

Minutes of the Finance Committee Meeting

The Finance Committee of the McLean County Board met on Tuesday, October 2, 2001 at 5:30 p.m. in Room 700 of the McLean County Law and Justice Center, 104 W. Front Street, Bloomington, Illinois.

Members Present: Chairman Sorensen, Members Rodman, Renner and Kinzinger

Members Absent: Members Arnold and Berglund
Other Members Present:

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

Elected Officials/

Department Heads: Ms. Julie Osborn, Deputy County Auditor; Ms. Ruth Weber, County Recorder; Mr. James Boylan, Treasurer; Ms. Rebecca McNeil, Assistant Treasurer; Mr. Don Lee, Director, McLean County Nursing Home; Mr. Bob Kahman, Supervisor of Assessments

Members of the

Public Present: Mr. Richard Nolan, McLean County Economic Development; Mr. Michael Brisson, TLH Enterprises, dba Ramada Inn Hotel; Mr. Robert Fazzini, President, Busey Bank, Commercial Lending Division

Chairman Sorensen called the meeting to order at 5:35 p.m.

Chairman Sorensen stated that if there were no objections, the minutes of the September 4, 2001 meeting would be approved and placed on file as presented.

Mr. Rodman noted that the September 4th minutes, regarding the Nursing Home split of funds had a typographical error. Mr. Rodman stated that the minutes read " When the current policy was established, the census was 85% Medicare residents and 15% private pay residents. Making an adjustment in the formula to 75% Medicare residents and 15% private pay residents more accurately reflects the present census." It should read, "Making an adjustment in the formula to 75% Medicare residents and 25% private pay residents more accurately reflects the present census."

Motion by Rodman\Renner to approve the amended minutes of the September 4, 2001 meeting as noted. Motion carried.

Ms. Julie Osborn, County Auditor, presented a request for approval of an Ordinance Amending and Establishing County Officer and Salaried Employee Travel and Business Expense Reimbursement Policy. Ms. Osborne stated that per the Committee's direction at the September 4th meeting, a summary of the significant changes that have been incorporated into the proposed Ordinance has been prepared:

- 1) A new Section 1.0 Purpose has been included in the amended ordinance.
- 2) A new Section 2.0 Definitions has been added to differentiate eligibility for reimbursement for business travel in one day versus overnight business travel. This Section also differentiates between Business Travel and Professional\Educational Travel.
- 3) In Section 3.1-5, specific language has been added to prohibit reimbursement of travel and business expenses from departmental petty cash accounts.
- 4) In Section 3.2-1, specific language has been added to require submission of the agenda for the conference, workshop, seminars along with travel voucher requesting reimbursement.
- 5) In Section 3.3-3, specific language has been added defining the time period for submitting travel vouchers for reimbursement of in-state (within 30 days of initiation of travel) and out of state travel (within 30 days of completion of travel). An additional time requirement has been added for all travel and business expenses incurred during the fourth quarter of the fiscal year (submission due by December 15th).
- 6) In Section 4.1-2, specific language has been added limiting the use of a County-owned vehicle for out of state travel (limited to 100 miles beyond the State border, exception for Sheriff and Court Services).
- 7) In Section 4.4-2, the maximum reimbursement allowed for taxicab fare to and from restaurant for a meal is limited to \$10 one way, \$20 round trip.
- 8) In Section 5.1-2, the reimbursement for meal expenses has been increased. In addition, specific language has been added requiring an original itemized receipt for reimbursement of all meal expenses, including

room service expenses. In Section 5.1-9, meal tips are limited to 20% of the allowable meal expense.

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- 9) In Section 5.2-6, one personal telephone call per each day of an overnight stay will be reimbursed with a maximum reimbursement of \$10 allowed.
- 10) In Section 5.3, specific language has been added prohibiting the payment of travel advances from department petty cash funds.
- 11) In Section 5.2-7(a), specific language has been added stating that in the event of an emergency, laundry and dry cleaning services may be eligible for reimbursement.
- 12) a new Section 6 – Local Business Expense Reimbursement has been added to clarify and define what local business expenses will be eligible for reimbursement.

Mr. Rodman asked for clarification regarding an original charge card receipt. Mr. Rodman asked if the signed carbon copy received at the time of use is the same as an original. Ms. Osborn stated that what the Auditor's office is requesting is a receipt with the purchase itemized on the receipt. On a meal receipt, the itemization of the meal would reflect the purchase of liquor, which is not a covered expense.

Mr. Rodman wondered why "December 15th and the last quarter of the fiscal year was specified" on Section 3.3-4. Mr. Zeunik explained that reimbursement requests would be accepted and paid after the December 15th date. The rationale behind this stipulation was so employees would turn in reimbursement requests in a timely manner. Mid-December through mid-February are the busiest times in the Auditor's Office. The Auditor's Office and the Treasurer's Office are actually making payments for transactions occurring during two fiscal years at the same time.

Chairman Sorensen suggested that language clarifying the rationale behind the December 15th deadline should be included in the ordinance. Mr. Zeunik stated that the language would be changed to reflect the Chairman's suggestion.

Mr. Rodman pointed to a typographical error in Section 4.2-7(b) that reads, "The fee for parking a vehicle at a common carrier terminal, or other parking area, while the traveler, is away shall be" Mr. Rodman noted that the comma after traveler be removed. Mr. Zeunik stated that the typographical error will be corrected.

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Mr. Rodman asked for clarification on trips that are not over-night. In his present company, if he goes on a trip that is not over-night and the company pays for the evening meal, this meal is considered taxable income. Both Ms. Osborn and Mr. Zeunik answered that it is their understanding that the evening meal is not considered a taxable income.

Mr. Rodman asked, regarding Section 5.2-6, if the County has considered allowing employees to use a pre-paid telephone calling card up to a certain value. Mr. Zeunik stated that language was included in the ordinance that states the employee would be reimbursed, up to \$10.00, from the hotel bill or a telephone credit card. If the employee purchases a pre-paid calling card for telephone use, the County will reimburse the employee \$10.00. Mr. Rodman stated that a telephone credit card is different from a pre-paid telephone calling card. With a pre-paid telephone card, the airtime is already pre-paid, with a credit card, the charge of the phone call will be documented on an invoice later. Ms. Osborn suggested that the language on this section be changed to make further clarification for reimbursement.

Mr. Rodman commented on the 20% meal tips. He felt that was kind of high. Mr. Zeunik explained that this issue needed clarification because employees were tipping more than 20% in order to obtain reimbursement on items\purchases that are not allowed. Mr. Rodman noted that Housekeeping tips are not an allowable reimbursement item. Ms. Osborn explained that was another reimbursement that was being abused.

Motion by Rodman/Kinzinger to recommend tentative approval of an Ordinance Amending and Establishing County Officer and Salaried Employee Travel and Business Expense Reimbursement Policy for McLean County, as amended. Motion carried.

Ms. Ruth Weber, County Recorder, discussed the General Report for the Recorder's Department. Ms. Weber stated that the software vendor installed new safeguards on September 10th.

Ms. Weber stated that the reconciliation of revenue generated by the Recorder's Office is enhanced by the daily turnover of receipts to the Treasurer's Office. The Auditor's Office is awaiting final word that the checking account at Commerce,

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used by the Recorder's Office has been closed. This procedure will remove this concern from all future audits. In regards to the segregation of duties, the Recorder's Office is starting the implementation of one employee not being involved with the cash during the day. This employee will be responsible for performing the daily reconciliation at the end of each day. This will be in effect starting October 3, 2001. Ms. Weber noted that for the first nine months of 2001, the Recorder's Office has handled 32,299 documents, 7,910 more than in 2000, representing a 25% increase.

Ms. Weber noted that the stamp revenue reconciliation should be a simple procedure. It is important to stress that the reconciliation of the stamp inventory is to the General Ledger account # 0151-0126-0001 and not to the software program in the Recorder's Office. This is the account that the outside auditor looks at each year. The County's outside auditor want to see a reconciliation from this account to the total that the Recorder's office maintains.

Mr. James Boylan, County Treasurer and Ms. Becky McNeil, Deputy County Treasurer, presented the County Treasurer's Monthly Report, the County Treasurer's Investment Report and the County Treasurer's Employee Benefit Fund Report as of September 30th. Ms. McNeil stated that the County purchased two \$2 million Certificates of Deposits (CD's) this month. The CDs are for 30 and 60 days periods with a maximum rate of 2.04%, which was the best rate available. National City Bank advised the Treasurer's Office that interest rates will not increase to 4% for at least another 18 to 24 months.

Motion by Renner/Kinzinger to accept and place in file the County Treasurer's Report, County Treasurer's Investment Report and the County Treasurer's Employee Benefit Fund Report as of September 30, 2001. Motion carried.

Mr. Don Lee, Administrator, Nursing Home, presented the Monthly Report. Chairman Sorensen asked if the Committee members had any questions for Mr. Lee. Having none, Chairman Sorensen thanked Mr. Lee.

Mr. Bob Kahman, Supervisor of Assessments, informed the Committee the on Thursday, October 4, 2001, the Assessor's Office would be publishing notice of

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assessments. Mr. Kahman stated that one of his goals has been to get off the accelerated billing. In order to accomplish this, the entire cycle needs to be moved forward. Mr. Kahman believes that the Assessor's Office is two months ahead of the earliest McLean County had distributed assessments to the taxpayers. Mr. Kahman noted that because of the de-annexation lawsuit, there are about 3,800 parcels that may not be available to publish because they fall under the mandate of the courts. For the parcels that aren't involved in the lawsuits, assessors are turning in books earlier, processing them earlier due to a combination of the Information Services Department and the Computer Assisted Mass Appraisal Software (Cama Package) purchased by the Assessor's Office. One of the goals of the Assessor's Office is to publish and mail all of the assessment notices before Thanksgiving within the next few years.

Mr. John Zeunik, County Administrator, discussed the request for approval of a CDAP Revolving Loan Application, submitted by TLH Enterprises, Inc. dba Ramada Hotel, Bloomington, Illinois. Mr. Zeunik introduced Mr. Richard Nolan, McLean County Economic Development Council, Mr. Michael Brisson, TLH Enterprises, dba Ramada Hotel; Mr. Robert Fazzini, President, Commercial Lending Division, Busey Bank.

Mr. Zeunik explained that the County maintains a Community Development Assistance Program Revolving Loan Fund. The Community Development Assistance Program Fund 603, as documented on the Treasurer's Report has a fund balance on September 30th, of \$360,582.97. This fund was initially seeded by a grant from the Department of Commerce and Community Affairs (DECA). The idea behind the program was that low interest loans would be made to businesses in the County who created new jobs or were able to retain existing jobs. The program is not intended to compete with commercial financing. In fact, applicants must be able to demonstrate that there is a gap between what they qualify for conventionally and what the need is. The CDAP program provides financing that they are not able to get from conventional lenders. At the same time, it is recognized that banks have very strict guidelines as to how they approve loans and the type of collateral they require. The Revolving Loan Fund is

more flexible. Normally, the collateral offered is in a second or third position to the security offered to the bank. The nature of the program is that where a bank would be unwilling to take a second or third position or a bank would be

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unwilling to underwrite a loan guaranteed by inventory, this program would be willing to accept such collateral, in order to make it possible for a new business or an existing business to make a significant improvement in their operation.

Mr. Zeunik stated that this program makes loans at an interest rate below what a bank would charge. Generally speaking, the interest rate offered is 125 to 150 basis points below prime. The CDAP Program provides the borrower with some low-cost money and very flexible terms. The goal of the program is to create a situation where the borrower would be successful thus creating permanent jobs in the community and be able to meet all of their financial obligations. When the applicant pays back the revolving loan, with interest, the revolving loan fund grows and funds are available for other applicants. Since this program was created, Mr. Zeunik stated, the County has made ten or eleven loans in the span of the program. The largest loan, a seed loan that started the program, was \$500,000, to America OTR, and this loan was paid in full. Two applicants that defaulted, Bear Computing and Leasch Dairy. Presently, there are loans out to Gold's Gym, Ringger Food, Debbie Thomas Learning Center and Victory Enterprise, dba DryClean City.

Mr. Zeunik noted that the Finance Committee set up a process for applicants of the revolving loan fund. The process starts at the Economic Development Council (the EDC.). The EDC walks the applicant through the application process making sure they fully qualify. Through the Chamber, a pro-bono banker in the community who does not have any relationship with the applicant, receives the complete application package and reviews it. The pro-bono banker prepares a letter to the Finance Committee based on their review. Since the Finance Committee and the County Board have final approval, a third party review by a pro-bono banker would provide the Committee and Board with a banker's perspective on the application.

Mr. Fazzini referred to some of the questions asked. Mr. Fazzini stated that a request is not presented to the Finance Committee until it has been determined that it belongs in front of the Finance Committee. Mr. Fazzini stated that he has

been the pro-bono banker on three applications cases and he declined two of those requests, so they never came in front of the Finance Committee.

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Mr. Renner wondered what were some of the reasons for declining the requests. Mr. Fazzini stated that 18 conventions were turned away from Bloomington-Normal at a loss of hundred of thousand of dollars to the community. Mr. Renner understands that there is enough business in the market to accommodate this loan.

Mr. Brisson explained that the marketability of Bloomington-Normal is being enhanced. At the present time, there are hotels with enough demand that they aren't interested in mid-priced groups or association business. Hotels, when they are doing very well, have a tendency to increase their rates. Hotels just starting out have a more affordable rate. In this situation, Ramada Inn has 210 guestrooms and only 2,000 sq. ft. of meeting space. There is a disproportionate amount of guestrooms to meeting space. Adding the meeting space would make Ramada Inn the type of hotel that presently does not exist in this market.

Mr. Brisson informed the Committee that he does have plans for further expansion in the future, once this project is completed and the loan has been paid back.

Mr. Nolan stated that the improvements to the Ramada Inn would enhance Bloomington-Normal's market share of the mid-range meetings, thus helping to add to the tax base of the area.

Mr. Brisson stated that he has hired a professional salesperson from Springfield, Illinois. The reason he is based in Springfield is because over 250 of the State associations are based in Springfield. The nature of these associations is a membership group that pays their own way. They rotate their annual meetings around the state's regions. With the proposed improvements, Ramada Inn has the opportunity to capture 50 of those associations on an annual basis.

Chairman Sommer asked for a walk through of the financing involved with this project. Mr. Brisson stated that he has \$743,000 personally invested. Busey Bank has loaned \$3.5 million, bringing the total to the \$4.2 million needed for the

project. The project is a part of a large plan to remodel the hotel and add conference space. The addition of the conference space is the part of the project being presented to the Committee at this time. The request in front of the Committee is for \$200,000, over a 5-year period, at a proposed interest rate of

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4.5%. It is anticipated that this project will add 25 new jobs to the current staff over the next two years. Mr. Brisson stated that his employment history indicates an expertise in the area of renovation and management of hotels and convention centers.

Mr. Rodman commented that one of the requirements on the application for this loan was proof that the applicant did not qualify for financing through other means. Looking at the equity information in the application packet, Mr. Rodman asked if conventional financing is available for this project. Mr. Brisson noted that the first time he applied for financial help Mr. Fazzini turned him down. The first position is a fairly large first position and even though there is equity there, Mr. Fazzini did not want Busey Bank to take this much risk. Mr. Fazzini stated that this part of the project was turned down after the \$3.5 million loan. The SPA, through its 504 Program, agreed to finance \$1 million of the \$3.5 million request. The SPA commitment lowered Busey Bank's position to \$2.5 million.

Mr. Rodman wondered if the Ramada Inn would be able to recruit some of the lost businesses back into the facilities. Mr. Brisson stated some of their demand generators, such as State Farm, are looking forward to continuing business with Ramada Inn.

Motion by Kinzinger/Renner to tentatively recommend approval of a CDAP Revolving Loan Application for TLH Enterprises, Inc., dba Ramada Inn Hotel, Bloomington, IL.
Motion carried.

Motion by Kinzinger/Renner to go into Executive Session to discuss Collective Bargaining Unit Issues. Motion carried.

The Finance Committee went into Executive Session at 6:33 p.m.

The Finance Committee convened back into regular session at 6:46 p.m.

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Motion by Kinzinger/Renner to recommend approval of the Fraternal Order of Police Collective Bargaining Agreement with McLean County for the period from January 1, 2001 through December 31, 2003. Motion carried.

Chairman Sorensen presented the bills, which have been reviewed and recommended for transmittal to the Finance Committee by the County Auditor.

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Motion by Renner/Kinzinger to recommend payment of the 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 6:48 p.m.

Respectfully submitted,

Carmen I Zielinski
Recording Secretary
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