

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, November 7, 2007 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Selzer, Members Owens, Butler, Clark, Moss and Rackauskas

Members Absent: None

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Ms. Jude LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials

Present: Mr. Phil Dick, Director, Building and Zoning; Mr. Will Scanlon, Trial Court Administrator, Circuit Court; Mr. Robert Keller, Administrator, Health Department; Mr. Don Lee, Director, Nursing Home; Ms. Jackie Dozier, County Auditor; Ms. Becky McNeil, County Treasurer

Others Present: Mr. Walt Howe, Assistant Administrator, Health Department; Mr. Tom Anderson, Director, Environmental Health Division, Health Department; Ms. Sally Scornavacco, Tax Administrator, County Clerk's Office; Ms. Carol Ash, Internal Auditor, County Auditor's Office; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office; Ms. Chris Colaw, Accounting Specialist, County Auditor's Office; Ms. Laura Dick, Executive Director, SHOWBUS; Mr. Mike Behary, Building and Zoning

Chairman Selzer called the meeting to order at 7:30 a.m.

Chairman Selzer presented the minutes from the October 3, 2007 Finance Committee Meeting and the September 18, 2007 Stand-up Meeting for approval. Hearing no corrections to those minutes, Chairman Selzer advised that the minutes would stand approved as presented.

Mr. Phil Dick, Director, Building and Zoning, presented a request for approval of a Consolidated Vehicle Procurement Application for the purchase of two vehicles for SHOWBUS. Mr. Dick reported that SHOWBUS will use the vehicles for public rural transportation for McLean, Livingston, Iroquois and Ford Counties. Mr. Dick stated that this grant application is with the Illinois Department of Transportation for two medium duty 14-passenger paratransit vehicles. Each vehicle costs \$60,000.00 for a total projected cost of \$120,000.00.

Chairman Selzer asked if this purchase will be made with grant monies. Mr. Dick replied that the vehicles will be purchased through a grant.

Mr. Dick advised that, later this year, SHOWBUS will be getting two buses that were applied for two years ago.

He noted that a public hearing, a requirement of the application process, will be schedule prior to the County Board meeting on November 20, 2007.

Motion by Rackauskas/Clark to Recommend Approval
of a Consolidated Vehicle Procurement Application for
the purchase of two vehicles for SHOWBUS.
Motion carried.

Mr. Will Scanlon, Trial Court Administrator, Circuit Court, stated that the Law Library construction is completed and the Library is being moved into its new space on the 6th floor. He indicated that the Law Library has been operating in the black since April 2007. Mr. Scanlon noted that, under a grant program, a Legal Assistant has been hired to work part-time, which will, hopefully, become an on-going position for the Law Library.

Mr. Scanlon reviewed the McLean County Bar Association Law Library Contribution. He advised that the McLean County Bar Association Board of Governors has voted to contribute the sum of \$1,800.00 to the McLean County Law Library for FY'2007, which is what they have paid since FY'2005. Mr. Scanlon noted that the original Agreement with the McLean County Bar Association calls for an annual contribution of \$6,000.00, of which they have only paid \$1,800 for the past three years leaving an arrearage of \$12,600.00. He asked the Committee if they wish to continue to retain that agreement or sever the agreement and have it rewritten.

Chairman Selzer expressed his frustration with the Bar Association's refusal to either adhere to the current Agreement and pay \$6,000.00 per year, plus the money they owe in arrears, or to sever the Contract, pay the money they owe in arrears and negotiate a new contract. He further expressed his opinion that it may be time to consider filing suit against the Bar Association.

Mr. Zeunik indicated that a meeting was held with the Bar Association one year ago. The Bar Association was unhappy with a decision that was made, by a now retired judge, to dispose of the books in the Law Library. The Bar Association felt that the decision was made without their input. Mr. Zeunik stated that the Bar Association felt that the decision to dispose of the books caused the Agreement to be broken. He noted that the books that were in possession of the Law Library were books that were previously owned by the Bar Association or books that were purchased with the insurance settlement the Bar Association received when the Law Library was destroyed in the Unity Building fire in 1989. Mr. Zeunik advised that the Bar Association's argument was that the Agreement was already broken by action taken by the County. He explained that the County recognized that most of the legal research today is not done in stacks of books but on-line. Also, this was an effort to bring the Law Library Fund back into the black because, at the time, it was heavily in the red. Mr. Zeunik indicated that both sides have an argument over who severed the Agreement. The Bar Association's position is that the County is equally responsible. Mr. Zeunik noted that, after the meeting, it was determined that the current Agreement should be voided and a new Agreement should be negotiated. Because of several personnel changes and various transitions, nothing has been resolved.

Chairman Selzer conveyed his opinion that the Bar Association has had every opportunity to sever the Agreement. He recommended that Mr. Scanlon go back to the Bar Association and ask for the monies they owe to the County in arrears. Chairman Selzer also recommended that that this item be placed on the December Committee Agenda as an Action Item, and to invite the State's Attorney to the meeting.

Mr. Scanlon advised that if this is litigated, any amount between \$5,000.00-\$50,000.00 is an arbitration case and is handled through an arbitration process. It is determined by a panel of three attorneys to render a decision. He noted that the decision can be appealed to the Circuit Court.

Mr. Clark recommended that another meeting be held with the Bar Association to work out a satisfactory agreement for both the County and the Bar Association. Chairman Selzer replied that this has been a history with the Bar Association since he has been on the County Board.

Mr. Scanlon asked if representatives of the County are willing to sit down with the Bar Association to reach a resolution. Chairman Selzer replied that the County would be willing to meet. He recommended that Mr. Scanlon or Mr. Zeunik write a letter to the McLean County Bar Association acknowledging their check for \$1,800.00, but let them know that this is not the correct amount on the Agreement. Mr. Scanlon replied that he will work with Mr. Zeunik to determine who will write the letter and schedule a meeting.

Mr. Moss asked about the part-time employee in the Law Library. Mr. Scanlon replied that a grant was received through the Illinois Legal Assistance Foundation which allows them to provide an employee for 20 hours per week. This assistant provides legal assistance on a wide variety of matters, including small claims court, landlord/tenant problems, family law problems, etc. Mr. Moss asked if they would be helping to provide legal resources or offering legal advise. Mr. Scanlon replied that the assistance would be in finding resources on the computer.

Mr. Zeunik stated that the part-time employee can assist members of the public access certain standard legal forms and help them complete the forms.

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

Mr. Bob Keller, Administrator, Health Department, presented a request for approval of an Ordinance of the McLean County Board amending the 2007 Combined Appropriation and Budget Ordinance for Fund 0112. He stated that this budget amendment is for a \$52,631.00 add-on to the department's Local Health Protection Grant. Mr. Keller indicated that, during the closing days of the spring session of the Illinois General Assembly, a one-time \$5 million increase in the FY'08 (July 1, 2007 through June 30, 2008) Local Health Protection Grant was proposed by Senator Frank Watson. This increase is to be divided equally among the 94 local Health Departments, which is approximately \$52,000.00 per County. The appropriation is a one-time only appropriation and can be used for significant one-time expenses. Mr. Keller stated that most Health Departments are using the funds for Capital Projects. He advised that the following needs were identified in the Health Department:

- Repaint meeting rooms on the third floor of the Health Department,
- Remove the vinyl wallpaper from the first floor hall and repaint the walls,
- Remodel the clinic intake and waiting areas to enhance flow,
- Purchase new copiers for animal control and vital records, and
- Construct a security fence for the Animal Control Center.

Mr. Keller stated that a narrative detailing the expenditures associated with each of these items is included in the Finance Committee packet.

Motion by Rackauskas/Owens to Recommend Approval of an Ordinance of the McLean County Board Amending the 2007 Combined Annual Appropriation and Budget Ordinance for Fund 0112.

Ms. Rackauskas asked about the need for a security fence at the Animal Control Center. Mr. Howe replied that a couple vehicles were vandalized a few weeks ago at the facility. He noted that the fence will be just large enough to house the vehicles in order to limit access to the vehicles. Ms. Rackauskas asked if vandalism is a large problem. Mr. Howe responded that vandalism only happens occasionally. The fence should deter the problem.

Motion carried.

Mr. Keller introduced Mr. Tom Anderson, Director, Environmental Health Division, Health Department. Mr. Keller presented a request for approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation. This will allow the Health Department to increase food and sewage fees by 3% and also to assist in maintaining the minimum standards set by the Illinois Department of Public Health's Food Service Sanitation Code. He noted that this coincides with the budgeted revenue in the FY'2008 Recommended Budget, which the Committee reviewed last month. Mr. Keller stated that technical amendments were made to the Ordinance to make it comply with the Sewage and Food Codes. These are now in line with both State Codes.

Ms. Rackauskas asked for an explanation of the different classes of food establishments. Mr. Anderson replied that the different classes are determined on the size of the establishment and the risk category. He noted that large establishments, such as a hotel with a restaurant, would be a Class A because they serve a wide variety of individuals from the public. Another Class A would be a nursing home or hospital because of the nature of the medically compromised individuals being served. Mr. Anderson stated that Class C would include fast food restaurants and bar and grills that serve a limited menu. Mr. Keller added that the frequency of inspections is much greater with establishments that are complex. Ms. Rackauskas asked if schools need these permits and do they have to pay for the permits. Mr. Keller replied that schools are required to have permits, but not-for-profits, schools, etc. are not required to pay for the permits.

Motion by Moss/Owens to recommend approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation.
Motion carried.

Mr. Don Lee, Director, Nursing Home, presented his Monthly Report. He stated that there was nothing unusual to report. Mr. Lee noted that the census was a little low for the month of September and dropped even lower in October to 139 residents. He stated that, as of yesterday, the census was back to 144 residents.

Chairman Selzer asked what is the capacity of the Nursing Home. Mr. Lee replied that capacity is 150 residents.

Ms. Rackauskas asked if Private Pay makes up about 30% of the population. Mr. Lee replied that Private Pay is about 30%, but that percentage fluctuates.

Ms. Rackauskas asked what percentage of Private Pay residents is most ideal. Mr. Lee responded that there is no ideal percentage. He stated that it has been the County's policy to give admission priority to Public Aid. He noted that if the Private Pay percentage reduced significantly, the County would not have as positive a financial standing. Mr. Lee advised that the Nursing Home is doing very well right now as long as the Intergovernmental Transfer Agreement (IGT) is in place and we are receiving higher payment levels from the State of Illinois than we would be if we were not a County Home. He stated that there are a lot of different factors to consider.

Mr. Zeunik advised that several years ago the Finance Committee changed the percentage of Private Pay. He noted that the Private Pay percentage was reviewed and a threshold of 25% Private Pay was established. He indicated that prior to that change Private Pay was 15% and Public Aid/Medicare was 85%.

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

Chairman Selzer presented the County Recorder's Monthly Report as submitted by Mr. Lee Newcom, County Recorder.

Ms. Rackauskas asked for an explanation on "Rental HSG Support Program" found on Page 30, and "Due Idor-Rental HSG Prog" and "Rental HSG Support Program" found on Page 31 of the Committee Packet. Mr. Zeunik explained that this is a State Law that was enacted a number of years ago that requires the Recorder to collect a \$10.00 fee, with \$9.00 going to the Illinois Housing Development Authority and \$1.00 kept locally. He indicated that the Illinois Housing Development Authority then uses the money from all of the Recorders' Offices to build subsidized rental housing.

Ms. Rackauskas asked that this be a Legislative issue and to contact Representative Dan Brady for an accounting of the money being taken out of our County. She expressed concern that not enough of that money is coming back into the County. Chairman Selzer advised that almost none of that money comes back into the County. It was passed to help when Cabrini Green and other housing projects were discontinued in Chicago. Ms. Rackauskas reiterated that she would like this issue put on the Legislative agenda. Mr. Owens indicated that he believes Dan Brady supported this Bill, while other local representatives did not support the Bill.

Mr. Zeunik explained that this was an initiative that came out of Cook County, driven by the Recorder of Cook County. He stated that everyone knew that a disproportionate amount of the money would go back into Cook County and Chicago.

Chairman Selzer advised that this is a valid concern and asked that the Administrator's Office place this on the next Legislative meeting for discussion.

Chairman Selzer presented the Assessment Status Report as submitted by Mr. Robert Kahman, Supervisor of Assessments.

Chairman Selzer presented the Third Quarter Risk Management Fund Report FY'2007 as submitted by Ms. Ms. Jennifer Ho, Risk Management.

Ms. Carol Ash, Internal Auditor, County Auditor's Office, presented the Audit Summary and/or audit review on the following:

- McLean County Clerk's Accuvote Optical Scan Tabulators,
- SHOWBUS,
- Sheriff's Office Imprest Checking Account,
- State's Attorneys Office Imprest Checking Account.

Mr. Owens expressed his appreciation to Ms. Ash for her brief, concise reports.

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

Ms. Sally Scornavacco, Tax Administrator, County Clerk's Office, presented County Clerk's Monthly Activity Report as distributed. She pointed out that the totals for Voter Registrations/Address Changes/Cancellations are quite high. She indicated that this is in preparation for the voter card purge that the County Clerk's Office is doing. Ms. Scornavacco noted that the totals will be up again for the 4th quarter.

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

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending October 31, 2007 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 October 31, 2007. She pointed out the following highlights:

- Retailers Occupation Tax Revenue Year to Date is \$4,702,471.24, which is 3.89% down from last year and 78.24% of budget.
- State Income Tax Revenue is \$1,575,037.26, which is 8.43% above last year and 98.72% of budget.
- Personal Property Replacement Tax Revenue is \$1,638,388.97, which is 17.17% above last year and 117.44% of budget.
- General Fund Property Tax Revenue is at \$6,696,851.69 which is 95.08% of budget.

Mr. Moss asked why is the March Retailers Occupation Tax Revenue higher than other months. Ms. McNeil replied that the figure reflects revenue received during the Christmas season.

Chairman Selzer pointed out that if internet purchases don't require State's Sales Tax, it will impact the County's Sales Tax Revenue. Mr. Zeunik added that car sales are down, which also impacts that Revenue.

Ms. McNeil reviewed the Investment Report, noting that she included a breakdown of the Cash and Investments by Fund. She indicated that this list shows the balance in every Fund from which the County operates. Ms. McNeil

advised that the Pooled Fund Investments balance of \$24,964,849.31 comes from the cash investments out of all of the Funds on the list. She added that all of those Funds operate out of the same bank account and their cash balances are pooled together and invested together. Ms. McNeil indicated that the list includes grant funds, tax levy funds, inheritance tax, etc. She noted that the Treasurer's Office receives deposits for inheritance tax on deceased individuals that she then turns over to the State of Illinois. Ms. McNeil stated that 6% of the inheritance tax funds are returned to the County.

Ms. McNeil reviewed the funds on the bottom of the list, noting that they are the funds that the cash and investments separate from the Pool. These are also listed separately on the Investment Report.

Ms. McNeil reported that the combined total of all invested funds is \$39,199,231.58.

Ms. McNeil indicated that there were some changes in CD's this past month. She stated that there are two new CD's at a rate of 5.39%. These CD's were booked at the very beginning of the month, but with a date of October 4. Ms. McNeil noted that four CD's matured and were rolled over, as follows:

- US Bank matured on October 1st at \$500,000.00 and was renewed at a rate of 4.92% compared to 5.1% a year ago;
- Busey Bank (\$250,000.00) was renewed on October 2nd at a rate of 5.25% compared to 5.17% a year ago;
- US Bank (\$250,000.00) was renewed at 4.42% compared to 5.06% a year ago.

These rates reflect the drop in the Federal Funds rate.

Ms. McNeil pointed out that Peoples State Bank of Colfax CD matured and was renewed at the same rate as the previous year.

Ms. McNeil reviewed the Money Markets that are part of the Pool. She pointed out that the rate at Illinois Funds at the end of October 2007 is 4.51% as compared to 5.17% as of October 2006. The rate on the Prime Rate at the end of October 2007 is 4.94%, as compared to 5.22% as of October 2006.

Ms. McNeil reported that the CDAP Loans are all current except for Boitnott Foods.

Ms. McNeil stated that the State Salary Reimbursements are all tracking very well, except for the Probation Officers. She reminded the Committee that this is a persistent problem. She indicated that, because of the budget in Springfield, the County will unlikely receive the cash distributions from the State of Illinois for the new fiscal year until late November. Ms. McNeil noted that the receivables are at \$500,000.00 due from the State of Illinois for the Probation Officers' salaries.

Chairman Selzer asked if there is a written agreement for the reimbursement with the State. Mr. Zeunik replied that this is Illinois Law. Mr. Lindberg indicated that the State is supposed to pay 48%-50% of the total obligation. He noted that the money that the County should have started receiving as of July 1 has not yet been received. Mr. Lindberg stated that, because the State starts paying 100% of our vouchers, they pay until the money runs out. The money we should have started getting as of July 1 will run out at the end of December, so the County will likely only receive one payment before the end of the year. Mr. Lindberg advised that the County sued the State in 1982 in the Court of Claims and is still waiting for a determination of that lawsuit.

Chairman Selzer expressed his frustration with this situation.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of October 31, 2007, noting the following:

- The total Revenue as of October 31, 2007 is \$24,921,505.60, which is 82.82% of budget;
- Expenditures are \$24,908,750.38, which is 82.78% of budget;
- The Fund Balance as of October 31, 2007 is \$10,837,287.54.

Mr. Moss asked what is the Sheriff's Donation Fund. Mr. Zeunik reviewed the history of this fund. When Steve Brienen was the Sheriff, someone in the County was concerned about the Sheriff's Canine Unit. This individual wanted to make a donation to the Sheriff's Department designated specifically to support the dogs in the Canine Unit. Therefore, a separate fund was set up so that it could be segregated from the Sheriff's Operating Budget allowing the donor to stipulate how the money was to be used. Ms. McNeil noted that there is a balance in this fund. Chairman Selzer suggested that the money in this Fund be spent on the Canine Unit. Ms. McNeil indicated she will check with Sheriff Emery to see how these funds can be used.

Mr. John Zeunik, County Administrator, presented a request for approval of the Position Reclassifications and Salary Upgrades recommended as part of the Fiscal Year 2008 Recommended Budget. He stated that every year at the November Finance Committee meeting, the FY'2008 recommended position reclassifications and salary upgrades are reviewed.

Mr. Terry Lindberg, Assistant County Administrator, reported that there were nine requests for reclassifications. He stated that two of the requests were recommended within the FY'2008 General Fund. Mr. Lindberg pointed out that the memorandum refers to three actual reclassifications. He explained that one reclassification is driven by a salary compression issue resulting from the settled F.O.P. deputies' contract.

Mr. Lindberg advised that there was one reclassification that occurred outside of the General Fund and is not included on this list. He explained that there are two crew leaders in the Highway Department, both called Highway Maintenance Coordinators. Because of changes in the way business is done at the Highway Department, one Crew Leader supervises a very small specialized crew. The second Crew Leader supervises the entire balance of the labor force on two or three different job sites. Mr. Lindberg stated that there is now a Highway Maintenance Coordinator I and a Highway Maintenance Coordinator II.

Mr. Lindberg reviewed the FY'2008 General Fund Budget, which includes recommendations to reclassify three (3) job classifications, affecting six (6) positions. These position reclassifications were evaluated using the Position Appraisal Method (PAM) system adopted by McLean County in 2000 as a result of a comprehensive consulting study by Public Administration Service, Inc.

Mr. Lindberg stated that the Administrator's Office recommends an upgrade for an existing Legal Assistant I position in the State's Attorneys Office to the existing title of Legal Assistant II. Since both titles currently exist, this recommendation affects only one incumbent. Mr. Lindberg indicated that additional emphasis on Drug Court and a proliferation of new rules and technologies for interview recording and transcription require a position which scores higher in the Knowledge/Ability and Supervision/Responsibility factors in the PAM scoring system, resulting in an upgrade of one position from salary grade 6 (Legal Assistant I) to salary grade 7 (Legal Assistant II). Mr. Lindberg noted that the annual financial cost is \$2,070.00.

Mr. Lindberg stated that the Administrator's Office recommends the creation of a new job class entitled Inmate Assessment Specialist II in the Correction Division of the Sheriff's Department. He noted that there are currently two (2) incumbents in the Inmate Assessment Specialist job class within the Adult Jail. Due to the addition of several programs intended to provide alternatives to straight time incarceration, the assessment and classification process has become more complicated. Mr. Lindberg indicated that this programmatic change resulted in increased job scores in the Knowledge/Ability, Supervision/Responsibility, Authority and Public Contact factors of the PAM scoring system. One incumbent will remain in the existing Inmate Assessment Specialist I job class at a salary grade 9 and one incumbent will be reclassified to the newly created Inmate Assessment Specialist II job class at salary Grade 10. Mr. Lindberg reported that this job reclassification will result in a \$5,144.00 FY'2008 budgetary impact.

Mr. Lindberg advised that, as a result of the recently stipulated Fraternal Order of Police (FOP) contract agreement with the Sheriff's Deputies, Investigators, Lead Process Server and Sergeants, an existing salary compression situation between Sergeant and Command Lieutenant was exacerbated. He indicated that there are four (4) Command Lieutenant positions in the Sheriff's Budget. These Command Lieutenants supervise Sergeants, Investigators, Lead Process Server and the Deputies. In order to recognize the value of Command Lieutenants, and to provide financial incentives for experienced Sergeants to accept promotions to Lieutenant, the Administrator's Office recommends the Command Lieutenant position be upgraded from a salary grade 12 level to a salary grade 13 level. Mr. Lindberg indicated that there is a significant cost associated with the reclassifications, but it was necessary to assure promotions into the command ranks.

Mr. Lindberg advised that the grid used to consider these requests is included in the Committee Packet on Page 64.

Motion by Clark/Rackauskas to recommend tentative approval of Position Reclassification and Salary Upgrades recommended as part of the Fiscal Year 2008 Recommended Budget.
Motion carried.

Mr. Lindberg presented a request for approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2008. He noted that Open Enrollment will occur later this month, pending Board approval of this Resolution.

Mr. Lindberg advised that, in the Health Insurance program, the employee rates will go up from 8% to 10%. The overall rates for the cost of Health Insurance to the County will increase only 4.2%. He explained that the difference is due to the fact that the County offers a substantial amount of rebates back to the employees for diagnostic and preventative care, and for successful participation in the Health Risk Assessment and Wellness programs. When you add the cost of those amounts paid out to employees, the County is at about a 9% total increase, which is equivalent to the budget planning on the amounts raised through all of the various department budgets to fund the plan.

Mr. Lindberg indicated that, even with the rate increases, the Health Insurance program deductibles and out of pocket maximums will increase. He stated that the County will share that cost burden with the employees. As part of the Rebate Program, the County will share in meeting the employee deductibles for diagnostic and wellness care. Additionally, the County will share the deductible for employees who participate in the Health Risk Assessment. Mr. Lindberg advised that this is a trend that more and more employers are implementing.

Ms. Rackauskas asked if the figures on the Resolution are the monies paid by the County for the employee for insurance. Mr. Lindberg explained that the first set of bold numbers "\$66.00 through \$414.70" are the monthly premiums for the employee's share. He indicated that the \$66.00 is what the single employee would pay up to \$414.70 for a family. Mr. Lindberg stated that, on the bottom of Page 69, the total rate paid by both employee and employer share is \$400.00 for a single and up to \$986.00 for a family. The total cost to insure an individual is \$4,800.00 per year and the individual is paying about \$800.00 of that amount. The total coverage on a family is \$986.00, with the employee paying \$414.70 and the County paying \$571.00 towards that coverage.

Chairman Selzer asked what percent participation does the County have for total employees. Mr. Lindberg replied that, of eligible employees, about 70% participate in the program.

Ms. Rackauskas asked how many individuals are employed by the County. Mr. Lindberg replied that there are almost 1,000 total employees, but only about 850 are eligible for health insurance. Ms. Rackauskas stated that she feels this is a good rate for health insurance.

Chairman Selzer suggested that the County establish a program for people to apply for a subsidy for their health insurance based on their financial criteria. Mr. Lindberg replied that the County participates in "All Kids" and there are two specialists within the Health Department who take "All Kids" applications and

assist people with the program. He stated that the County is aware of its neediest people in the County's population and makes sure that the people who are qualified are made aware of the program.

Ms. Rackauskas informed the Committee that she recently looked at minimum wage jobs in the community, where some people make \$7.50 per hour. Some of these individuals work six days a week with no benefits, such as holidays, paid vacations or health insurance. She pointed out that some hotel management indicated that they offer health insurance to the maids for \$20.00 twice a month. Ms. Rackauskas noted that if a maid only receives \$7.50 per hour, \$40.00 less per month in a paycheck is a lot of money. She concluded that there is potentially a large population of residents in McLean County who are not insured.

Motion by Owens/Moss to recommend tentative approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2008.
Motion carried.

Mr. Zeunik presented a request for approval of a recommendation for Outside Auditing Services. He explained that, consistent with McLean County's past practices, and in accordance with guidance from the Government Finance Officers Association, the County Administrator's Office worked with the County Auditor and the County Treasurer to develop and issue a Request for Proposals (RFP) for certified public accounting firms to perform audit and related services for fiscal years 2007 through 2009. Although there are no legal requirements to rotate audit firms, due to the fact that the County's previous firm had served for nine years, proposals were sought from other firms. Mr. Zeunik stated that, after determining the level of interest among qualified firms, 10 RFP's were distributed. Five firms attended a pre-proposal conference on October 17, 2007. Four firms submitted technical and cost proposals on October 29, 2007, which are summarized on Page 72.

Mr. Zeunik advised that a committee comprised of Ms. Becky McNeil, County Treasurer; Ms. Jackie Dozier, County Auditor; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office; Mr. Terry Lindberg and himself reviewed all technical proposals for compliance with mandatory technical requirements listed in the RFP and determined that all four were qualified. The Technical Review Committee then reviewed the technical proposals based on the proposed scope of services, audit approach, knowledge of recent Governmental Accounting Standards Board (GASB) pronouncements, experience and staff qualifications. Mr. Zeunik reported that the committee agreed that all four firms met the technical requirements set forth in the RFP.

Mr. Zeunik stated that, after technical and staffing plan reviews were completed, the separate sealed cost proposals were opened and reviewed. He noted that all respondents were asked to provide two cost proposals, namely one cost proposal based on County staff accepting full responsibility for producing the Comprehensive Annual Financial Report (CAFR) and all supporting documents, disclosure notes, reconciliations and adjustments, and one cost proposal based on the audit firm continuing to provide substantial assistance to prepare the CAFR. Mr. Zeunik advised that one of the directions that the County is being advised to pursue is that it should be the County's responsibility to totally prepare the CAFR without assistance from the outside auditing firm. Mr. Zeunik stated that, in an effort to position the County so that it can entirely prepare the CAFR, a Financial Reporting Specialist position was added in the County Auditor's Office.

The following are the results of the cost proposals, with and without including CAFR assistance:

<u>Company</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
McGladrey & Pullen			
No CAFR	\$72,075.00	\$75,055.00	\$77,565.00
CAFR Assistance	77,325.00	80,455.00	83,115.00
Sikich			
No CAFR	\$85,775.00	\$89,885.00	\$94,555.00
CAFR Assistance	91,465.00	95,850.00	100,835.00
Virchow Krause			
No CAFR	\$86,000.00	\$89,000.00	\$93,000.00
CAFR Assistance	91,000.00	95,000.00	99,000.00
Crowe Chizek			
No CAFR	\$123,800.00	\$130,000.00	\$136,500.00
CAFR Assistance	129,800.00	136,500.00	143,000.00

Mr. Zeunik indicated that compliance with Statements on Auditing Standards No. 104-111, collectively known as the Risk Assessment Standards, is expected to require additional time and effort by the audit firm as well as County personnel. This was anticipated in the County's FY'2008 budget planning. As a result, there are sufficient funds budgeted to cover the proposed expense of either cost option.

Finance Committee
November 7, 2007
Page Sixteen

Mr. Zeunik announced that the committee recommends the McGladrey & Pullen proposal as the most cost-effective choice for the County. He noted that the proposed price for each year of auditing services, whether we rely on County staff to do the CAFR or the audit firm provides substantial CAFR preparation assistance, it is the lowest of all proposals, and the proposal meets or exceeds all other criteria in the RFP.

Mr. Zeunik requested the approval of the Finance Committee to enter into a contract for services with McGladrey & Pullen.

Mr. Owens asked where is this firm based. Mr. Zeunik replied that McGladrey & Pullen has offices throughout Illinois and the Midwest. The office that submitted the proposal is in Davenport, Iowa.

Motion by Moss/Rackauskas to recommend tentative approval of the Recommendation for Outside Auditing Services.

Motion carried.

Chairman Selzer presented the October 31, 2007 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund Total is \$666,426.92 with a Prepaid Total the same and the Finance Committee bills include a Prepaid Total of \$909,298.38 and a Fund Total that is the same.

Motion by Owens/Butler to recommend approval of the Finance Committee bills as of October 31, 2007 as recommended by the County Auditor.
Motion carried.

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

Motion by Owens/Butler to Recommend that the Finance Committee go into Executive Session at 9:00 a.m. to discuss Collective Bargaining with the Committee Members and the Administrator's Office Staff.

Motion by Owens/Butler to recommend the Finance Committee return to Open Session at 9:15 a.m.
Motion carried.

Finance Committee
November 7, 2007
Page Eighteen

There being nothing further to come before the Committee at this time,
Chairman Selzer adjourned the meeting at 9:17 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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