

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, November 5, 2002 at 5:30 p.m. in Room 700 of the McLean County Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members Arnold, Kinzinger, Berglund and Renner

Members Absent: Member Rodman

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

Elected Officials/

Department Heads: Mr. James Boylan, County Treasurer; Ms. Becky McNeil, Assistant County Treasurer; Judge Elizabeth A. Robb, Circuit Judge, Eleventh Judicial Circuit; Mr. William Scanlon, Trial Court Administrator; Ms. Peggy Ann Milton, County Clerk; Mr. Sammy Ferrarra, Veterans Assistance Commission; Mr. Paul Kinsella, Veterans Assistance Commission; Mr. Bob Keller, Director, Health Department; Mr. Don Lee, Director, Nursing Home; Mr. Craig Nelson, Director, Information Services; Mr. Robert Kahman, Supervisor of Assessments Office; Ms. Connie Clifford, Supervisor of Assessments Office; Ms. Jennifer Ho, Risk Manager

Others Present: Mr. Jerry Kerber, Chairman Cooperative Extension Advisory Council; Mr. Don Meyer, Director, McLean County Cooperative Extension

Chairman Sorensen called the meeting to order at 5:30 p.m.

The minutes of the October 15, 2002 Finance Committee meetings were accepted and placed on file as presented.

Mr. John Zeunik, County Administrator, discussed the Fiscal Year 2003 Recommended Budget for the Cooperative Extension Fund. Mr. Zeunik stated that pursuant to the referendum approved by the voters in McLean County, the County Board is permitted to levy a property tax in an amount not greater than \$0.05 per \$100.00 of equalized assessed valuation. To account for the receipt and distribution of the property tax fund for Cooperative Extension, a Special Revenue Fund 0133 has been established in the Fiscal Year 2003 Recommended Budget. Under Illinois Law, the County Board is required to approve the proposed tax levy for the Cooperative Extension Service. Under the General Property Tax line item account, the Cooperative Extension Services has submitted a

request for a property tax levy in the amount of \$414,000.00. Based on the Supervisor of Assessment's estimate of the County equalized valuation, the proposed tax levy would result in a tax rate of \$0.01610 per \$100.00 of equalized assessed value. The Cooperative Extension Contract Services line item account has increased from \$395,000.00 in the Fiscal Year 2002 Adopted Budget to \$414,000.00 in the Fiscal Year 2003 Recommended Budget. This line item accounts for the distribution and payment to the Cooperative Extension Services of the property tax funds levied for Property Tax Assessment Year 2002 and collected in Fiscal Year 2003. This represents a 4.81% increase.

Mr. Don Meyer, Director, Cooperative Extension, explained that the Extension Service is still in transition and still replacing staff. After reviewing the funds available, two staff positions have been replaced and one is still being proposed for replacement. The referendum was not for expansion, but for replacement of positions lost due to the reduction of Federal and State funding.

Mr. Kinzinger expressed his concern regarding the issue of the County Budget and departments holding the line on spending. Mr. Kinzinger expressed his hope that the Cooperative Extension Services will continue to hold the line on expenses. Mr. Meyer stated that one issue that he discussed with the Cooperative Extension Council was the fact that \$500.00 was "carried out" in a budget of \$600,000.00, after paying back deficits that were accrued in the last several years. Mr. Arnold asked what does the phrase "carry out" means. Mr. Meyer answered that carry out means dollars that were not expended. The budget year for the Cooperative Extension is from July 1 through June 30. Mr. Meyer noted that what has helped the Cooperative Extension eliminate their deficit is the fact that the State match has been increased back to 100%.

Motion by Renner/Kinzinger to recommend tentative approval of the Fiscal Year 2003 Recommended Budget for the Cooperative Extension. Motion carried.

Mr. Zeunik discussed the Veterans Assistance Commission Fund. Mr. Sammy Ferrarra, Consultant for the Veterans Assistance Commission introduced Mr. Paul Kinsella, the new Director of Veterans Assistance Commission. Mr. Zeunik stated that the General Property Tax revenue line item account has been increased from \$144,697.00 in the Fiscal Year 2002 Adopted Budget to \$148,120.00 in the Fiscal Year 2003 Recommended Budget, which represents a 2.37% increase. Pursuant to State law, the County is permitted to levy a property tax in an amount not to exceed \$0.03 per \$100.00 of equalized assessed valuation in counties where a Veterans Assistance Commission has been established. Mr. Zeunik noted that the Contract Services line item account 706.0001 has been added in the Fiscal Year 2003 Recommended Budget to cover the balance of

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the consulting services to be provided by Mr. Ferrara to the new Veterans Assistance Commission Director during the Fiscal Year 2003.

Motion by Renner/Kinzinger to recommend tentative approval of the Fiscal Year 2003 Recommended Budget for the Veterans Assistance Commission.
Motion carried.

Mr. James Boylan, County Treasurer, presented the County Treasurer's Investment Report as of October 31, 2002, and the Statement of Revenue, Expenditures and Fund Balance as of October 31, 2002. Ms. McNeil presented a 2002 Balance Sheet Summary of the General Fund unencumbered fund balance with comparative date for fiscal year 2001. This information should provide the Finance Committee with the changes from month to month. Ms. McNeil noted that the fund balance is not just cash in the bank. The fund balance is made up of a large number of receivables.

Ms. McNeil referred to the Summary of Retailers Occupational Tax, State Income, Personal Property Replacement Tax and General Property Tax Revenue in the General Fund. These are the four main sources of revenue to the General Fund. This report facilitates the tracking of the funds that come from the State for three of these funds. The State of Illinois has made significant reductions to County funds. Typically, at this time of the year, the Treasurer's Office likes to see revenue balances at 83%. These numbers reflect a slight decrease in the Retailers Occupation Tax Revenue. The year to date revenue is within acceptable levels due to the elimination of the Photo Tax. The largest decrease can be seen in the Personal Property Replacement Tax. The reduction is consistent with the notification from the Department of Revenue that in Fiscal Year 2003 major cuts would be experienced. Under the General Property Tax Collection line item, after the fourth distribution in October, 97.7% of Property Taxes have been deposited into the General Fund.

Ms. McNeil referred to the Statement of Revenue, Expenditures and Fund Balance Report. Ms. McNeil explained that 81.31% of the Total Revenue budget has been received thus far and Total Expenditures are running at 78.87% of the adopted budget.

Mr. Boylan informed the Finance Committee that the Federal Reserve's Fed Funds discount rate is expected to drop again tomorrow.

Motion by Renner/Kinzinger to accept and place on file the County Treasurer's Report, and the County Treasurer's Investment Report for October 31, 2002. Motion carried.

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Judge Elizabeth A. Robb, Circuit Judge, Eleventh Judicial Circuit Court, presented a request for approval to fill a pending vacancy of a Circuit Court Secretary position within the Associate Criminal Division in the Circuit Court.

Motion by Kinzinger/Renner to recommend approval of a request to fill a pending vacancy of a Circuit Court Secretary position within the Associate Criminal Division in the Circuit Court. Motion carried.

Ms. Peggy Ann Milton, County Clerk, addressed the Committee regarding a request to fill the vacant position of the Election Administrator in the County Clerk's Office.

Motion by Kinzinger/Renner to recommend approval to fill the vacant position of the Election Administrator in the County Clerk's Office. Motion carried.

Ms. Milton explained that she would like to request that the Election Administrator's position be made "exempt." At this time, she would like to ask for an evaluation of the Election Administrator position in order to hire the new person as an exempt position. This position works 40 to 60 hours per week for \$28,000.00 per year.

Chairman Sorensen commented that there are three ways to approach this request:

- 1) ask the Administrator's Office to evaluate this request and make a recommendation;
- 2) invite the Department of Employment Security to evaluate the position and make a ruling on whether or not this position is exempt, and
- 3) ask a Human Resources Professional from another company to do a position audit and make a recommendation on this request.

Mr. Renner commented that Illinois has an election every year, at one level or another, so he would be interested to see how the hours for this Election Administrator would compare when scheduled elections aren't for high publicity elections.

Mr. Kinzinger asked if the Administrator's Office could research this request and decide whether an outside audit is necessary. Mr. Zeunik stated that the Administrator's Office has reviewed this request and does not agree with the County Clerk. Mr. Zeunik recommends that the Finance Committee arrange for an outside audit of this position. Under the Fair Labor Standards Act, the Administrator's Office does not find that this position meets all of the criteria. Mr. Zeunik stated that this request is analogous to the positions at the County Highway position that, at one time, were called Engineers and were exempt. A complaint was filed, and that the Department of Labor conducted an audit and concluded that those positions were not exempt. One of the criteria that the Department of Labor used was how much discretion these persons have. In the case of

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the Engineers, they have very little discretion because there is a manual that determines how they are to do their work, the engineers don't have final say, and all of the work is reviewed by the County Engineer and only the County Engineer can seal the work as approved. There are a lot of similarities to the County Clerk's request.

Mr. Zeunik stated that of the three options mentioned by Chairman Sorensen, the first option is off the table because there is already disagreement between the two parties involved. The second option opens up other issues that could be raised. Mr. Zeunik acknowledged that this community has excellent resources available from Illinois State University, Illinois Wesleyan University and State Farm, any one of these organizations may be able to help the County with this issue. Mr. Zeunik noted that the County has received help from these organizations in the past on a pro-bono basis. Another option available to the Committee is the hiring of a consultant, but that would require funding.

Mr. Lindberg suggested the possibility of looking for a person who holds a professional designation within the Society for Human Resource Management (SHRM).

Ms. Milton commented that she noticed some inconsistencies in the PSA Study. The study shows some positions that started as exempt positions currently are not, and some positions that were not exempt at the beginning are now exempt. Ms. Milton noted that there is staff in the County Clerk's Office that don't get paid for overtime, but if they were to receive overtime payment, the tax extension process alone would take about \$5,000.00 of the \$6,300.00 in the overtime budget, just for the work done by that staff person to reconcile the cash drawer every night. Because of the limited number of staff in the County Clerk's Office, comp time is not an option to repay the staff for overtime.

Motion by Renner/Berglund to ask the Administrator's Office to secure an outside Human Resources Consultant that will review and make a recommendation on the County Clerk's request to make the Election Administrator's position "exempt." Motion carried.

Ms. Milton presented a request to approve the addition of a new Deputy County Clerk position in the Fiscal Year 2003 Recommended Budget for the County Clerk's Office.

Ms. Milton stated that her request for an additional Deputy County Clerk is tied in with the Election Administrator's request in some ways. Ms. Milton feels that her staff is dealing with many duties that are overlapping in regards to automation services such as making copies of vital records, inputting of vitals records, scanning, etc. Ms. Milton stated that her intentions are to remove some of these duties from the Deputy Clerks and assign them to a new employee, thus freeing the experienced Deputy Clerks and allowing them to help with elections. Ms. Milton suggested hiring a new Deputy Clerk and paying this person's

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salary out of the County Clerk's Document Storage Fund, instead of the General Fund. By doing this, available funds in the Document Storage Fund would be reduced from eight years to four years worth of funds. Ms. Milton reminded the Committee that a new State law passed that permits the addition of a \$10.00 fee per tax redemption for transferring of certificates to another tax buyer. The new \$10.00 fee will be deposited into the Document Storage Fund also. Ms. Milton noted that the new Deputy Clerk would be hired on a yearly basis agreement, because there may be times when their help might not be needed or the Document Storage Fund runs out of money to pay for the salary.

Ms. Milton informed the Committee that, in 1998, the County Clerk's Office processed 6,722 receipts. In 1999, 9,399 receipts were processed. In 2000, 11,310 receipts, were processed, year to date in 2002, 12,635 have been processed by the Office. Mr. Renner noted that looking at staffing levels, there has been an increase from 3.65 FTE's in 1999 and now it is up to 6.71, both in full-time and part-time. Mr. Renner believes that staffing has progressed accordingly. Ms. Milton commented that the numbers presented to the Committee probably include the Document Storage Fund position.

Mr. Kinzinger asked if the Document Storage Fund position can be reassigned to election duties during election times. Ms. Milton answered that Mr. Brian Hug, Assistant State's Attorney, researched this issue and concluded that the Document Storage Fund position can not do election duties. This request would remove duties from the other Deputy Clerks. Mr. Kinzinger asked if, during election times, one of the other Deputy Clerk's could be reassigned to help with the election duties for a short period of time. Ms. Milton referred to a yearly time line regarding the County Clerk's Office. Ms. Milton noted that one or two months out of the year, the Office is working on some type of election, besides the work in the office. At the same time that election duties are being performed, County Clerk's Office continues to handle tax extensions and redemption, interest statement filings, liquor licenses, and daily, weekly and monthly tasks mandated by the State, plus customers requests.

Mr. Kinzinger does not agree with the need to approve this request, but compliments Ms. Milton on providing excellent services through her office. Mr. Renner complimented Ms. Milton on the job the County Clerk's Office has performed in bringing the Clerk's Office into the 21st century. Unfortunately, under this tight budget cycle, addition of new staff is not probable unless there is undisputed facts that the County could be sued due to the lack of this new staff member. Ms. Milton conceded that times are tough, but further cut backs might disturb the timely services provided by the County Clerk's Office. Ms. Milton respectfully stated that if her staff can't be paid for overtime, because there are insufficient funds in the budget for overtime and comp time is not a possibility because the absence of a staff member creates undue stress, same duties like tax extensions might not be completed in a timely fashion.

Mr. Renner clarified that using the Document Storage Fund to pay for a new position could cause other problems. If there is a certain amount of money designated to the County Clerk's Office that could cover expenses that are presently covered through the General Fund, a ripple effect down the line can be prevented and other departments can benefit from this aid. Ms. Milton explained that the County Clerk's Office is mandated to deposit any revenue gathered from birth, death and marriage records into the Document Storage Fund. Mr. Zeunik further explained that the "ripple effect" may be that if all the money in the Document Storage Fund is spent, the impact could be seen when the need arises to replace hardware, computers, software and printers. If there is no money in the Document Storage Fund to pay for the replacement of equipment, then the money has to come from the General Fund. Mr. Renner also noted that if the Finance Committee approves the County Clerk's request for additional staff, other county departments will follow suit.

Chairman Sorensen asked the Finance Committee if the concensus of the Committee was to not approve the request presented by the County Clerk. Mr. Arnold stated that it was not appropriate to hold limited financial resource against this request, if it is a legitimate request and it is a position mandated by law. Other members of the Finance Committee did not agree with Mr. Arnolds' statement.

Chairman Sorensen explained that the Finance Committee can make a motion in several forms: 1) motion to recommend; 2) motion to deny; 3) motion to table the request and 4) the Committee can choose to take no action.

Motion by Arnold/ to recommend approval
of a request to add a new Deputy County Clerk
position to the Fiscal Year 2003 Recommended
Budget in the County Clerk's Office.

Chairman Sorensen stated that the motion died due to a lack of a second.

Ms. Milton suggested that no meetings be held in the County Board Room or in the building on election night. The extra activity and personnel in the building during the election night is confusing. Also, Ms. Milton stated that there has been some discussion regarding getting maps from GIS of precincts. Ms. Milton stated that her office will start being more diligent about working regular hours. Work results may slow down some but it is not fair to continue to ask her staff to work extra hours for free.

Chairman Sorensen stated that from his prospective, there are two things that are worth some consideration. The County Clerk is responsible for the election process, but it does

not mean that the County Clerk has to do the duties of the election process. Chairman Sorensen would like to find out what the Bloomington Election Commission would charge the County Clerk's Office for a contract to help run the elections. Based on legislation regarding the County Clerk's Office, the Office does not have mandatory office hours, other than the Saturday before an election for voter's registration. Chairman Sorensen asked Ms. Milton to consider altering her office hours in order to alleviate the extra hours being worked by her staff. Mr. Zeunik clarified that the County Board establishes general business hours for the County Offices. Mr. Zeunik noted that there are departments that don't open until 8:30 a.m. in order to prepare for the business day. Chairman Sorensen suggested that the County Clerk research how this option could help her personnel problems. Ms. Milton stated that this option might help. She will research the option and report back to the Committee.

Chairman Sorensen stated that the request for approval of an Emergency Appropriation Ordinance amending the McLean County Fiscal Year 2002 Combined Annual Appropriation and Budget Ordinance for the Veterans Assistance Fund 0136, Veterans Assistance Office 0065 can be handled by Mr. Terry Lindberg. Mr. Lindberg stated that this appropriation will pay for the consultant services that Mr. Sammy Ferrarra will provide to the Veterans' Assistance Commission Office. The balance of the contract that carries over into the Fiscal Year 2003 Recommended Budget is already included in the budget to be approved by the County Board.

Motion Renner/Berglund to recommend approval an
Emergency Appropriation Ordinance amending the
McLean County Fiscal Year 2002 Combined Annual
Appropriation and Budget Ordinance for the Veterans
Assistance Commission Fund 0136, Veterans Assistance
Office 0065. Motion carried.

Mr. Robert Keller, Director, Health Department, discussed the proposed amendments to the McLean County Revised Code Chapter 26, Food Services; Chapter 28, Health and Sanitation and Chapter 21, Animal Ordinance.

Motion by Renner/Berglund to recommend approval of
the proposed amendments to the McLean County
Revised Code Chapter 26, Food Services; Chapter 28,
Health and Sanitation and Chapter 21, Animal Ordinance.
Motion carried.

Mr. Don Lee, Nursing Home Administrator, discussed the Monthly Report. Mr. Lee informed the Finance Committee that the monthly report shows a deficit for the month. The census is around 136 residents in-house with two residents in the hospital. The Medicare census has decreased to four residents. Of the deficit documented this month, \$11,000.00 of that is due to the 5.9% reduction from Public Aid. Mr. Lee stated that in absence of any action from Congress, the Medicare rate will be reduced effective October 1, 2002, by about 6.5 to 7%.

Mr. Craig Nelson, Information Services, presented a request for approval of a contract with Cirone Computer Consulting, Inc., for Software Upgrade to the PAMS Pro Computer assisted appraisal system. Mr. Nelson stated that this contract was put together with the help of the Supervisor of Assessment's Office. This contract will allow the PAMS Pro, to manage the assessments from the outlying districts.

Motion by Arnold/Berglund to recommend approval of a contract with Cirone Computer Consulting, Inc., to purchase the Software Upgrade. Motion carried.

Mr. Robert Kahman, Supervisor of Assessments, discussed the Assessment Status Report. Mr. Kahman stated that the rural townships are facing the biggest hardship in the area. The school districts around the area are reviewing the statistics for future planning.

Mr. Arnold asked what is the estimation of the equalized assessed value for this year. Mr. Kahman answered that the County's overall equalized assessed valuation is projected to increase.

Ms. Jackie Dozier, County Auditor, was not present to discuss the Progress Report on External Auditor's Management Letter, pertaining to the County Recorder's Office. Chairman Sorensen would like to invite Mr. Walter Hunt, McLean County Internal Auditor, to visit in the next Finance Committee meeting.

Ms. Jennifer Ho, Risk Manager, presented the Third Quarter Risk Management Fund Report. Ms. Ho stated that the cumulative claims experienced as of the third quarter show the total incurred losses for each year for each line of coverage. Incurred losses include outstanding reserves for indemnity and expenses as well as paid losses for each reported claim. Reserves are established to reflect the total expected value of the claim at closure and may change according to further development in the claim. The reserves for open claims for prior years remain the same, an indication that the overall projected claims outlook has not changed. Furthermore, the County has not settled any tort action this year in excess of \$10,000.00. New claims reported since the last report

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show a total loss of two County vehicles, a squad that was involved in a one-car rollover accident while the deputy was engaged in the act of searching for a crime suspect and an Animal Control vehicle that was struck from behind while at a stop sign. Both vehicles were deemed constructive total losses because the resulting damages compromised the integrity of the vehicle. Full recovery was received for the loss of the animal control truck. Both vehicles are being salvaged. Both employees involved suffered bruises and muscle strains, have recovered and are back to full-time duty. Worker's Compensation claims have increased by 19 new claims. One of which was a lost-time claim. Ms. Ho stated that as of this reporting, she has received three new covered liability suits from prior years, none of which appear to be materially significant.

Mr. Zeunik referred to a Resolution evidencing the intention of the County of McLean to issue Single Family Mortgage Revenue Bonds and related matters (ASSISTS 2003). Mr. Zeunik informed the Committee that as of date, the 2002 program has provided 32 originations for a total of \$2.8 million.

Motion by Renner/Kinzinger to recommend approval of a Resolution evidencing the intention of the County of McLean to issue Single Family Mortgage Revenue Bonds and related matters (ASSISTS 2003). Motion carried.

Mr. Zeunik presented a request to fill a vacant position of the County Administrator's Assistant in the County Administrator's Office. Mr. Zeunik would like to move forward on the posting of this position.

Motion by Berglund/Kinzinger to recommend approval of a request to fill a vacant position of the County Administrator's Assistant in the County Administrator's Office. Motion carried.

Mr. Zeunik referred to a request for approval of the Pay Plan for Fiscal Year 2003. Previously, both the General Compensation Schedule and the Position Classifications and Pay Ranges were categorized into four segments. Due to the budget restraints, the Administrator's Office recommended that the pay schedule be split into two halves. For ranges 13 and higher, it would consist of steps 1 through 51, and steps 51 through 101. For ranges 12 and lower, it would consist of steps 1 through 45, and 45-91. Also suggested is the reduction of merit steps an employee can earn from a maximum of eight to a maximum of six.

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Motion by Arnold/Renner to recommend approval of the proposed a Pay Plan for Fiscal Year 2003.
Motion carried.

Mr. Lindberg noted that the Pay Range schedule increases all pay ranges by 1.5% to reflect the budgeted across-the-board pay adjustment.

Motion by Kinzinger/Berglund to recommend approval of a request to approve the Position Classification and Pay Range Schedule for Fiscal Year 2003. Motion carried.

Chairman Sorensen presented a transfer and bills, as presented by the County Auditor, for review and approval by the Finance Committee.

Motion by Arnold/Renner to recommend approval of the transfer and bills, as presented by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Sorensen adjourned the meeting at 8:20 p.m.

Respectfully submitted,

Mrs. Carmen I. Zielinski
Recording Secretary