and staff structure in each of these departments. The vast majority of departments have organizational charts in place. The charts will be incorporated, with the assistance of the Administrator's Office staff and in working with department heads, to present to the Committee as a portion of the budget for 2010. It will help and assist Board members to understand the FTE Ordinances that are already included in the budget process.
- It is anticipated that there will be no funding for new positions or reclassifications in the Fiscal Year 2010 Recommended Budget.
- Any vacancies that exist or occur will be held vacant for as long as possible without jeopardizing the work of the department within which they exist.

Mr. Wasson indicated that this language is consistent with the Budget Amendments that the Committee will review after reviewing the 2010 Budget Policy. He stated that department heads shall work with the County Administrator's Office to note where delays in filling positions may be viable and where we can reduce personnel costs through attrition. Because of the fact that we do not anticipate funding to be available for new positions and reclassifications in 2010, you will note on page 101 of the packet (page 7 of the Policy) that sections (G), (H), (I) and (J) have been stricken from the Policy. That language has historically been provided for department heads as a guide to request positions as part of the budget process and requesting positions to the County Administrator's Office. Mr. Wasson noted that it is anticipated that if a department wants to make a request for additional personnel or a reclassification, those requests will go directly to the Finance Oversight Committee during the 2010 budget process.

Ms. Rackauskas asked if the requests will be discussed with the County Administrator first. Mr. Wasson replied that the requests will be discussed with the department heads, but the Administrator's Office does not anticipate bringing a positive recommendation for additional personnel or reclassifications, under current financial conditions.

Ms. O'Connor asked if the Health Department's request for a starting pay rate for a promotion in excess of the McLean County General Compensation Plan would fall under these guidelines. Mr. Wasson replied that the authorizations that the Finance Committee makes are within the Budget Policy, and authorizations to pay above the stated minimum as part of the Personnel Policies are not what we are discussing here.

Mr. explained that what we are discussing here is requests for new personnel, additional FTE's, or reclassifications, which means that a position would be reclassified and would be an increase in pay grade. This is not the same as an allowance to pay more than the minimum wage. Mr. Wasson reiterated that no additional personnel or reclassifications are anticipated in the 2010 budget.

Chairman Owens indicated that it is not unusual to see several department heads come before the Committee every year to ask for reclassifications of positions. He noted that if this Budget Policy is approved, the Administrator's Office will not be making any recommendations on the requests.

Mr. Caisley asked if what we are really doing is moving discretion from the County Administrator's Office to the Finance Committee. Mr. Wasson replied that the Budget Policy states that there will be no additional positions or reclassifications. Chairman Owens added that if a department head is so inclined, a request can be made directly to the Finance Committee. Mr. Caisley concluded that this does, indeed, mean that the Budget Policy would be moving the discretion from the Administrator's Office to the Finance Committee. Mr. Wasson advised that the County Administrator's Office's position, at this time, is that under current economic conditions and evaluating our fiscal reports to date, the County Administrator's Office will not recommend any additional staff or any reclassifications in 2010.

Mr. Wasson reviewed the following:

- 12.28-1 Spending Levels: All Fiscal Year 2010 budget requests for the Account Classifications entitled "Supplies" (600's), "Services" (700's) and "Capital Assets" (800's) will be targeted at 98% of 2009 levels for each Account Classification. Any requests beyond this level will need to be fully justified during budget preparation meetings.

Mr. Wasson stated that, in the past, the Budget Policy has allowed leeway for increases in budget lines based upon what is anticipated as a cost of living or normal increase over a previous fiscal year. This will be a significant change to our Budget Policy and will require department heads to make difficult decisions and to fully justify all expenditures beyond that 98% threshold of 2009 budget levels. Mr. Wasson added that he anticipates there will be more justification to be reviewed by the Administrator's Office as part of this budget process.

Ms. Rackauskas asked if this means that the department heads must cut the budget by 2%. Mr. Wasson replied that she is correct.

Mr. Caisley asked what happens if the supplies include postage to send out the tax bills and it is impossible to cut that cost by 2%. Mr. Wasson replied that all full and complete justification will be considered on an item by item basis. Mr. Zeunik explained that the restriction is by "category." If you looked at the entire 600's category and the funding level this year is \$10,000.00, next year it will be \$9,800.00, or 98%. Mr. Zeunik clarified that it is the entire category total that will be affected, not individual lines within the category. Some lines may go up and others may go down to accommodate the needs of a department. Mr. Zeunik advised that it is possible, when times are tough, for County offices and departments to recognize the situation and will find ways to identify areas to reduce expenses.

Mr. Wasson stated that the County department heads have been very cooperative in the budget process, and they consistently work well with the County Administrator's Office. However, if a department head should refuse to provide budget information, the 98% figure would be used as the recommended expenditure levels that would come to the Finance Committee from the County Administrator's Office. Mr. Wasson reiterated that cooperation with department heads and elected officials is positive and it is not anticipated that this instance will ever happen.

Mr. Wasson pointed out that September 15, 2009 is the date where the Recommended Fiscal Year 2010 budget will be presented to the County Board by the County Administrator.

Mr. Caisley expressed concern with departments that might be affected by the increase in postage. Mr. Wasson responded that this may be an example of an uncontrolled cost that the Administrator's Office will deem that is out of the control of the department head. He reminded the Committee that, again, we are looking at the total budget within particular categories, not specific line items within the category. For example, If the cost of stamps and the need for stamps increases, it may be possible to reduce the costs of other supplies in that same category to make up for that cost.

Mr. Wasson acknowledged the positive cooperation that has been received from the elected officials and department heads in response to the request for a reduction in expenditure lines for 2009. He expects that the cooperation will continue in an effort to meet our goals.

Motion by O'Connor/Rackauskas to recommend Approval of
a Resolution Establishing the Budget Policy for Fiscal Year
2010.
Motion carried.

Mr. Zeunik presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2009 Combined Annual Appropriation and Budget Ordinance, General Fund 0001. Mr. Zeunik explained that this Ordinance is basically the Amendment that reflects the Resolution that was adopted last month directing the Administrator's Office to look for savings. The target number in that Resolution was \$500,000.00. Mr. Zeunik reported that the Amendment that is being presented this afternoon reduces General Fund expenses in the Fiscal Year 2009 by \$661,694.00. He stated that the summary in the Budget Amendment shows the General Fund County offices and departments, the Adopted Fiscal Year 2009 amount, the proposed reduction and the amended amount. Mr. Zeunik indicated that this represents 2.04% of the Adopted Budget. He stated that there are some additional things that will be looked for between now and the end of the year to bring the County's expenses more in line with our revenues, which Ms. McNeil discussed earlier.

The Committee members expressed their appreciation to the County Administrator's Office in their efforts on behalf of McLean County to reduce expenses and increase revenue.

Mr. Zeunik commented that the spirit of cooperation that exists among County offices and departments in this County is unique. He indicated that all of the Counties are facing the same issues that McLean County is facing. One of the Collar Counties is going through this exercise, and the County Board set an arbitrary number of 5.5% that every department is required to cut. Mr. Zeunik noted that they are not getting anywhere close to that. He advised that all offices and departments are different, and you must be willing to work with individual office and departments. As a result, that particular Collar County is looking at lay-offs, furloughs and service cuts. Mr. Zeunik concluded that the appreciation should be shared with the County offices and departments.

Motion by Caisley/Butler to recommend Approval of an
Emergency Appropriation Ordinance Amending the McLean
County Fiscal Year 2009 Combined Annual Appropriation
and Budget Ordinance, General Fund 0001.
Motion carried.

Chairman Owens presented a request for a transfer of \$20,012.00 from Software License to Capitalized Assets in the Supervisor of Assessment's Office.

Motion by O'Connor/Rackauskas to recommend approval a
Transfer of \$20,012.00 from Software License to Capitalized
Assets in the Supervisor of Assessment's Office.
Motion carried.

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Chairman Owens presented the April 30, 2009 Finance Committee bills for review. The Finance Committee bills include a Pending Total of \$50.49 and Prepaid Total of \$795,891.97 for a Fund Total of \$795,942.46.

Motion by Rackauskas/Caisley to recommend approval of the Finance Committee bills as of April 30, 2009 as recommended by the County Auditor.

Motion carried.

The Nursing Home bills include a Pending Total of \$31,136.83 and a Prepaid Total of \$524,367.64 for a Fund Total of \$555,504.47.

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Motion by O'Connor/Butler to recommend approval of the Nursing Home bills as of April 30, 2009 as recommended by the County Auditor.
Motion carried.

Mr. Caisley stated that we have not paid Mr. John Zeunik nearly as much as he has been worth to the County. What remains unpaid is a debt of gratitude, and, on behalf of the Finance Committee, Mr. Caisley expressed the Finance Committee's gratitude for the work that he has done.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the meeting at 5:45 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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