

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, December 3, 2008 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

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

Members Absent: Member Rackauskas

Other Members Present: None

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; Mr. Don Lee, Director, Nursing Home; Mr. Bob Keller, Administrator, Health Department; Mr. Lee Newcom, County Recorder; Mr. Robert Kahman, Supervisor of Assessments; Ms. Jackie Dozier, County Auditor; Ms. Peggy Ann Milton, County Clerk; Ms. Becky McNeil, County Treasurer

Others Present: Mr. Paul Segobiano, representing Central Catholic High School; Ms. Laura Dick, Executive Director, SHOWBUS; Mr. Walt Howe, Assistant Administrator, Health Department; Ms. Carol Ash, Chief Deputy County Clerk; County Clerk's Office

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

Chairman Owens presented the minutes from the November 5, 2008 Finance Committee Meeting and the October 21, 2008 Stand-Up meeting to the Committee for approval.

Motion by Butler/Moss to approve the Minutes of the November 5, 2008 Committee Meeting and the October 21, 2008 Stand-up Committee Meeting.
Motion carried.

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Chairman Owens presented a request for approval of a Class D Raffle License for Central Catholic High School. He introduced County Board Member Paul Segobiano who is representing Central Catholic High School.

Mr. Terry Lindberg, Assistant County Administrator, advised that this is the major fund raiser for Central Catholic. He indicated that this is the 15th year that Central Catholic has held the "Dream House" raffle. Mr. Lindberg noted that, pursuant to the County's Raffle Ordinance, a Class D raffle is the only class that requires recommendation and approval by the Finance Committee as well as the County Board.

County Board Member Paul Segobiano, representing Central Catholic, informed the Committee that Mr. Chuck Schanaberger, who coordinated the "Dream House" raffle in the past, recently passed away. Mr. Marti Rave, a local residential builder/developer, will now coordinate the event. Mr. Segobiano stated that this raffle is an annual event and all of the funds raised go towards education for the students and operation of Central Catholic high School.

Motion by Moss/O'Connor to Recommend Approval of
a Class D Raffle License for Central Catholic High
School.
Motion carried.

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

Mr. Phil Dick, Director, Building and Zoning presented a request for approval to update the Lease Agreement with SHOWBUS for Vehicles. He indicated that, through the Illinois Department of Transportation ("IDOT"), SHOWBUS is getting three new buses that will arrive on December 4, 2008. Mr. Dick stated that this Lease Agreement is for the buses that SHOWBUS leases from McLean County.

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

Mr. Butler asked how many people ride the SHOWBUS on an annual basis. Ms. Laura Dick, Executive Director, SHOWBUS, replied that approximately 5,000 people ride the bus per month. She added that this may be a conservative estimate as it continues to grow.

Mr. Caisley asked if the buses operate on gasoline or diesel fuel. Ms. Dick replied that most of them operate on diesel fuel. Mr. Caisley asked how they purchase the fuel. Ms. Dick responded that the primary resource is Evergreen FS, which gives them a discount. She indicated that they do not contract for the fuel.

Motion by Caisley/Butler to recommend Approval to
Update the Lease Agreement with SHOWBUS for
Vehicles.
Motion carried.

Mr. Don Lee, Director, Nursing Home, presented a request for approval of a Resolution establishing charges for services at the McLean County Nursing Home. Mr. Lee 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 2009 proposed budget.

Mr. Lee 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. Lee recommended that the Committee approve the rate of \$144.00 per day effective January 1, 2009, and forward that recommendation to the McLean County Board for approval.

Mr. Lee 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 effective January 1, 2009.

Chairman Owens advised that last year's rates were \$136.00 for private pay and \$150.00 for Medicare residents.

Mr. Caisley asked how much money is received from the Public Aid Department. Mr. Lee replied that the County has an Intergovernmental Agreement with the State of Illinois Department of Public Aid, so the rate is somewhat distorted. He indicated that the State pays the Nursing Home at an inflated rate of \$184.00 per day, but the County then contributes back to the State of Illinois a specific amount of

money, usually \$160,000.00 to \$170,000.00 per month. The State then gets Federal matching money on the \$184.00, and the Nursing Home increases its rate, supposedly, above what the Public Aid rates would actually be. Mr. Lee concluded that, in answer to Mr. Caisley's question, it is very difficult to say what is received from the Public Aid Department, but it would probably be about \$104.00 to \$112.00 per day. He added that it is a very complex system.

Mr. Caisley asked if private pay residents are subsidizing the care of Public Aid patients. Mr. Lee replied that in McLean County the private pay residents do not subsidize the Public Aid. With this formula, the private pay residents pay the actual cost per day for the facility to operate. The County picks up a portion of the Nursing Home's costs for I.M.R.F., Social Security, and insurance premiums. Mr. Lee indicated that the private pay residents pay the actual full cost of operating the Nursing Home.

Mr. Butler asked why are the projected expenses for 2008 more than the projected expenses for 2009. Mr. Lee replied that often times staffing costs and different factors through the year throw the Nursing Home over budget.

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

Mr. Lee reviewed his Monthly Report. He pointed out to the new members that the important monthly column comes under "October 2008 Accrued Expense." Mr. Lee indicated that this report shows a positive month for October. The Final column is what is projected for the end of the year, which is also positive.

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

Mr. Moss asked if there continues to be a high number of vacancies due to more people staying in their homes. Mr. Lee replied that, last month, 14 people were admitted, but 15 or 16 residents were discharged.

Mr. Bob Keller, Administrator, Health Department, presented a request for approval of an Ordinance of the McLean County Board amending the 2008 Combined Appropriation and Budget Ordinance for Fund 0103 (WIC Grant Program). He explained that, for 2008, the WIC program received increased

funding during the late summer of the year due to a Department of Human Services undercount of the number of pregnant women enrolled in the McLean County program. The revenue is being used to increase nutrition and office support time in the program, readjust space cost allocation and purchase workstations in conjunction with the clinic remodeling. Mr. Lee noted that the accompanying Full-Time Equivalent ("FTE") Resolution amendment adjusts the 2008 FTE resolution to reflect the reallocation of an office support specialist and increase the nutritionist's time.

Mr. Keller indicated that the Health Department has a number of free-standing grant funds which are self-balancing, and come from a variety of different sources. Many of these funds are budgeted in different fiscal years necessitating adjustments when different revenues and expenses come into play.

Motion by O'Connor/Moss to recommend approval of an Ordinance of the McLean County Board Amending the 2008 Combined Appropriation and Budget Ordinance for Fund 0103 (WIC Program).

Motion carried.

Mr. Keller submitted a request for approval of a Resolution Amending the Fiscal Year 2008 McLean County Full-Time Equivalent Position Resolution associated with an Ordinance to Amend the Fiscal Year 2008 McLean County Combined Appropriation and Budget ordinance for Fund 0103 (WIC Grant Program).

Motion by Moss/Caisley to recommend approval of a Resolution Amending the Fiscal Year 2008 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal year 2008 McLean County Combined Appropriation and Budget Ordinance for Fund 0103 (WIC Grant Program).

Motion carried.

Mr. Keller presented a request for approval of an Ordinance of the McLean County Board amending the 2008 Combined Appropriation and Budget Ordinance for Fund 0102 (Dental Sealant Grant). Due to the increased volume of activity within the Children's Dental Clinic and corresponding increase in fee-for-service revenue from the Illinois Department of Healthcare and Family Services, corresponding expenditures were increased. Mr. Keller indicated that a portion of the increase is tied to an adjustment in the space allocation methodology, increased dental clinician hours and interpretive services as well as a new dental operatory.

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Motion by O'Connor/Moss to recommend approval of an Ordinance of the McLean County Board Amending the 2008 Combined Appropriation and Budget Ordinance for Fund 0102 (Dental Sealant Grant).
Motion carried.

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

Mr. Lee Newcom, County Recorder, presented his General Report, noting that everything balances.

Chairman Owens asked what is the status of the renovation in the Recorder's Office. Mr. Newcom replied that it is coming along. He indicated that he will invite the members of the Finance Committee to a reception when the renovation is completed.

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

Mr. Robert Kahman, Supervisor of Assessments, reviewed his Assessment Status Report. He pointed out that there are many small rural communities that are disappearing, while the population centers are growing, such as LeRoy, Hudson, Heyworth, etc. Mr. Kahman noted that a lot of the decrease in rural communities is sparked by the consolidation of schools.

Mr. Kahman indicated that he recently attended the County Officials Conference in Chicago. He stated that there was a lot of concern about the negative housing situation in the Country and in Illinois. Mr. Kahman noted that, a couple days later, he read the *USA Today*, which had an article on the health of the housing market in Bloomington, Illinois. He indicated that we have been very blessed in this community with its good economic and housing situation.

Mr. Caisley asked which assessors have the highest rate of complaints. Mr. Kahman replied that the rate would be relative to the number of parcels, which would make the highest complaint rate in Money Creek, including Lake Bloomington. He indicated that the township needs to do a thorough evaluation of the Lake homes. Mr. Kahman indicated that any old Lake home is worth \$250,000.00 to \$275,000.00 as a "knock down." He noted that the new homes around the Lake are very big. Mr. Kahman stated that the rule in real estate that

you are better off buying a humble home in an expensive neighborhood rather than an expensive home in a humble neighborhood is true. He advised that the humble cottages around the Lake are worth a lot of money.

Mr. Caisley asked if Money Creek is a multi-township assessment district or its own individual district. Mr. Kahman replied that the County redistricts once every ten years based on the census. He indicated that Lexington and Money Creek Township was previously a multi-township district, but, since they could not find an assessor locally and had to contract out the assessing, his recommendation was to split up so that they could be more flexible in hiring contractors. Mr. Kahman added that both Lexington and Money Creek have enough equalized assessed value to support their own assessors.

Mr. Kahman stated that many communities that create tremendous amounts of tax dollars do not want to spend anything for the tax assessor. He noted that expensive homes are more difficult to assess, and those homeowners will complain the most. Mr. Kahman added that homes in the small rural communities are much easier to assess.

Mr. Caisley asked how many townships lack an assessor. Mr. Kahman replied that there are currently 12 assessors and 31 townships, which means there are 19 townships without an assessor. He stated that townships often have difficulty justifying the expense of paying an assessor a fair salary. Mr. Kahman indicated that once a thorough assessment is completed in a township, it does not need to be done again for ten years.

Mr. Kahman advised that the Legislature is meeting now, by special committee, to address the problems with tax assessing. One of the greatest problems is the inequity from jurisdiction to jurisdiction. For instance, those people who live in Bloomington and Normal have full-time assessors with full-time staff. Mr. Kahman observed that, in a sense, the residents in those cities are being punished because they are well assessed and paying their fair share. In some of the rural areas, the assessing may be too high or too low.

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

Ms. Carol Ash, Chief Deputy County Clerk, County Clerk's Office presented a request for approval of an Ordinance of the McLean County Board setting fees to be charged by the McLean County Clerk for copies of Birth, Marriage and Death Certificates. She advised that the Ordinance in the packet needs to include "death certificate" in the title.

Ms. Ash advised that the "Cost Accounting Study of the Fees Charged by the County Clerk" documented that the full cost of services provided for the First Certified Copy of a Birth Certificate, Marriage Certificate or a Death Certificate exceeds the current revenue received. Ms. Milton recommended that these fees, as well as the fees for a second copy of each be adjusted as follows:

	<u>Current</u>	<u>New</u>
➤ First certified copy of a Birth Certificate, Death Certificate or Marriage Certificate:	\$12.00	\$15.00
➤ Second and each additional Copy Of a Birth Certificate	\$6.00	\$9.00
➤ Second and each additional Copy Of a Marriage Certificate	\$6.00	\$9.00
➤ Second and each additional Copy Of a Death Certificate	\$6.00	\$9.00

Chairman Owens asked what formula was used to determine the increases. Ms. Ash replied that she took a survey of the Counties around McLean County and they charged from \$15.00 to \$22.00. She indicated that she was not comfortable with increasing the fee as much as \$22.00.

Ms. Peggy Ann Milton, County Clerk, indicated that the increase of \$3.00 on the first copy was carried through to the second copy. She noted that there is a \$2.00 automation fund that is included in the fee. Ms. Ash clarified that \$2.00 of the \$15.00 goes to the Automation Fund. Ms. Milton added that the study indicated that the fee could go up to \$20.00 plus \$2.00 for the Automation Fund. Ms. Ash noted that the study was conducted in 2001 or 2002.

Chairman Owens questioned whether or not the County Clerk's Office assumed responsibility of the death certificates only after ten years of and the first ten years is held at the Health Department. Ms. Milton replied that both the County Clerk's Office and the Health Department complete the death certificates. The Health Department only handles them for the first ten years.

Motion by Moss/Caisley to recommend approval of an Ordinance of the McLean County Board setting Fees to be Charged by the McLean County Clerk for Copies of Birth, Marriage and Death Certificates as amended.
Motion carried.

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

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending November 30, 2008, as distributed.

Chairman Owens advised the new members of the Committee that Ms. McNeil distributes her reports each month at the meeting. Ms. McNeil explained that she tries to make these reports as accurate as possible, which is why she distributes the reports at the meeting.

Ms. McNeil reviewed the Investment Report as of November 30, 2008. She stated that the report is separated by sections. The first page shows the CD investments that are part of the Pooled Investments. The County operates many different funds, including the General Fund, Special Revenue Funds, etc. Ms. McNeil noted that some of the monies in the funds are kept segregated. She indicated that the Pool, which includes the General Fund, has a combined total of \$6,980,805.20.

Ms. McNeil stated that the first page of the report lists several CDs. She advised that, due to these bumpy economic times, she has not seen rates this low for quite a while. She noted that she was astonished when she was able to get a three-month CD at 4.00% last month.

Ms. McNeil referred to the second page of the report, which shows what the current rates are for Money Markets. These accounts are used for the funds that will be used in the near future, mostly to meet payroll, which is the County's largest expense. Ms. McNeil indicated that several million will sit in these accounts. She pointed out that State Farm Bank holds the largest chunk of these funds with an interest rate of 3.05%. Ms. McNeil noted that Illinois Funds is down at 0.08% interest on the money market and 1.08% on the prime. Ms. McNeil stated that this is very unusual. Usually, the Illinois State Treasurer's pool is much higher than any other rate on this investment report. She advised that she is moving funds into other accounts to take advantage of the higher rates.

Ms. McNeil pointed out that the McLean County Nursing Home has a very large balance. She informed the Committee that McLean County is one of the few Counties with this type of balance for their Nursing Home. Ms. McNeil indicated that she tries to keep as much of the money locked into CD's as possible as long as the CD rates are doing well. Other County funds include:

- Metro Communications Fund,
- Township Motor Fuel Tax Fund,
- Township Bridge Program Fund,
- McLean County Free Eye Clinic Fund,

- Employee Benefit Plan Fund,
- Baker Estate Trust Fund,
- Community Development Assistance Fund,
- Drainage District.

Ms. McNeil advised that the total of all funds is \$28,964,812.10. She indicated that one of the reasons that there are so many different accounts is for operating purposes. For example, Heartland Bank Recorders E-Record funds are used for the electronic recording done by the Recorder's Office. It is better for reconciliation to keep those funds separate.

Chairman Owens asked if the Illinois Funds Money Market Pool and Illinois Funds Prime is the State Treasurer's investment. Ms. McNeil replied that it is the State's Investment Pool under the arm of the State Treasurer's Office. She added that this is a huge investment pool. Ms. McNeil noted that the rate is low because of the State's conservative approach to investing.

Ms. O'Connor pointed out the State Farm Bank investment's high rate of 3.05%. Ms. McNeil advised that she was fortunate that State Farm Bank allowed her to invest so much at a high rate. She indicated that all of these funds are collateralized, which is another reason the rates are scrutinized. Ms. McNeil stated that her number one priority is to make sure the funds are collateralized, then to make sure the County is able to meet its obligations, and finally to get a good rate of return.

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 November 30, 2008.

Ms. McNeil stated that these funds are watched very carefully as they are funds that come from the State of Illinois and they mirror what is going on in our economy. Details are as follows:

- Retailers Occupation Tax Revenue for November 2008 is \$548,805.85;
- Retailers Occupation Tax Revenue Year to Date is \$5,342,658.18, which is 2.92% above last year and 90.55% of budget.
- State Income Tax Revenue is \$1,826,532.93, which is 8.22% above last year and 98.71% of budget.
- Personal Property Replacement Tax Revenue is \$1,649,268.47, which is 0.66% above last year and 97.55% of budget.
- General Fund Property Tax Revenue is \$7,143,971.54, which is 94.45% of budget.

Ms. McNeil stated that she believes the Retailers Occupation Tax Revenue will be close, but she doubts that it will reach its budget number.

Ms. McNeil indicated that Personal Property Replacement Tax Revenue is distributed in January, March, April, May, July, August, October and December. One more distribution is expected to be received in December.

Ms. O'Connor asked what generates Personal Property Replacement Tax Revenue. Ms. McNeil and Mr. Zeunik explained that it is an amount of money received from the State to replace the former personal property tax and it is derived from the corporate income tax.

Mr. Caisley observed that Mr. Zeunik's economic projections a year ago have pretty much fallen into place.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance. She noted that income and revenue into the County is not where it was a year ago. For example, the Inheritance Tax Fees revenue was \$251,926.56 last year and is only \$51,734.36 so far this year. The Interest on Investments, including certificates of deposits and interest from the money markets, a year ago was over \$870,000.00 and this year it is at \$433,000.00. Ms. McNeil stated that the interest on the Property Taxes came in very well this year. There was a Property Tax sale on November 6th. Other areas that are affected by the economy include Zoning fees, Permit Fees and Recording Fees.

Ms. McNeil noted that the Statement of Revenues, Expenditures and Fund Balance statistics are as follows.

- The Fund Balance at the beginning of the year was \$10,824,532.32;
- The total Revenue as of November 30, 2008 was \$27,551,784.18, which is 86.52% of budget;
- Expenditures were \$30,443,005.63, which is 95.60% of budget;
- The Fund Balance as of November 30, 2008 was \$9,943,783.90;
- Year to Date Net Fund Change is a decrease of \$2,891,221.45.

Mr. Moss asked for clarification on the Probation Officers' Salary Reimbursement. He noted that the report indicates that the State is coming through on its payments. Ms. McNeil replied that the State is not making its payments in a timely manner. She stated that, as of July 1, 2008, the State's new budget became active. Ms. McNeil indicated that the County accrues the revenue and sets up a receivable. The revenue is placed on the report for comparison purposes.

Mr. Zeunik pointed out that the 2008 budgeted number of \$1,342,190.00 only represents about 47% of what the County's cost is for salaries. The State is reimbursing the County less than 50% of what the law says they are to reimburse in terms of the Probation Officers who are eligible 100% reimbursement and those that receive a monthly subsidy of \$1,000.00. Mr. Zeunik explained that, for this fiscal year, the County is at \$1,005,767.64. The State reimburses the County until that amount is depleted. The State does not try to give the County 1/12th of the amount over a 12 months period. Mr. Zeunik advised that, through the work of Mr. Terry Lindberg and Court Services, the last couple of year's the County has been very close to the budgeted number. However, in January, the County will probably not receive any more payments from the State.

Mr. Moss asked is there a number that represents what the State owes the County. Mr. Lindberg replied that if the County does not receive any cash from the State, the \$1,005,767.64 would be the sum of the vouchers submitted by the County from July 1st to present. He noted that, around August 10th, the Court Services Department submitted a set of three vouchers to the State; Ms. McNeil books them and approves them and then began calling the State asking for the funds. Ms. McNeil added that the report does not reflect the November accruals or the December accruals. She indicated that she is fairly certain that the county will make budget as long as the State has allocated that much money. Ms. McNeil advised that she expects the funds to run out in January. Mr. Lindberg added that the County will receive a partial payment in January and not see any money again until the fall of 2009.

Ms. McNeil stated that, for the most part, the receivables are coming in very well right now.

Mr. Caisley asked how much money do we have from 2007 taxes in the tax protest fund. Ms. McNeil replied that there is no longer a tax protest fund. She noted that someone can file a tax objection. Mr. Caisley asked, if an objection is sustained, how is the money paid. Ms. McNeil replied that if a tax objection has been filed, and if there are funds in the collector account, the money will be paid. Otherwise, the payment will be paid after collections are received in May.

Motion by Caisley and O'Connor to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending November 30, 2008, as submitted.
Motion carried.

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

Chairman Owens presented the November 30, 2008 Finance Committee bills for review. The Finance Committee bills include a Pending Total of \$120,201.59 and a Prepaid Total of \$916,222.21 for a Fund Total of \$1,036,423.80.

Motion by Butler/Moss to recommend approval of the Finance Committee bills as of November 30, 2008 as recommended by the County Auditor.
Motion carried.

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The Nursing Home bills include a Fund Total of \$518,641.46 with a Prepaid Total that is the same.

Motion by O'Connor/Caisley to recommend approval of the Nursing Home bills as of November 30, 2008 as recommended by the County Auditor.
Motion carried.

Chairman Owens indicated that the Committee needs to determine a day and time for future Finance Committee meetings. After a brief discussion, the Committee concurred to schedule the Finance Committee meetings on the first Wednesday of the month at 4:00 p.m.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the meeting at 8:35 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary