

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, April 8, 2009 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent: None

Other Members Present: Member Nuckolls

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

Department Heads/
Elected Officials

Present: Mr. Phil Dick, Director, Building and Zoning; Ms. Peggy Ann Milton, County Clerk; Mr. Don Lee, Director, Nursing Home; Mr. Robert Kahman, Supervisor of Assessments; Ms. Becky McNeil, County Treasurer; Mr. Bill Yoder, State's Attorney

Others Present: Ms. Laura Dick, Executive Director, SHOWBUS; Mr. Mike Behary, Building and Zoning; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office

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

Chairman Owens presented the minutes from the March 4, 2009 Finance Committee Meeting and the February 17, 2009 Stand-up Meeting to the Committee for approval.

Motion by Caisley/Rackauskas to approve the Minutes of the March 4, 2009 Committee Meeting and the February 17, 2009 Stand-up Meeting.
Motion carried.

Mr. Phil Dick, Director, Building and Zoning, presented a request for approval to amend the current Intergovernmental Agreement with Ford, Iroquois, Livingston, and DeWitt Counties to incorporate a name change from Meadows Mennonite Retirement Community, d/b/a SHOWBUS to SHOW BUS Public Transportation NFP. He explained that SHOWBUS has, for many years, been a part of the Mennonite Retirement Community, Inc., a non-profit organization. Mr. Dick stated that SHOWBUS has grown and expanded its operation over recent years. Therefore, as of July 1, 2009,

Finance Committee
April 8, 2009
Page Two

SHOWBUS will separate from the Mennonite Retirement Community and will be a stand alone entity known as SHOW BUS Public Transportation NFP.

Mr. Caisley asked if this has been approved by the other Counties. Mr. Dick replied that McLean County is the first County that will approve the Amendment. It will go to the other Counties following approval by McLean County.

Motion by Moss/O'Connor to recommend Approval to Amend the Current Intergovernmental Agreement with Ford, Iroquois, Livingston, and DeWitt Counties to Incorporate a name change from SHOWBUS to SHOW BUS Public Transportation NFP.

Motion carried.

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

Chairman Owens indicated that he would be deviating from the Agenda in order to move all action items to the top of the agenda.

Chairman Owens called for a motion to go into *Executive Session* to discuss Personnel Matters with the Committee members, Mr. Bill Yoder, State's Attorney, and County Administrator's Office staff.

Motion by O'Connor/Caisley to Recommend the Finance Committee go into *Executive Session* at 4:05 p.m. to discuss Personnel Matters.

Motion carried.

Motion by Caisley/Butler to recommend the Finance Committee return to *Open Session* at 4:46 p.m.

Motion carried.

Chairman Owens advised that two items will be carried forward from the *Executive Session* to be considered for approval.

Motion by Caisley/Rackauskas to recommend Approval of a Resolution of the McLean County Board Authorizing the State's Attorney to Offer a Salary above the Starting Maximum Salary permitted under the County's Personnel Ordinance.

Motion carried.

Motion by Rackauskas/Moss to recommend a Resolution of the McLean County Board Authorizing the State's Attorney to Offer an Equity Salary Adjustment.
Motion carried.

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

Mr. John Zeunik, County Administrator, presented a request for approval of a Resolution of the McLean County Board setting forth specific recommendations for the Fiscal Year 2009 General Fund Annual Appropriation and Budget Ordinance. He explained that the Administrator's Office has been working closely with the Treasurer's Office monitoring the major state revenue sources, including State Income Tax, State Sale's Tax, and Personal Property Replacement Tax. Mr. Zeunik added that they are also following the delays in payments received for salary reimbursements from the State.

Mr. Zeunik advised that, in 2002, the County went through a similar situation. In July 2002, a resolution was presented to the Finance Committee and the Board recommending a series of adjustments in the budget. Mr. Zeunik indicated that a detailed budget amendment was brought back to the Finance Committee in August where reductions were made. He stated that the Administrator's Office is proposing the same thing this year.

Mr. Zeunik noted that the Resolution in the Agenda sets forth a plan of action, which was initiated through meetings last week with all of the elected officials and department heads in the General Fund. He indicated that there are four steps to take, early in the fiscal year, to bring the budget more in line with what he anticipates will be the actual revenues to be received. The four steps are as follows:

1. The REVISED Fiscal Year 2009 Annual Appropriation and Budget expenditure ceiling for the County offices and departments in the General Fund is hereby set at \$31,884,028.00. All Expenditure accounts will be reviewed and all General Fund departments and offices will cooperate with the County Administrator to achieve a targeted spending reduction of at least \$500,000.00.
2. For the balance of the fiscal year, all requests to fill Open Positions that become vacant in the County offices and departments in the General Fund shall be reviewed by the County Administrator prior to being filled. The County Administrator will take all necessary steps to manage General Fund salary attrition in order to reach a target savings of \$300,000.00 less than budgeted amounts.

3. In order to maintain an adequate Fund Balance, non-essential capital projects that have that have been encumbered and carried forward from Fiscal Year 2008, will be cancelled and the encumbered funds will be restored to the Fund Balance of the General Fund, except in cases where contractual commitments or emergency needs are deemed by the County Administrator to outweigh the benefits of reversing such encumbrances. The County Administrator will target \$300,000.00 in restorations to the Fund Balance.
4. General Fund Revenue accounts will be reviewed in light of current economic circumstances, and reduced or increased as appropriate. The County Administrator will identify \$150,000.00 in specific General Fund revenue increases.

Mr. Zeunik indicated that two new revenue sources have been identified that were not part of the Fiscal Year 2009 budget. Horizon Wind Energy has announced that they will be submitting an application in June for a Special Use Permit to expand the Twin Groves Wind Farm north of Route 9. Mr. Zeunik stated that this permit fee was not included in the 2009 budget because when the 2009 budget was prepared, it was anticipated that the application would occur in 2010. The second major change is that the Court has agreed to include, as a part of the Bond Order, a requirement that bond fees be paid before individuals leave the Jail. Mr. Zeunik noted that the bond fee covers the cost of processing in the Sheriff's Department. He indicated that this order took effect in February and, between now and the end of the year, it is expected to generate approximately \$40,000.00.

Mr. Zeunik advised that if the Finance Committee concurs with the four avenues outlined above, approval would be recommended to the Executive Committee and then on to the County Board. Next month a budget amendment ordinance will be presented where the specific line items will be listed, department by department, showing where the savings would be gained. Mr. Zeunik reported that the meetings last week with the elected officials and department heads went extremely well. He added that they had excellent cooperation from every department. Mr. Zeunik concluded that he expects to meet this goal and, perhaps, exceed the goal. He noted that Mr. Lindberg, Mr. Wasson and he would be glad to answer any questions.

Ms. Rackauskas asked what revenue will the Wind Farm bring in. Mr. Zeunik replied that it will bring in between \$110,000.00-\$115,000.00 in permit fees for the Special Use Permit. He indicated that Horizon Wind Energy is expected to apply for the Special Use Permit in June. Mr. Zeunik noted that it is anticipated that hearings before the Zoning Board of Appeals should be held yet this year.

Mr. Zeunik stated that the 2009 budget includes permit activity for construction of the Invenergy Wind Farm north and west of Carlock.

Mr. Caisley asked if the real estate taxes levied will be collected without substantial shortfall. Mr. Zeunik replied that is correct. Mr. Caisley noted that the problem areas must be Replacement Tax, Sales Tax and State Income Tax. Mr. Zeunik concurred with his assessment. He indicated that an increase has been noted in Recording Fees in the Recorder's Office, which is attributable to home refinancing due to the decrease in interest rates. He added that, in the revenue stamp category, no significant increase is being seen. Mr. Zeunik stated that, with the combination of interest rates coming down and the First-Time Home Buyers credit, which is part of the federal economic stimulus package, we may begin to see an increase in sales activity. At this time, it would be difficult to think that we will reach the budgeted figure.

Chairman Owens thanked the Administrator's Office for their due diligence in keeping an eye on the budget. He also thanked the elected officials and department heads for their cooperation.

Mr. Zeunik expressed his appreciation to the County Treasurer who has been very helpful in keeping the Administrator's Office advised on the revenue issues.

Motion by Butler/Rackauskas to recommend Approval of a Resolution of the McLean County Board setting forth specific Recommendations for the Fiscal Year 2009 General Fund Annual Appropriation and Budget Ordinance.
Motion carried.

Ms. Peggy Ann Milton, County Clerk, reviewed her Monthly Activity Report for February 2009. She pointed out that one line was added to the Activity Report, namely "Vital record fees increased per County Board Ordinance on January 1, 2009." Ms. Milton noted that it was recently added to avoid confusion with the numbers.

Ms. Milton reported that the election went well, noting there was only an 18% turnout.

Mr. Butler indicated that when he voted in Bloomington, they entered his name on a Palm Pilot, which was a very slow process. Ms. Milton responded that this is an attempt to automate the paper trail. She noted that she still uses the paper copy, but may consider automation sometime in the future. Ms. Milton advised that a lot of election authorities are going to Palm Pilots, laptops, etc. to enter the voter registration rolls. Ms. Rackauskas recommended that Ms. Milton research the automation method before making any decisions.

Mr. Caisley asked what causes a ballot to be a provisional ballot. Ms. Milton explained that a provisional ballot is when a person appears on Election Day to vote and the election judges cannot immediately determine the individual's qualifications to vote. That person is allowed to vote, but must present their qualifications within three days following the election. A provisional ballot is a paper ballot that is placed in separate envelopes.

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

Mr. Don Lee, Director, Nursing Home, presented a letter announcing his intention to retire effective May 16, 2009, after serving 31 years as the Director of the Nursing Home. Mr. Lee expressed his appreciation for the working relationship he has had with the County Board over the years. He indicated that he greatly appreciates the efforts and support the Board has given the Nursing Home. Mr. Lee added that he considers the McLean County Board and Administrative staff to be superior.

Ms. O'Connor commended Mr. Lee on running such an outstanding facility. She stated that it is most unusual to have a County Nursing Home that is known to be the best nursing home in the County.

Chairman Owens expressed his appreciation that Mr. Lee comes to all Committee meetings, even when he had nothing to present for action.

Mr. Lee reviewed his Monthly Report. He stated that the Nursing Home is continuing in a positive financial status for the year. Mr. Lee pointed out that the projected column of the report is a bit distorted because it is so early in the year.

Mr. Lee reported that the census is currently 130 residents.

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

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

Mr. Robert Kahman, Supervisor of Assessments, reviewed a report on bank and foreclosure sales for Northern Illinois and McLean County. He stated that he continues to watch the market to see where it is going.

Mr. Kahman stated that he works closely with the Illinois Department of Revenue. He indicated that he is the First Vice President of the Chief County Assessment Officers Association, and will be named President next year. Because of that designation, the Department of Revenue included McLean County in the chart that is included in the Committee packet that was prepared for the northern district in Illinois. Mr. Kahman reported that about 90% of assessed value in the State is in the northern district. He indicated that he sees the real estate transfer declarations for McLean County, noting that the March documents show that the number of documents doubled in March over January and February, which is a good sign.

Mr. Kahman advised that column three, PTAX-203, is the number of transfer declarations received. Column four is the Court Ordered Sales, which are the foreclosures.

Mr. Kahman pointed out that in McLean County, based on the number of declarations that went through the Recorder's Office and Assessment Office, there were 5,169 sales in 2006, 4,436 in 2007 and 3,961 in 2008. Foreclosures in McLean County have increased but not significantly. Mr. Kahman noted that Lake County had almost 18,000 transactions in 2006 and 9,240 in 2008. Mr. Kahman advised that the Town of Zion, north of Chicago, had some home values that decreased by 50% from what they were in 2006. Kane County went from 15,080 transactions in 2006 to 3,637 in 2008.

Mr. Kahman advised that the discretionary sale of homes has decreased. People are not trying to sell their homes in this market.

Mr. Kahman stated that if the Department of Revenue develops a chart for this area or for the entire state, he will pass it along to the Committee. He indicated that the housing market situation is not as bad as he thought it might be. Mr. Kahman noted that there are a lot of homes for sale in McLean County, but no one is giving them away.

Mr. Caisley asked how many assessors were elected on Tuesday. Mr. Kahman replied that he does not know how many, but he noted that there were not very many assessors on the ballot. He indicated that McLean County is down to about seven Township assessors. Mr. Kahman stated that there are 11 active assessors who are appointed or contracted in McLean County. Mr. Kahman advised that electing and keeping assessors has become a problem throughout the State of Illinois. He added that only the metropolitan areas are willing to support an assessor and staff. Mr. Kahman stated that this is an issue the Legislature must deal with.

Mr. Caisley asked what happens if a Township simply defaults. Mr. Kahman replied that, initially, Townships will try to be forced to appoint an assessor by rolling the existing assessment forward. He indicated that if Townships don't want to do that, he would come to the Board to request the addition of Field Staff, which would be paid for by the Township. Mr. Kahman noted that field work is very time consuming.

Mr. Caisley asked if we should look at altering the boundaries of multi-township assessment districts and making them larger. Mr. Kahman replied that, with the 2010 census we are required to look at multi-township assessment districts. After the census is completed, Townships are reorganized once every ten years. Mr. Kahman added that that is a joint proposition between the County Board and the Township Boards.

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

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

Ms. McNeil reviewed the Statistics on the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending March 31, 2009.

- Retailers Occupation Tax Revenue for March 2009 is \$513,079.07.
- Retailers Occupation Tax Revenue Year to Date is \$1,523,962.93, which is - 9.37% below last year and 15.34% of budget.
- State Income Tax Revenue is \$438,818.11, which is 11.37% below last year and 22.80% of budget.
- Personal Property Replacement Tax Revenue is \$237,950.91, which is 31.69% below last year and 12.72% of budget.

Ms. McNeil advised that, for the month of March, there was another decline in the Sales Tax and in the Income Tax. She pointed out that we came in below last year in most categories. Ms. McNeil noted that, since we are a quarter of the way through the year, revenues should be approximately 25% of the budgeted amount. She indicated that the Retailers Occupation Tax was very close to that projection, at 24.28%.

Ms. McNeil stated that the Personal Property Replacement Tax was at \$110,200.45 in March of 2008 and it is at \$64,096.48 in March of 2009.

Ms. McNeil advised that, keeping in mind that the budget was adjusted, last year the County was still behind by \$300,000.00 in these revenue categories. However, Ms. McNeil indicated that she does not believe the figures fell as much in March as they did in January and February.

Ms. McNeil reviewed the Investment Report, noting that rates continue to be down. She indicated that two of the larger CD's matured and were cashed out to meet cash flow needs. Ms. McNeil advised that we will continue to cash out the large CD's until at least June when Property Taxes are received. Ms. McNeil indicated that some of the smaller CD's are renewed because the smaller banks continue to collect Property Tax for the County, which is a big job.

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

- Total Revenue last year at the end of March was \$4,956,318.69;
- The total Revenue as of March 31, 2009 was \$4,742,247.36, which is 14.64% of budget;
- Expenditures were \$7,515,450.13, which is 23.21% of budget;
- The Fund Balance as of March 31, 2009 was \$6,984,186.14.

Ms. McNeil pointed out that the Fund Balance at the end of 2008 was \$10,033,560.44.

Ms. McNeil reviewed the CDAP Revolving Loan Fund Quarterly Report. She stated that the Revolving Loan Fund started out as a grant from the State and that the County is allowed to use the monies in the Revolving Loan Fund to assist businesses in the community to bridge the gap in financing.

Ms. McNeil indicated that there are currently five loans. She noted that one loan, Watershed Foods, is pending right now at \$400,000.00. Ms. McNeil stated that the available fund balance to loan out is \$654,000.00 right now, but \$400,000.00 of that will come out in April.

Ms. McNeil advised that all of these loans are doing well with the exception of Victory Enterprises, which continues to be three months behind in payments. However, she noted that this loan originally started with 120 payments and is now down to 20 payments. Ms. McNeil indicated that the Economic Development Council ("EDC") assists the Treasurer's Office in tracking this loan and collecting the payment.

Finance Committee
April 8, 2009
Page Ten

Ms. McNeil reviewed the Employee Benefit Fund, which is the Fund from which all of the Employee Benefits are paid.

Motion by Rackauskas/O'Connor to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending March 31, 2009, as submitted.

Motion carried.

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

Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office reviewed the Personnel Audit Reports for the Highway Department, Health Department, Sheriff's Office and the State's Attorneys Office. She advised that Sheriff Emery has implemented the time card changes recommended by the Auditor's Office.

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

Chairman Owens presented the March 31, 2009 Finance Committee bills for review. The Finance Committee bills include a Fund Total of \$1,329,089.63 with a Prepaid Total that is the same.

Finance Committee
April 8, 2009
Page Eleven

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

The Nursing Home bills include a Fund Total of \$722,312.00 with a Prepaid Total that is the same.

Motion by O'Connor/Rackauskas to recommend approval of the Nursing Home bills as of March 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 meeting at 5:45 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

