

## **Minutes of the Finance Committee**

The Finance Committee of the McLean County Board met on Monday, November 2, 2009 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Rackauskas, Caisley, and Moss

Members Absent: Members Butler and O'Connor

Other Members Present: None

Staff Present: Mr. Terry Lindberg, County Administrator; Mr. Bill Wasson, Assistant County Administrator; and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office

Department Heads/  
Elected Officials  
Present:

Mr. Phil Dick, Director, Building and Zoning; Ms. Jennifer Ho, Risk Management; Mr. Walt Howe, Administrator, Health Department; Ms. Becky McNeil, County Treasurer; Mr. Matt Riehle, Administrator, McLean County Nursing Home; Mr. Robert Kahman, Supervisor of Assessments; and Ms. Michelle Anderson, County Auditor

Others Present:

Ms. Hannah Eisner, First Civil Assistant State's Attorney; Mr. Tom Anderson, Director of Environmental Health, Health Department; Ms. Cathy Dryer, Fiscal Services Supervisor, Health Department; Ms. Julie Osborn, Chief Deputy Auditor, County Auditor's Office; Ms. Megan Nelson, Chief Deputy County Clerk; Mr. Don Meyer, Unit Leader, McLean County Cooperative Extension Services; Ms. Laurie Peterson, Cooperative Extension; Mr. Lyn Ash, Cooperative Extension; Ms. Rose Harms, Cooperative Extension; and Mr. John Elliott, Cooperative Extension

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

Chairman Owens presented the minutes of the October 7, 2009; October 8, 2009 Reconvened from October 7, 2009; October 8, 2009 Special Budget; and September 15 Stand-up Finance Committee Meetings.

Motion by Moss/Caisley to approve the Minutes of the October 7, 2009; October 8, 2009 Reconvened from October 7, 2009; October 8, 2009 Special Budget; and September 15 Stand-up Finance Committee Meetings.  
Motion carried.

Mr. Robert Kahman, Supervisor of Assessments, reviewed his Assessment Status Report, the EAV Change Current vs. Prior Year before BOR Action report and the Publication Date Current vs. Prior Year report.

Mr. Kahman stated that only 14 townships remain open to receive complaints. He indicated that there are currently 728 complaints which are more than typical, but he attributes that to the economic climate. Mr. Kahman noted that the County's median publication date has improved by half a month. He added that this also marks the first time in recent history that all 31 townships have been published before the end of October.

Ms. Rackauskas asked why Normal's multiplier is higher than Bloomington. Mr. Kahman replied that Mr. Mike Ireland, City of Bloomington Township Assessor, completed a reassessment this year thereby capturing the values at his level instead of Mr. Kahman capturing it through a multiplier; therefore, Bloomington's multiplier is lower than Normal's.

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

Mr. Phil Dick, Director, Building and Zoning presented a request for approval to update the Lease Agreement with SHOW BUS for Vehicles. He indicated that SHOWBUS is getting two new buses through the Illinois Department of Transportation ("IDOT").

Mr. Dick stated that this Lease Agreement is for the buses that SHOW BUS leases from McLean County.

Mr. Dick reminded the Committee that SHOW BUS provides rural public transportation for McLean, Livingston, Ford, DeWitt, and Iroquois Counties. The busses are paid for by a grant through IDOT.

Motion by Caisley/Rackauskas to recommend Approval to Update the Lease Agreement with SHOW BUS for two new Vehicles.  
Motion carried.

Mr. Walt Howe, Administrator, Health Department, presented a request for approval of an Amendment to the McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation. Mr. Howe introduced Mr. Tom Anderson, Director of Environmental Health, Health Department and Ms. Cathy Dryer, Fiscal Services Supervisor, Health Department.

Mr. Howe indicated that these amendments are related to the Health Department's Fiscal Year 2010 Budget. He advised that usually he will come before the Finance Committee to propose a 3% across-the-board increase in fees for food permits and for installer and pumper fees in the sewage program. Mr. Howe advised that this request is more extensive because it was necessary to change some of the language with the food ordinance to make it consistent with the new model food code in the State of Illinois. He added that this ordinance will clarify the holding temperatures for foods to keep them on the safety side of 140 degrees. Mr. Howe stated that the proposed changes consist of the following:

- A 3% increase for all food permit fees included in Chapter 26 of the McLean County Revised Code.
- The incorporation of an Illinois Department of Public Health field guide to be used in conjunction with the IDPH Food Code and the McLean County Food Service Ordinance.
- The incorporation of a variance procedure for all food establishments regulated by Chapter 26 of the McLean County Revised Code.
- A requirement for all potentially hazardous foods in food establishments, retail food establishments, and temporary food establishments to be held at 140 degrees Fahrenheit or higher and 45 degrees Fahrenheit or lower.
- An increase for all Temporary Food Establishment permit fee included in Chapter 26 of the McLean County Revised Code.
- An addition of a new Temporary Food Permit classification category to differentiate the fee structure for a one to two day special event from a special event lasting three to fourteen days.
- An addition of a separate fee to be charged for a three to fourteen day temporary food permit issued for a special event.
- A change in the definition for Fee Exempt Temporary Food Establishments. The proposed change makes the fee exemption for Temporary Food Establishments consistent with fee exemptions for all other food service establishments regulated by Chapter 26 of the McLean County Revised Code.
- The addition of late fees for temporary food applications received by the Health Department less than five business days prior to the start of the proposed special event and any person found operating at a special event without submitting an application to the Health Department and received approval.

- A 3% increase for all permit fees in Chapter 28 of the McLean County Revised Code covering private sewage disposal systems and installer and pumper license fees.

Mr. Howe reported that the Health Department has not changed the Temporary Food Permit fees since 1995. He indicated that increases are being proposed associated to the duration of the events due to the fact that there is more intensive staff time associated with lengthy events. Mr. Howe noted that the Class J Permit used to be a flat \$35.00. The proposed increase would be \$50.00 for 1-2 day special events and \$75.00 for 3-14 day special events. The Class K Permit will increase from \$120.00 to \$180.00.

Mr. Howe stated that the rest of the changes in the ordinance deal with language clarification.

Mr. Caisley asked what the maximum temperature was before the proposed amendment. Mr. Anderson replied that the temperature was 140 degrees. He noted that the industry convinced the federal government to reduce the temperature to 135 degrees. Mr. Anderson indicated that the industry is now trying to get that changed to 130 degrees. He noted that the federal government agreed on the lower temperature based on laboratory conditions. Mr. Anderson added that there are harmful bacteria that grow at 128.5 degrees. Mr. Howe advised that the Health Department is proposing to keep the temperature at the previous 140 degrees.

Mr. Caisley asked if keeping the temperature at 140 degrees will cost the local food industry more money. Mr. Anderson replied that the 140 degrees has been in effect since 1974 so keeping it at that temperature will not make any difference to the expense for the food industry.

Ms. Rackauskas asked if the annual 3% increase on food permit fees covers the increase in cost to the Health department. Mr. Howe replied that the Health Department costs increase more than 3%, but they try to keep the cost equitable on an annualized basis. Mr. Anderson reiterated that the Temporary Food Permit Fees have not increased since 1995, which is why there is a significant increase for these permits.

Mr. Caisley expressed concern that labor, fraternal, veterans, political, and civic organizations are being deleted as tax exempt in Section 26.85-6(B) *Fee Exempt Establishments*. Mr. Anderson explained that there are organizations that are already fee exempt so the paragraph was redundant. The political and civic organizations fall under other definitions of terms within that definition, mainly the charitable. Most of the political fund raisers that occur in McLean County occur at licensed establishments so

there is no reason for them to get a temporary fee permit. Mr. Howe added that there is little to no impact in the adjustment of this paragraph; rather it brings it in line with the language associated with other categories of defining tax exempt organizations.

Mr. Caisley stated that he believes that the labor, fraternal, veterans, political, and civic organizations should not be deleted in Section 26.85-6(B). Mr. Howe responded that the deletion is an attempt to be consistent with the other language associated in other sections of the ordinance. He noted that political organizations that are generating money in order to collect a profit should pay the fees associated to what it costs the Health Department to conduct the inspections. Mr. Howe advised that the Health Department only wants to give a break of the non-fees to those organizations that are charitable organizations. Mr. Lindberg stated that the position of the Health Department is that there is no intrinsic reason why a political organization should not pay the fee.

After additional discussion, Mr. Caisley made a motion to reinstate the sections that were deleted in Section 26.85-6(B). There was no second to his motion.

Chairman Owens asked if there have been any instances when a political event was exempt from paying the fee. Mr. Anderson replied that in his 22 years in the Health Department, he does not know of one political event that required a food permit.

Motion by Moss/Rackauskas to recommend Approval of an  
Amendment to McLean County Revised Code, Chapter 26,  
Food Service, and Chapter 28, Health and Sanitation.  
Motion carried with Mr. Caisley voting "no."

Mr. Howe presented a request for approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0107. He explained that the Health Department was notified by the Illinois Department of Public Health that it has been awarded a grant of \$288,104 covering the period of July 31, 2009 through July 30, 2010 encompassing the implementation phase of the Public Health Emergency Response to the pandemic influence H1N1.

Mr. Howe stated that the Health Department estimates that approximately \$176,154 of the grant will be targeted for expense during the County Fiscal Year 2009. The spending plan includes personnel expense associated with 70-75 Health Department employees working at mass public vaccination clinics. Mr. Howe noted that Health Department is currently planning to hold 11 clinics through the end of 2009 as long as there is an ample supply of vaccine. The personnel expenses will include all efforts associated with setting up the clinics, managing the clinics, administering the vaccinations, patient registration, and crowd and traffic control.

Mr. Howe stated that in addition to personnel expenses, the implementation phase of the response grant will also include costs associated with contractual costs associated with the mass vaccination clinics. Costs that will be covered are equipment rental such as tables and chairs, truck rental for transporting supplies and equipment to the clinic sites, leases for clinic sites and the payment of contractual nurses.

Ms. Rackauskas asked what has been the average wait in line to receive the vaccine. Mr. Howe replied that the longest wait has been three hours, but the average is probably between an hour and an hour and a half.

Ms. Rackauskas asked if it was possible to have more than one vaccine site at a time. Mr. Howe replied that it is cost prohibitive to have more than one site. He indicated that the clinics have averaged about nine immunizations per minute. Mr. Howe advised that there is not enough staff to have multiple sites.

Mr. Howe stated that the Health Department is looking into having clinics that may be open just for specific individuals such as pregnant women, or small children, etc. This may limit the amount of individuals that would be eligible to come to the site, which would cut down on the wait time.

Ms. Rackauskas expressed concern for those people who cannot stand in line for hours. Mr. Howe replied that the Health Department is trying to schedule some alternatives for those people who cannot wait for great lengths of time.

Motion by Caisley/Rackauskas to recommend  
approval of an Ordinance of the McLean County  
Board Amending the 2009 Combined Appropriation  
and Budget Ordinance for Fund 0107  
Motion carried.

Mr. Howe distributed the Health Department's Annual Report to the Committee that provides information on the volume of services provided at the Health Department, including TB visits, STD clinics and services. He added that the Health Department is also developing a unit cost summary report that will be distributed at a future meeting.

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

Chairman Owens called for a motion to go into *Executive Session* to discuss pending litigation.

Motion by Moss/Caisley to Recommend the Finance Committee go into Executive Session at 4:28 p.m. to discuss Pending Litigation with the Committee Members; the Administrator's Office Staff; Ms. Jennifer Ho, Risk Management; and Ms. Hannah Eisner, First Assistant Civil State's Attorney.  
Motion carried.

Motion by Rackauskas/Moss to recommend the Finance Committee return to *Open Session* at 4:45 p.m.  
Motion carried.

Ms. Jennifer Ho, Risk Management, presented her Third Quarter Risk Management Fund Report for Fiscal Year 2009, noting that the cumulative claims experience is shown in Table 1 attached and the "new claims" experience is shown in Table 2.

Ms Ho indicated that, since the June 31, 2009 quarterly, the County has two new auto physical damage claims totaling \$1,651, no new auto liability claims, and four new general liability claims totaling \$2,780 and 15 new reported work injuries. As of the third quarter of 2009, there are no liability claims that would exceed \$100,000.

Ms. Ho stated that, as indicated by Table 2, the overall claims experience for the County is the second lowest in the last five years, second to the claims experience for FY'2008. In terms of total claims dollars, FY'2009 is the second highest since FY'2006, with incurred claims dollars being the second highest since FY'2006, even though the number of worker compensation claims count is the second lowest since FY'2008. Ms. Ho explained that this is primarily due to the high severity potential of the work performed by some classes of County employees.

Ms. Ho advised that, for Fiscal Year 2010, the cash flow is being monitored and plans are being developed to make changes in the operations to make sure that the Workers Compensation costs remain manageable.

Ms. Ho presented the Actuarial Analysis of Self-Insured Liabilities Report. She stated that the actuarial study of the County's self-insured liabilities as of June 30, 2009, conducted by Pinnacle Actuarial Resources, is included in the packet. She noted that the goal of the study was to satisfy requirements under GASB 10 and to provide guidelines for the County's self-insured liabilities. The analysis is based on the County's experience since 1997.

Ms. Ho introduced Mr. Paul Vendetti, the Principal Actuary engaged in this project. She noted that Mr. Vendetti will provide an overview of the study and answer any questions.

Mr. Vendetti stated that the County's reserves and the prospective funding were reviewed using data as of June 30, 2009. He stated that the Funding Study is a prospective look, meaning you are looking out into the next year to determine what the next year will cost for the self-insured program. The Reserve Study is a retrospective look, looking back to determine what it will cost to run off all the claims that have occurred historically from June 30, 2009 backwards three, four and five years.

Mr. Vendetti advised that generally accepted actuarial techniques and methodologies are used in this actuarial study.

Mr. Vendetti referred to the bar chart on page 13 of the packet, "Reserves – Auto Liability." He explained that this is a reserve study, or a retrospective look. Mr. Vendetti stated that there are three types of losses that are reviewed, namely:

- Paid Loss which is the amount of money that the County has already written a check for;
- Case Reserve is the reserves where a claim has been reported and a reserve has been set aside for that claim;
- IBNR reserve is the incurred, which is the amount of liability for claims that have occurred but have not been reported to the Committee.

Mr. Vendetti indicated that IBNR reserves are for claims that are open now that have case reserves set aside, but the case is settled for a different amount. He noted that this is the segment that is unknowable and the segment with which he operates for the study.

Mr. Vendetti pointed out that the graph shows that the 2009 policy period has the most in IDNR, which is because it is unknowable at this time. There are a lot of claims that have not been reported, but will begin to trickle in as people start going through the process of reporting the claim. The graph for the 2005 period shows that the IDNR is almost completely paid, which means that all claims in that year will be paid off. Mr. Vendetti indicated that there will be more reserves in the most recent year and less in the latter years.

Mr. Vendetti stated that he looked at Worker's Compensation, Auto Liability, and General Liability for the report. He concluded that the County's liability requirement for total reserves, including Case and IBNR, is approximately, \$1.8 million, of which about \$400,000 is IBNR and \$1.4 million is case reserves.



Ms. Ho stated that IBNR can be for claims that are late reported or for an adverse development in a claim that has already happened. She added that on the conservative side of things, it is prudent to recognize the importance to have funding in reserve for the unexpected. Ms. Ho stated that her intent has always been to include a portion of IBNR in the budget. She noted that in the event of a catastrophic incident, the IBNR would kick in and take care of that. Ms. Ho added that it is important to continue to fund IBNR and to recognize that catastrophic events can happen and funding must be available.

Ms. Ho advised that, given the budget constraints that the County is under, the reserves have declined. She noted that the County provides for normal funding in the FY'2010 budget. Ms. Ho stated that she is hopeful that the anticipated changes she is making will have a positive impact on the 2010 budget. She indicated that she is cognizant that the County does not have sufficient budget for case reserve expenses so it becomes necessary to go to the Tort Fund. Ms. Ho added that this is not a practice that should be taken all of the time. She noted that we don't want to drain the "rainy-day" funds.

Ms. Rackauskas observed that this situation puts the County in a precarious situation since it can't put as much money away. Mr. Lindberg advised that the anticipated changes in the approach to Workers Compensation will increase the management oversight of the Workers Compensation since it is the largest area of the County's cost exposure. He added that Ms. Ho has some innovative plans that she will provide to the Committee next month.

Chairman Owens asked if there were any additional questions or comments. Hearing none, he thanked Ms. Ho and Mr. Vendetti.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending October 31, 2009, as distributed.

Ms. McNeil reviewed the Summary of Tax Receipts through October 31, 2009 report, which reflects how financial conditions are affecting revenue on our Sales and Income tax receipts. She noted the following:

		<u>% change from 10/31/08</u>
<b>October 2009 Revenue:</b>		
Sales Tax	\$364,839.68	-12.3%
Revenue Sales Tax	48,306.33	-16.4%
Local Use Tax	19,740.03	012.2%
Income Tax	143,461.25	-21.1%

PPRT	<u>276,850.21</u>	15.8%
Total	\$853,197.50	

**Monthly Comparison**

October 2009 Revenue	\$853,197.50
October 2008 Revenue	<u>917,251.77</u>
Difference	(\$64,054.27)

**YTD Comparison**

YTD 2009 Revenue:	\$7,283,647.67
YTD 2008 Revenue:	<u>8,156,130.87</u>
YTD Difference:	<b>(\$ 872,483.20)</b>

**Budget Comparison**

2009 Annual Budget:	\$9,545,150.00
Budgeted Revenue Per Month:	\$ 795,429.17
Budgeted revenue thru 9/30/09:	<b>\$7,954,291.67</b>

YTD Actual Receipts	<b>\$7,283,647.67</b>
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Amount Over (Under) Budget:	<b>(\$ 670,644.00)</b>
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Ms. McNeil reviewed the Investment Report, which reflects the current interest earnings. However, she noted that since this meeting was on November 2<sup>nd</sup>, she was unable to get updated interest rates, so the rates on the report are as of September. She indicated that one CD in the amount of \$90,000 came due and was renewed at 1.75% compared to 4.10% a year ago. Ms. McNeil advised that she looks at rates every week looking for good deals.

Ms. McNeil reported that the Money Markets are the highest performing areas with the Heartland Bank and State Farm Bank.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance. She noted that interest in investments is down significantly. Ms. McNeil noted the following:

- Total Revenue year to date as of October 31, 2009 was \$25,792,064.97, which is 78.68% of budget;
- Expenditures were \$26,167,498.46, which is 80.37% of budget;
- The Fund Balance as of October 31, 2009 was \$9,381,955.42;
- The YTD Net Fund balance is a drop of \$375,433.49.

Ms. McNeil indicated that the receivables due to the County are being watched very closely, particularly the receivables from the State of Illinois. Ms. McNeil advised that because the budget in Springfield has not been 100% approved yet, some of the salary reimbursements that typically come in this time of year are not coming in, such as salaries for the Supervisor of Assessment, Public Defender, State's Attorney, and Assistant State's Attorney. She stated that the only concern she has is that the funds have not even been released to the Comptroller, which should be done by now. Ms. McNeil added that she will continue to watch these numbers.

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

Mr. Matt Riehle, Administrator of the McLean County Nursing Home, presented a request for approval of a Resolution establishing charges for services at the McLean County Nursing Home. Mr. Riehle advised that each year, as the budget is reviewed, the Committee also reviews the charges for care at the McLean County Nursing Home to make certain that the Private Pay rate is adequate to cover the cost of providing care. The proposed increase was incorporated into the revenue projections of the 2010 proposed budget.

Mr. Riehle stated that the rate is determined by a mathematical computation. The total approved budget is divided by the anticipated number of patient days to arrive at an average cost per patient day. This is then recommended to the McLean County Board for adoption as the new Private Pay rate. Based on the computation, Mr. Riehle recommended that the Committee approve the rate of \$152.00 per day effective January 1, 2010, and forward that recommendation to the McLean County Board for approval.

Mr. Riehle indicated that the daily rate for the Medicare Certified section is established at an arbitrary amount above the Private Pay rate and is only used for cost reporting purposes. He recommended that the McLean County Board set the daily rate for the Medicare Certified section at \$158.00 per day which is the same as last year.

Motion by Moss/Rackauskas to recommend Approval of a  
Resolution Establishing Charges for Services at the McLean  
County Nursing Home.  
Motion carried.

Mr. Riehle reviewed his General Report. He advised that HFS announced as of October 1<sup>st</sup> an Emergency Rule that will get rid of the Intergovernmental Transfer, which was anticipated to happen at the beginning of this year.

Mr. Riehle indicated that HFS made a transfer payment to the Nursing Home, but did not provide a formula for the payment the Nursing Home returns to HFS. He noted that the report does not reflect a return payment. Mr. Riehle added that the formula should be available by November 4<sup>th</sup>. Traditionally the transfer payments have been anywhere from \$140,000 to \$160,000, which still leaves the Nursing Home budget in good shape. Mr. Riehle stated that he was told by HFS that it will be to the benefit of the Nursing Home to get rid of the Intergovernmental Transfer. Mr. Lindberg added that the frustration is in not knowing exactly how this process will take place. He stated that he has worked with Metro Counties and through the State County Nursing Home Association. Mr. Lindberg indicated that the process shifts the amount of federal Medicare dollars coming into the state to other programs and shifts some away from county nursing homes. Mr. Lindberg concluded that it appears that the Nursing Home will end up receiving about a 25% reimbursement.

Mr. Caisley pointed out that the private pay rate determined for 2010 is based upon a census of 131 patients per day, but the average census on the report is 121.1 individuals for September. He asked if a seasonal rise in patients is anticipated. Mr. Riehle replied that there is already a seasonal rise, noting that the census for next month will reflect closer to 125 or 126 residents. He added that there is a gap in the Baby Boomer aging population, but the numbers of people requiring nursing home care will increase dramatically in the next ten years.

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

Ms. Megan Nelson, Chief Deputy County Clerk, County Clerk, presented the County Clerk's September 2009 Monthly Report.

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

Chairman Owens presented the County Recorder's Monthly Report as submitted by Mr. Lee Newcom, County Recorder. There were no questions on the report.

Ms. Michelle Anderson, County Auditor, passed along Mr. Newcom's regrets that he had to leave the meeting early to pick up a child.

Ms. Anderson introduced Ms. Julie Osborn, Chief Deputy Auditor. Ms. Osborn distributed information on the Federal Operating Assistance Grants for SHOW BUS.

Ms. Anderson presented a SHOW BUS Audit. She advised that Ms. Osborn prepared the audit for SHOW BUS as well as the information that was distributed showing the funding source for SHOW BUS.

Ms. Osborn indicated that SHOW BUS is operated with the assistance of the following grants:

- Federal Operating Assistance Grants
  - 2008-2009 (July 1, 2008-June 30, 2009): \$376,393
  - 2009-2010 (July 1, 2009-June 30, 2010): \$434,020
- Federal Capital Assistance Grant through the American Recovery and Reinvestment Act to be used for computers and radios for the buses
  - 2009-2010 (July 1, 2009-June 30, 2010) \$50,000
- Consolidated Vehicle Procurement Grants – Federal Funds
  - 2008-2009
    - 1 Medium Duty Vehicle w/Lift \$64,906
      - Local Share: \$12,981

(Insurance settlement in 2007 - \$23,000 - \$10,019 remaining)

    - 1 Light Duty Vehicle w/lift \$50,944 (to be delivered)
  - 2009-2010
    - 1 Medium Duty Vehicle w/lift (diesel) \$64,904
    - 2 Super Medium Duty Vehicles \$185,830
- Downstate Public Transportation Assistance Grant – State Funds
  - 2008-2009 \$827,450
  - 2009-2010 \$91,200

(Funded by state statute (1/10<sup>th</sup> of 1% of sales tax) downstate assistant – used as a match for the Federal Grant)

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

Mr. Terry Lindberg, County Administrator, presented a request for approval of an Ordinance authorizing the public approval of the issuance of certain Collateralized Single Family Mortgage Revenue Bonds and certain documents in connection therewith; and related matters. He advised that this is a statewide program. Mr. Lindberg reported that approximately 900 people in McLean County have taken advantage of this program that operates through most of the local banks in the community. He noted that there is no match and no risk to the County.

Motion by Caisley/Rackauskas to recommend Approval of an Ordinance Authorizing the Public Approval of the Issuance of Certain Collateralized Single Family Mortgage Revenue Bonds and Certain Documents in Connection therewith; and related matters.

Motion carried.

Mr. Lindberg presented a request for approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2010. He indicated that Mr. Wasson will provide information on this resolution.

Mr. Bill Wasson, Assistant County Administrator, advised that this resolution deals with the annual setting of premiums for health insurance for County employees, retirees and Cobra coverage. He reported that other than a very small change in life insurance rates, rates will remain the same in 2010 as they did in 2009. Mr. Wasson indicated that insurance provider was changed to Blue Cross/Blue Shield PPO in 2010. He noted that there have been two open enrollment meetings with employees. The meetings have been well attended and he has received very positive feedback on the insurance plan for 2010.

Ms. Rackauskas asked how many employees does this cover. Mr. Wasson replied that there are approximately 700 fulltime employees and 100 part-time employees that are eligible for the program. Of that amount, just over 550 employees participate in the program. Mr. Lindberg noted that the remaining employees who do not take the County insurance are probably insured under a spouse's insurance.

Mr. Wasson indicated that legislation was passed in 2009 that allows dependents up to 26 years of age be eligible to be covered by the plan. Previous to that, a dependent child of 21 to 23 years had to be a fulltime student to be eligible for coverage. Because of the recent legislation, there may be additional dependents that will be eligible for coverage in 2010.

Mr. Caisley asked if this program complies with the provision of the various union contracts. Mr. Wasson replied that the program maintains the same sharing levels that were previously in place with the union contracts. Mr. Lindberg added that Mr. Wasson presented the insurance program with representatives of all of the bargaining units.

Ms. Rackauskas complimented the Administration for keeping the insurance costs the same as last year.

Mr. Moss asked who the previous insurance provider was. Mr. Wasson replied that the previous provider was Health Alliance.

Motion by Rackauskas/Caisley to recommend tentative approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2010.  
Motion carried.

Mr. Lindberg requested that the Committee consider the Fiscal Year 2010 Recommended Budget for the Cooperative Extension Services at this time. He stated that Mr. Don Meyer, Unit Leader, McLean County Cooperative Extension Services and Extension volunteers are present.

Mr. Meyer introduced Mr. Lyn Ash, Ms. Rose Harms, Ms. Laurie Peterson and Mr. John Elliott.

Mr. Meyer advised that the Cooperative Extension Service is requesting flat funding this year. He reported that a year ago, the Extension was anticipating a 75 cent match from the State, but the match ended up being 85 cents, which is the reason that the flat funding is acceptable. Mr. Meyer stated that he expects to receive the funding from the State but it may be delayed. He noted that there is a 27% budget reserve so that the programs and the staff are not affected by these delays.

Mr. Meyer advised that there are many more program fees this year. He noted that users of the programs are paying individual costs to attend and the University has allowed the Extension to create a revolving account so that the funds flow in and flow out to support the fees, so there is less reliance on taxes.

Mr. Meyer stated that the overall budget is anticipated to grow .20%. He indicated that the Extension is curtailing equipment budget as much as possible through the year and perhaps into next year.

Mr. Moss asked how the change in ownership of the Interstate Center will affect the County Fair. Mr. Meyer replied that the large building on the grounds is the one that is being sold, which is the building that housed the fair's small project displays. He added that the lobby was used for alumni gatherings and other fair activities. Mr. Meyer stated that the west side of the building was where the commercial exhibits and auditorium activities took place. He noted that the new buyer is anxious to help the fair during the transition and, for the next two years, the west side of the building will still be available for fair activities. The small projects will likely move to the west side of the fairgrounds in what is known as the Hockey Building, which previously had not been used during the fair. The west side of the large building will be used for the rest of the activities. Mr. Meyer advised that when the entire building is no longer available, there will be some decisions that need to be made. He added that some parking will also be affected.

Highlights of the Recommended Budget:

**Cooperative Extension Services – 0133-0088** can be found on pages 228-230 of the FY'2010 Recommended Budget and pages 77-78 of the Summary. 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 funds for Cooperative Extension, Special Revenue Fund 0133 has been established in the FY'2010 Recommended Budget. Under Illinois Law, the County Board is required to approve the proposed tax levy for the Cooperative Extension Services.

Highlights of the Budget:

**REVENUE:**

**401.0001 General Property Tax:** 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 of equalized assessed valuation. The Cooperative Extension Service has submitted a request for a property tax levy in the amount of \$538,000.00. Based on the Supervisor of Assessments' estimate of the County equalized assessed valuation, the proposed tax levy would result in a projected tax rate of \$0.01499 per \$100 of equalized assessed value.

**EXPENDITURES:**

**Contractual Services**

761.0001 Cooperative Extension: This line item account has remains at \$538,000 in the FY'2010 Recommended Budget, identical to the FY'2009 Adopted Budget. This line item accounts for the distribution and payment to the Cooperative Extension Service of the property tax funds levied for Property Tax Assessment Year 2009 and collected in FY'2010.

Motion by Caisley/Moss to recommend tentative approval of  
Cooperative Extension Services – 0133-0088 FY'2010  
Recommended Budget as submitted.  
Motion carried.

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



Mr. Lindberg introduced the review of the Fiscal Year 2010 Recommended Budget for the following departments:

**F.I.C.A. Social Security – 0130-0069** can be found on pages 224-225 of the FY'2010 Recommended Budget and 79-81 of the Summary.

Mr. Lindberg reported that Social Security is down by 0.34% from the prior year. He indicated that the big change is that last year the County used \$200,000 in the Fund Balance to hold down the tax levy in Social Security. This year we did not have that because the Fund Balance came down a little bit on its own. Mr. Lindberg noted that everything put forth into the Social Security budget this year will be part of the tax levy. He added that last year the budget was \$2,417,219 the FY'2009 Adopted Budget and this year we are projecting \$2,409,000. The rate on that is 7.65% and has been that for several years.

Highlights of the Recommended Budget:

REVENUE:

401.0001 General Property Tax: This revenue line item account has increased from \$2,179,363 in the FY'2009 Adopted Budget to \$2,409,000 in the FY'2010 Recommended Budget. Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program.

400.0000 Unappropriated Fund Balance: This revenue line item account has decreased from \$200,000 in the FY'2009 Adopted Budget to \$0.00 in the FY'2010 Recommended Budget. The audited financial statements as of December 31, 2007 show the Social Security Fund with a Fund Balance of \$154,781. Therefore, the FY'2010 Recommended Budget does not include an appropriation from the fund balance.

EXPENDITURES:

Contractual:

599.0003 Social Security Contribution: Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program.

The FICA employer rate in FY'2010 remains at 7.65%.

Other:

999.0001 Interfund Transfer: This line item account has decreased from \$321,918 in the FY'2009 Adopted Budget to \$321,837 in the FY'2010 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the FICA expense at the Nursing Home and the transfer to the County Board's budget for 100% of the FICA expense at MetCom.

Mr. Lindberg pointed out that there are only two expense lines, as follows:

- 599.0003 Social Security Contribution: Pursuant to Chap. 40, Illinois Compiled Statutes (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program. The FICA employer rate in FY'2010 remains the same at 7.65%.
- 999.0001 Interfund Transfer: This line item account has increased from \$     in the FY'2009 Adopted Budget to \$     in the FY'2010 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the FICA expense at the Nursing Home and the transfer to the County Board's budget for 100% of the FICA expense at MetCom.

Motion by Moss/Rackauskas to recommend tentative approval of the F.I.C.A. Social Security – 0130-0069 FY'2010 Recommended Budget as submitted.  
Motion carried.

**I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069** can be found on pages 226-227 of the FY'2010 Recommended Budget and pages 82-84 of the Summary. Mr. Lindberg advised that the IMRF Budget is up 22.38%. He cautioned that this is not due to early retirement, rather it is due to investment losses that IMRF has taken. The employees' side of IMRF remains at a constant rate through the ups and down. The employer's side has to make up for investment losses so that we maintain our actuarial funding position. Mr. Lindberg stated that, as a result of losses that occurred in 2008 and into early 2009, the County's rate that is set by the State by IMRF that we have to build on results in this 22.38% increase. He indicated that the 2009 rate for general employees was 7.44% and the 2010 rate will be 9.10%, which is a significant increase.

Mr. Lindberg stated that the County operates on a five-year smoothing basis in terms of any market investment changes that IMRF has. He noted that the County also has a little latitude to elect its amortization schedule. Mr. Lindberg noted that the County has taken a middle of the road approach on this. He added that the County could have requested a higher rate and recovered faster, or requested a lower rate and stretched it out over a longer period of time. Mr. Lindberg concluded that taking the middle of rate resulted in the 22.38% increase.

Mr. Lindberg advised that the \$599,719 increase is the biggest single tax levy increase that the County has in its budget going into next year, but it is fully accounted for and the County is still able to produce a budget that has a levy increase of about 4.12% overall. He pointed out that next year the impact of early retirement will be reflected in the budget.

#### Highlights of the Recommended Budget:

##### REVENUE:

401.0001 General Property Tax: This revenue line item account has increased from \$2,580,281 in the FY'2009 Adopted Budget to \$3,180,000 in the FY'2010 Recommended Budget. Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/7-71, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel.

407.0010 Personal Property Replacement Tax: Pursuant to State law, the County is required to budget Personal Property Replacement Tax revenue in the IMRF Fund. In the FY'2010 Recommended Budget, the Personal Property Replacement Tax revenue is budgeted at \$100,000.00, the same approved in the FY'2009 Adopted Budget. This increase is budgeted to reduce the impact on the County's overall property tax levy of the increase in the IMRF rates (see below for details).

##### EXPENDITURES:

##### Contractual:

599.0001 County's IMRF Contribution: Pursuant to Chapter 40, Illinois Compiled Statutes (2006), Section 5/7-71, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel. The I.M.R.F. employer rate is 9.01% in FY'2010. For the current fiscal year, the rate is 7.44%

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The I.M.R.F. Sheriff's Department Law Enforcement Personnel (SLEP) employer rate is 22.90% in FY'2009. For the current fiscal year, the rate is 20.52%.

Other

999.0001 Interfund Transfer: This line item account has increased from \$322,526 in the FY'2009 Adopted Budget to \$382,520 in the FY'2010 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the I.M.R.F. expense at the Nursing Home and to transfer to the County Board's budget 100% of the I.M.R.F. expense for MetCom.

Motion by Caisley/Moss to recommend tentative approval of the I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 FY'2010 Recommended Budget as submitted.  
Motion carried.

Mr. Lindberg reminded the Committee that, pursuant to requirements of Section 105 ILCS 5/3-5 of the Illinois School Code, all Regional Offices of Education are now required to report official acts on a quarterly basis to County Boards. He noted that the report for the Regional Office of Education DeWitt-Livingston-McLean Counties is being submitted to the Finance Committee since members of the Finance Committee sit on the oversight board for the Regional Office of Education.

Chairman Owens presented the October 31, 2009 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$695,558.13 and a Fund Total that is the same.

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Motion by Moss/Rackauskas to recommend approval of the Finance Committee bills as of October 31, 2009 as recommended by the County Auditor.  
Motion carried.

The Nursing Home bills include a Prepaid Total of \$513,875.56 and a Fund Total that is the same.

Motion by Caisley/Rackauskas to recommend approval of the Nursing Home bills as of October 31, 2009 as recommended by the County Auditor.  
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 5:44 p.m.

Respectfully Submitted,

Judith A. LaCasse  
Recording Secretary