

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, February 4, 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, and O'Connor

Members Absent: Member Caisley

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. Don Lee, Director, Nursing Home; Ms. Jennifer Ho, Risk Management; Ms. Peggy Ann Milton, County Clerk; Mr. Lee Newcom, County Recorder; Ms. Jackie Dozier, County Auditor; Mr. Robert Kahman, Supervisor of Assessments

Others Present:

Mr. Rich Stokluska, Arthur J. Gallagher Risk Management Services, Inc.; Mr. Bob McWeeney, Arthur J. Gallagher Risk Management Services, Inc.; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office; Ms. Julie Osborn, Chief Deputy Auditor, Auditor's Office; Mr. Marty Vanags, CEO, Economic Development Council; Mr. Jeremy Zobrist, President, Watershed Foods, LLC; Ms. Janice K. Kepple, Peoria Market President, F&M Bank

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

Chairman Owens presented the minutes from the January 5, 2009 Finance Committee Meeting and the December 16, 2008 Stand-Up meeting to the Committee for approval.

Motion by Moss/O'Connor to approve the Minutes of the January 5, 2009 Committee Meeting and the December 16, 2008 Stand-up Committee Meeting.
Motion carried.

Mr. Don Lee, Director, Nursing Home, reviewed his Monthly Report. He indicated that December includes bills that were received for the months of November and December. Mr. Lee stated that it was a break-even month. He noted that the projected expense column will be adjusted, but it is fairly accurate. Mr. Lee advised that 2008 will end in a positive stance.

Mr. Lee advised that the census continues to be a problem. He indicated that it is an uphill battle.

Ms. Rackauskas asked if the Nursing Home provides weekly care for people. Mr. Lee replied that they rarely get that type of request. He added that the Nursing Home limits stays to no less than two weeks because it is a skilled care facility.

Chairman Owens asked if there were any additional questions. Hearing none, he thanked Mr. Lee for his work at the Nursing Home.

Ms. Jennifer Ho, Risk Management, presented a request for approval of the proposed Insurance Program for Fiscal Year 2009. She indicated that the proposed insurance program, totaling \$465,849.00 for FY'2009 is summarized in Attachment A. The proposed renewals for FY'2009 are \$38,151.00 under budget for FY'2009 and are, collectively, 2.01% less than the actual FY'2008 premiums. Ms. Ho recommends approval of the proposed Insurance Program.

Ms. Ho stated that she had specific goals in mind for the insurance renewal for 2009. She indicated that, given the situation in the marketplace, she is very happy with the excess liability insurance carrier.

Ms. Ho pointed out that the County currently has an open liability case at the Nursing Home. She indicated that, often, an insurance carrier will increase rates when there has been a claim. She noted that our incumbent carrier for the Nursing Home did not increase the County's rates.

Ms. Ho advised that, in 2008, the County engaged the services of Arthur J. Gallagher Risk Management Services, Inc. She introduced Mr. Rich Stokluska and Mr. Bob McWeeney, Arthur J. Gallagher Risk Management Services, Inc., who can answer questions.

Mr. McWeeney thanked the Committee for selecting Arthur J. Gallagher (AJG) as the County's broker for 2009-2010. He stated that McLean County will directly benefit from the utilization of their collective knowledge and experience of serving as broker to many public and governmental entities. Mr. McWeeney indicated that AJG is the fourth largest insurance brokerage firm in the United States, headquartered in Itasca, Illinois. He noted that they operate in 36 brokerage branches in the United States and operate in Asia, Europe, London and Bermuda. Mr. McWeeney stated that AJG, as a corporation, is publically traded on the New York Stock Exchange. He indicated that the company operates through their geographic branches and also through specific niches, such as hospitality, colleges and universities, and public entity, which is the one which he and Mr. Stokluska represent. Mr. McWeeney added that AJG is the largest brokers for public entities in the United States.

Mr. Stokluska stated that he heads up the public entity team. He indicated that they run approximately \$50 million worth of premium through his office alone. Mr. Stokluska noted that his office is the largest brokerage office in the Midwest for the company. He indicated that, every day, they talk to cities, counties, states, and special service districts so that they can understand their businesses and what they need. Mr. Stokluska added that they deal with the insurance companies that place the coverage for their clients.

Mr. Stokluska advised that the company went through the market process for the County, made recommended changes and prepared a renewal proposal for the County. He noted that prices came down a little and the coverage was enhanced. Mr. Stokluska indicated that Ms. Ho was very good to work with and provided information to them quickly.

Ms. Ho presented the following summary:

- **Property Insurance premiums** – Chubb, the incumbent carrier, offered the most competitive terms. The County received a reduction in premiums of 16% over 2008, even if the insured values are increased by 4% for inflation and the addition of a new garage at the Highway Department. Coverage includes the added auto physical damage coverage for licensed vehicles added in May 2008. Total premiums for coverage came up to \$131,000.00 and the County's share of that is \$55,397.00. Coverage was included for the Law and Justice Center and the Lincoln Deck, which are owned by the Public Building Commission. The Public Building Commission will pay the remainder of the premium for those two properties.

Mr. Stokluska indicated that Chubb Insurance is a company that AJG uses in 50% of their public entity placement. Mr. McWeeney added that the County's need for high earthquake coverage narrowed the market as did putting the auto physical damage coverage in the property policy.

Mr. Stokluska stated that they went to Affiliated FM which is a very good company and very competitive. However, they were not able to cover the vehicles over the road. They can cover vehicles on the premises, but not on the road. Mr. Stokluska indicated they went to Great American, which could not compete with the prices.

- **Excess Liability Insurance** – The premium for the County has a slight increase of 0.14% from 2008. The decision to retain the incumbent carrier, the States RRG program, was because of the strength of having three major financially stable reinsurers backing the program – this significantly reduces the risk of default, given the turmoil in the financial markets.
- **Nursing Home Liability Insurance** – The incumbent, Health Cap, was selected because it remains the most cost-effective of the options available in terms of overall costs, i.e. claims and premium costs, on a desired occurrence form vis-à-vis a claims made form. Taken into consideration is the fact that the County is able to renew with a reduction in premiums of 3.7% from FY'2008, with an open, outstanding claim. Staying with Health Cap allows the County to demonstrate its longevity with carriers, a favorable trait to insurers.

Mr. McWeeney stated that the Nursing Home liability is one of the more difficult aspects of placement of the County's account. He indicated that they were able to get two other quotes, one from CNA, which is very interested in partnering with the County. Mr. McWeeney indicated that, because of the large claim, it is better to work with Health Cap at this time. He noted that there are three other carriers that are willing to provide terms in the future. Mr. Stokluska added that CNA is very particular about the law firms they will work with. Ms. Ho indicated that, for future consideration, they will start the process of including Costigan & Wollrab to be considered by CNA.

- **Excess Workers Compensation Insurance** – The County is taking advantage of a two-year agreement with the incumbent carrier, Safety National, which also reduced premiums by 3.77%. Self-insured retention for the law enforcement increased from \$475,000.00 to \$500,000.00 as is typical in the State of Illinois, while the self-insured retention remains unchanged for other classifications at \$425,000.00.

Mr. Stokluska stated that as far as Excess Worker's Compensation in the State of Illinois, there are three companies, including Safety National, which is by far the most competitive.

- **Theft and Bond Insurance** – Limits are increased to \$1,000,000.00 from \$500,000.00 for two reasons: 1) The County's financial flows justify the increase; and 2) the limits are cost-effective at a minimal increase in premium. The feasibility of implementing a change that allows the use of a blanket bond in place of individual public officials bonds for the 2010 gubernatorial elections is being studied. Individual bonds represent duplication in coverage. The County will save monies set aside for these bonds, while simplifying the bonding of public officials to meet statutory requirements.

Ms. Ho indicated that Blanket bonds are very doable but it will be necessary to work with the courts and States to see what funds are applicable, what is required and how to go about doing so. The outlook is very positive.

Mr. Stokluska advised that several Counties have asked if there is a better way to provide bonds. He stated that AJG has tried to contact the Secretary of State's Office to see if they can issue a Certificate of Insurance that would replace the bonds. Mr. Stokluska noted that this would cut down on the administrative process. He indicated that the coverage AJG has for the County and their other clients is sufficient in just one bond for all public officials instead of having individual ones. Once a determination is received from the Secretary of State's Office, AJG will convey the outcome to all of their clients.

Ms. Rackauskas asked if pre-paid premiums are safe should a company go bankrupt. Mr. Stokluska replied that AJG constantly monitors the financial position of each insurance company. He assured the Committee that, if necessary, a policy can be cancelled and the funds will be returned the same day.

- **Brokerage Services** – Arthur J. Gallagher Risk Management Services Inc. (AJG) was approved by the Finance Committee last November because of its competitive proposal. Included with their proposal are added resources to augment the County's efforts in loss control, safety and risk management.

Motion by Rackauskas/Butler to recommend approval of the Proposed Insurance Program for Fiscal Year 2009.

Motion carried.

Ms. Rackauskas commended Ms. Ho on her summary, noting that it was very concise and easy to understand.

Ms. Ho reviewed her 4th Quarter Risk Management Report. She advised that, significant for 2008, is the continued downward trend in the number of work injuries. Ms. Ho stated that the 41 work injuries are the lowest registered workers compensation claims since 1992, when the self-insurance began. This is an improvement over the previous year's count by 16 claims. Ms. Ho indicated that it is through the reduction in the number of work injuries that the County realizes savings in the form of reduced expenses. She noted that all other lines of coverage are level or trending downward as well.

Ms. Ho stated that Table 2 shows a tabulation of "raw" claims for the fiscal year. Raw data acts as a good indicator of final outlays of claims costs for that policy year. For example, as shown on Table 2, FY'2007 has 55 claims and an incurred loss of \$205,639.00 as compared to 57 claims and \$279,174.00 as shown in Table 1. Ms. Ho indicated that differences are due to late reported claims and the variation between projected expenses and actual expenses as claims mature. Table 1 accounts for the accumulated costs of aged claims at a point in time, which is December 31, 2008.

Ms. Ho advised that the County's auto physical damage claims have declined from a high of 15 in 2005 to less than 10 per year since 2006. Auto liability claims in FY'2008 have been consistently low, which reflects the County checking driving records. The results show that 88.8% of current employees who drive on County business do not have driving violations, with 9.1% having one violation within the past three years. Ms. Ho stated that the County's level or downward trending claims is a tribute to the professionalism and mindfulness of County employees.

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

Mr. Lee Newcom, County Recorder, presented his monthly report. He stated that he had nothing specific to report.

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

Ms. Peggy Ann Milton, County Clerk, presented a request for approval to change the polling place for Money Creek Township from East Bay Camp to the Money Creek Township Building. She advised that the new Township Building is ADA compliant. Ms. Milton indicated that, if approved, the County Clerk's Office has time to send out new voter registration cards to notify the voters of the change prior to the April election.

Ms. Rackauskas asked why is the location changing. Ms. Milton replied that the new location is better since it is fully compliant with ADA.

Motion by O'Connor/Moss to recommend approval to change the Polling Place for Money Creek Township from East Bay Camp to the Money Creek Township Building.
Motion carried.

Ms. Milton distributed her Monthly Activity report for the year-end.

Ms. Rackauskas asked what are "take notices." Ms. Milton replied that when the tax sale occurs at the end of the year, the tax buyer provides the County Clerk's Office with letters that must be sent out to the property owners indicating that the property taxes were sold. She added that the County Clerk's Office receives a fee for each notice sent out.

Ms. Milton reported that the General Election is almost completed. She indicated that the final report went to the State Board of Election in late December. Ms. Milton stated that everything balanced. Ms. Milton advised that the election was a success. She noted that over 6,000 people took advantage of early voting.

Ms. Milton indicated that following the election, election judges and individuals who set up the polling places are paid, usually in November. She noted that there are over 400 individuals who receive \$10.00 for picking up supplies, \$30.00 to set up the polling place, and mileage expenses. Ms. Milton stated that, due to a clerical error, there are 15 individuals who will be getting paid next week.

Mr. Nuckolls asked how is the recruitment of election judges. Ms. Milton replied that they have been networking with State Farm and other large businesses in the community to recruit judges. She noted that a spreadsheet is available at election sites for interested individuals to sign up. Ms. Milton added that there is a database of 700 individuals. She stated that consolidated elections require fewer judges, as precincts can be consolidated.

Ms. Milton advised that the County Clerk's cash drawer is counted each night. She noted that one evening the drawer was off by eight cents, which was found in the next day's count.

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

Ms. Julie Osborn, Chief County Auditor, presented a request for approval of an Ordinance of the McLean County Board Amending the 2009 Combined Annual Budget and Appropriation Ordinance. She indicated that it has become necessary to reappropriate the unliquidated encumbrances of the prior Fiscal Year 2008 budget, in the amount of \$921,641.07, to the Fiscal Year 2009 budget. She advised that this is a "housekeeping" chore that is done every year. Ms. Osborn noted that these include all of the purchase orders from last year that were not paid in 2008 and will be carried forward in 2009 with a soft close at the end of the year.

Motion by Moss/Rackauskas to recommend approval of an Ordinance of the McLean County Board Amending the 2009 Combined Annual Budget and Appropriation Ordinance in the amount of \$921,641.07.

Motion carried.

Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office, reviewed the Illinois Compiled Statutes Mandated Audits for five Funds, as well as the Petty Cash/Cash on Hand Audits for 13 County Departments. She indicated that there was no major finding.

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

Mr. Robert Kahman, Supervisor of Assessments, reviewed the EAV Change Current vs. Prior Year Report. He stated that he continues to close out the 2008 year in order to receive the County's multiplier. Mr. Kahman indicated that he hopes to send off the final data tomorrow morning. The multiplier keys the County Clerk's tax extension process, which keys the County Treasurer's tax billing process, which then keys the \$270 million dollars being billed out.

Mr. Kahman reviewed his Complaint Comparison Year to Year report, noting that overall McLean County does not see the problems that are being seen nationally. He pointed out that complaints went up by about 300 this year, which, considering the housing market is not bad. Mr. Kahman stated that actions other than taxpayer complaints, that came before the Board of Review went down. He concluded that they are 175 complaints ahead of the prior year.

Mr. Kahman indicated that there is a lot of fear in other Counties in the State. He noted that the markets in Central Illinois have not experienced the catastrophe that has happened in the housing market throughout the rest of the country. Mr. Kahman stated that many of his peers are reacting to the panic from other markets. He indicated that it all comes down to a math process, namely houses sell what they sell for, we divide the number by three and that should be pretty close to the assessment.

Mr. Kahman pointed out that the biggest influence related to the economy in McLean County's was the cost of gas. When the price of gas went up, people in the rural areas looked at moving to a larger city. Now that the gas prices are lower, not as many people are panicking.

Mr. Kahman stated that the EAV report shows that McLean County grew by almost \$214 million in this last year. He noted that there are Counties that are not valued at \$214 million. Mr. Kahman indicated that McLean County is the 13th largest County, in terms of tax dollars, in the State of Illinois and in terms of EAV. He pointed out that McLean County's big bump came from the wind farms, where approximately \$50 million was added. He noted that Cheney's Grove went up 168% from \$16 million to just about \$27 million, which is a tremendous EAV bump for a rural district. Mr. Kahman cautioned the Committee that this may not happen again next year. He advised that the County is looking at an overall growth, just through sales, of about 2.5% going into this year, plus any new construction, and an anticipated 10% increase in farmland values.

Mr. Kahman advised that McLean County will continue to grow next year, albeit a little more conservatively.

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

Mr. John Zeunik, County Administrator, asked that the request for approval of a CDAP Revolving Loan Application from Watershed Foods, LLC be considered at this time. He stated that Mr. Marty Vanags is present from the Economic Development Council, as well as the applicant, Mr. Jeremy Zobrist, President and CEO of Watershed Foods, LLC and Ms. Janice Kepple, President of F&M Bank.

Mr. Zeunik advised that Mr. Zobrist applied for a CDAP Revolving Loan in the amount of \$400,000.00 to fund the purchase of new equipment for his food processing business. Mr. Zeunik reminded the Committee that the CDAP Revolving Loan program is intended to fill a gap where an individual is either starting a business or expanding an existing business and is unable to secure 100% financing commercially.

Mr. Zeunik advised that Watershed Foods meets the mission of the CDAP Revolving Loan program, which is to:

- Assist economic development by creating and retaining jobs;
- Encourage involvement of area financial institutions;
- Assist long term economic development by increasing the tax base and helping to expand the economy;
- Insure financial security of the Fund through appropriate use.

Mr. Zeunik stated that the applicant meets the key criteria of the loan program in that they are creating or retaining at least one full-time equivalent job for every \$15,000.00 being loaned or requested. For this project, Mr. Zobrist will create five new FTE jobs within 12 months and would retain the existing 22 employees at Watershed. Financial need is exhibited through the "fill the gap" criteria of the project as evidenced by the letter from the primary bank lender.

Mr. Zeunik indicated that Watershed Foods, LLC has the ability to succeed in the coming years, provided that the company has a stable platform on which to grow. Watershed has a strong list of customers and has successfully reduced input costs over the past three years. Mr. Zeunik stated that the company is cost and quality competitive against both national and global competitors and has worked to build strong relationships with customers.

Mr. Vanags reiterated that Mr. Zobrist is asking for a \$400,000.00 CDAP Revolving loan. He stated that the loan requires approval by the Finance Committee and the County Board, subject to the bank's approval. Mr. Vanags indicated that approval should be subject to Bank approval of the applicant's loan (pending), and require a personal guarantee by the applicant. Collateral on this loan would be secured by a second lien on the new dryer along with junior liens on existing machinery and equipment and real estate, and guarantees from the parent company and affiliates.

Mr. Vanags indicated that the recommended interest rate is 4.25%, about 150 basis points below current market rates. He added that the loan would have a ten year amortization with a 36-month balloon. Mr. Vanags introduced Mr. Zobrist to the Committee.

Mr. Zobrist stated that his company, Watershed Foods, provides freeze dried strawberries that are used in Kellogg's Special K with Red Berries. He noted that they supply about 10% of Kellogg's North American needs for the dried strawberries.

Mr. Zobrist stated that Watershed Foods, LLC is a freeze-drier of consumer foods and other products, located in Gridley, Illinois. The company has been in operation for four years and currently employs 22 people. Mr. Zobrist noted that the company supplies a lot of fruit to cereal companies. He indicated that the process is a freeze drying process where frozen strawberries, imported from Mexico, Chile, Peru, etc., are sliced and placed in a special dryer that runs in a vacuum and dries the product down. Mr. Zobrist stated that they currently have four dryers and are seeking funding to construct a fifth freeze-dryer in order to increase output capacity at the plant and to fulfill contracts. The addition of the new dryer would allow Watershed to hire five additional employees as well as retain the current employment of twenty-two workers.

Ms. Rackauskas asked Mr. Zobrist how he got into this business. Mr. Zobrist replied that he has been with the company over three years. He advised that in 2002 Kellogg launched that product here in North America and struggled to keep up with the demand. Kellogg was air freighting product in from China. Mr. Zobrist indicated that his team approached Kellogg and obtained a contract.

Ms. Rackauskas asked what he did before starting this business. Mr. Zobrist responded that he grew up in this area, went to Illinois State University where he received his accounting degree, worked in public accounting for five years, and worked for an equipment company for three years. He indicated that the

previous owner of Watershed offered him an opportunity to buy into the company. Last fall, he bought the rest of the company.

Mr. Zobrist reviewed the history of the company. He advised that Mr. Gary W. Ringger, long-time McLean County resident and founder/owner of Ringger Foods, LLC (based in Gridley, IL) founded the Manna Group, LLC (parent company of Watershed Foods). At that time, Mr. Ringger applied and was granted a CDAP Revolving Loan. Mr. Zeunik added that Ringger Foods was approved in September 2000 for a \$350,000.00 loan and it was paid in full.

Mr. Zobrist invited the Committee to visit Gridley and tour the plant. He noted that there are actually three food production companies in Gridley. Mr. Vanags indicated that Gridley is the food processing capital of McLean County.

Mr. Nuckolls asked when was the original loan paid off. Mr. Zeunik replied that the Ringger loan was paid off early as a result of the purchase of the company by Kelly, Ltd.

Mr. Zeunik advised that there are sufficient funds in the CDAP Revolving Loan Fund. The Treasurer's report as of December 31, 2008 showed a balance of \$637,691.00 available in the fund.

Mr. Butler asked if Watershed provides 10% of Kellogg's supply need, where does the other 90% come from. Mr. Zobrist replied that Watershed is 10% of Kellogg's North American supply and about 5% of their global needs in this category. There is a company in Europe that provides 80% of Kellogg's North American supply. Mr. Zobrist added that Kellogg has picked Watershed as its strategic partner. Mr. Zeunik added that there are two other companies in the United States doing the same thing. Mr. Zobrist replied that there are actually three other companies, one in Illinois and two on the west coast.

Ms. Rackauskas asked if there is a non-competing clause that limits them to supplying only to Kellogg's. Mr. Zobrist replied that there is not a co-compete clause.

Mr. Vanags advised that Watershed is building the dryer themselves which will save a considerable amount of money and put more people to work locally.

Motion by Rackauskas/O'Connor to Recommend
Approval of the CDAP Revolving Loan Application of
Watershed Foods, LLC.
Motion carried.

Ms. Rackauskas asked if Watershed provides school or other field trips to the plant. Mr. Zobrist replied that they provide limited field trips in order to maintain food safety.

Mr. Moss left to attend another meeting at 5:20 p.m.

Mr. Zeunik stated that, items 3.H.1)a)b) and c) can be acted upon together. He advised that during the first five months of the fiscal year (January 1 – May 31), certain special Revenue Funds where property tax revenue is the primary revenue source experience a cash flow problem. The first installment of property tax revenue is not distributed until early June. Mr. Zeunik advised that to address the cash flow problems in these Special Revenue Funds, the Board is asked to approve and authorize the County Treasurer to transfer funds among and between County funds. For the Committee's information and review, the attached EXCEL spreadsheet summarizes the anticipated revenues to be received, the expenses to be incurred and the projected cash flow shortfall during the first five months of the fiscal year.

Mr. Zeunik stated that, for the first five months of this year, the following interfund borrowing Ordinances and one Resolution are presented for the Board approval:

- An Ordinance transferring monies from the County General Fund 0001 to the Children's Advocacy Center Fund 0129, the F.I.C.A./Social Security Fund 0130, the I.M.R.F. Fund 0131 and the Tort Judgment Fund 0135, Fiscal Year 2009;
- A Resolution Transferring Monies from the Working Cash Fund to the F.I.C.A./Social Security Fund 0130;
- An Ordinance Transferring Monies from the TB Care and Treatment Fund 0111 and the Health Department Fund 0112 to the Persons with Developmental Disabilities Fund 0110.

Mr. Zeunik advised that by approving and authorizing the County Treasurer to transfer funds among and between certain County funds, the County is able to manage the cash flow cycle of revenues and expenses without having to issue Tax Anticipation Notes.

Motion by O'Connor/Butler to Recommend Approval of an Ordinance Transferring Monies from the County General Fund 0001 to the Children's Advocacy Center Fund 0129, the F.I.C.A./Social Security Fund 0130, the I.M.R.F. Fund 0131 and the Tort Judgment Fund 0135, Fiscal Year 2009;
Recommend Approval of a Resolution Transferring Monies from the Working Cash Fund 0002 to the F.I.C.A./Social Security Fund 0130, Fiscal Year 2009;
and,
Recommend Approval of an Ordinance Transferring Monies from the TB Care and Treatment Fund 0111 and the Health Department Fun 0112 to the Persons with Developmental Disabilities Fund 0110, Fiscal Year 2009.
Motion carried.

Mr. Zeunik presented a request for approval of an Ordinance of the McLean County Board amending Chapter 10 of the McLean County Code. He asked Mr. Lindberg to review the amendment. Mr. Zeunik stated that this is a follow-up to a number of recommendations that were previously received.

Mr. Lindberg advised that there are four types of changes in the Ordinance. One has to do with making the Military Leave Policy the same as what is required under State and Federal law. Another one has to do with adding the term "sexual orientation" in several places, including describing "illegal harassment" and "conduct not acceptable." Mr. Lindberg indicated that the reason is that the term "sexual orientation" is included in State statute. Since the County is bound by State law, it was necessary to be in compliance with the State statute.

Mr. Lindberg stated that the next category of change is to clarify the role of the County Board and the County Administrator's Office, vis-à-vis, this policy and the rights and privileges enjoyed by people who are independent elected officials and have certain authority under the statute to set internal control. He noted that this was the highlight of the changes. Mr. Lindberg referred to page 51, specifically section 10.12-1 Scope of Coverage. He indicated that this section has been reviewed with the State's Attorneys Office. The section clarifies that an individual elected officer is required to comply with State and Federal employment and labor laws. It also clarifies the other groups which must be dealt with, which includes advisory boards, commissions, committees, consultants, advisors, etc. and reminds all of those people that, although they are exempt from coverage

under this part of the County Code, they must comply with State and Federal employment and labor laws. People in unions, such as Sheriff's Department personnel or other bargaining unit members -- to the extent there is not something specific in their union contract -- are also required to comply with State and Federal employment and labor laws.

Mr. Lindberg pointed out that section "10.12-2 Exclusion Procedure" encourages Elected Officers to submit to the County Administrator's Office a tabulation of the specific areas of conflict and cite the statutory authority which prohibits cooperation with said policies and procedures. Mr. Lindberg indicated that it is helpful for the County Administrator's Office to know in advance if an elected official has their own policies and procedures or whether they follow the County Personnel Code.

Mr. Lindberg advised that the above section is the most significant change in the Personnel Policy, while the rest is making sure that the County Personnel Code is in compliance with State and Federal law with regard to Military Leave and with regard to protected classes. Mr. Lindberg credited Mr. Wasson for going through the details and drafting the changes.

Ms. Rackauskas questioned the Military Leave section that says "Military leave of absence shall be granted as provided by State and Federal law..." She asked how do employees know what that law is if it is not spelled out within the Policy. Mr. Lindberg replied that County employees who are in the Military are well educated by the Military. Mr. Wasson advised that the Military Leave Act is always in a flux of change, which makes it difficult to keep the Personnel Code current. If an employee has any questions, the Administrator's Office can provide the correct information.

Ms. O'Connor asked if there is anything binding under the "10.12-2 Exclusion Procedure" making it mandatory for elected official to follow the Personnel Code. Mr. Lindberg replied that the term "strongly encouraged" recognizes the statutory authority of elected officials. The code cannot bind an elected official to follow the Code.

Chairman Owens recognized Mr. Newcom who asked to make a comment.

Mr. Newcom expressed concern that "political correctness" is a "disease" throughout universities, companies and governments that cause us to do things without thinking of the implications. He warned that adding the term "sexual orientation" to the County Code opens the County to future lawsuits.

Mr. Newcom advised that no one really knows what the term “sexual orientation” means. He suggested that sexual orientation does not only refer to homosexuals, but also includes a pedophile. Mr. Newcom stated that he does not accept that this brings the County into compliance with the State, because not all human relations codes have “sexual orientation” in them. He recommended the County Board demand a more rigorous legal analysis of what this includes. Mr. Newcom concluded that he does not believe that just the remark “this makes us comply with the state,” is true.

Mr. Lindberg indicated that he will provide members of the Committee a copy of Public Act 93-1078 that became effective in January 2006, which defines sexual orientation very specifically. He stated that the decision to include the term “sexual orientation” came out of two external consulting reports that urged the County to comply with the State statute.

Mr. Lindberg read the Summary of Sexual Orientation Amendment to the Illinois Human Rights Act, as follows:

Public Act 93-1078 amended the Illinois Human Rights Act by adding sexual orientation as a protected class. The amendment is effective January 1, 2006.

Sexual orientation is defined as “actual or perceived heterosexuality, homosexuality, bisexuality, or gender-related identity, whether or not traditionally associated with the person’s designated sex at birth. ‘Sexual orientation’ does not include a physical or sexual attraction to a minor by an adult.”

The sexual orientation protection applies to discrimination in employment, real estate transactions, financial credit, and public accommodations.

Mr. Newcom indicated that this is a later version than when he was actively involved in issue. He indicated that he does not know the legal implication because he is not an attorney, but when you get into gender-related identity you are talking about whether or not a person dresses appropriately or acts appropriately in an office. Mr. Newcom assumed that gender related identity means that if a man wants to dress as a woman and he works in a position that could be sensitive to that, the County is saying that it is acceptable.

Mr. Newcom continued to doubt the necessity of including the term “sexual orientation” in the County Code. He disagreed and questioned the advice the County received about including the term “sexual orientation.”

Mr. Newcom stated that he is just trying to raise a thoughtful comment, without it being dismissed as reactionary, about an area that people have come to accept as putting these words into law without considering what they mean. He believes that this term in the County Code is not necessary and opens the County up to potential problems in the future.

Motion by Rackauskas/O'Connor to Recommend Approval of an Ordinance of the McLean County Board Amending Chapter 10 of the Mclean County Code.

Ms. Rackauskas expressed surprise that, since this is a State and Federal ruling, it was not already included in the County Code. Chairman Owens replied that even though it has not been in the County's policy for almost three years, it already existed in that it is a State law and State law supersedes County policy.

Chairman Owens asked if the County Code is updated yearly. Mr. Lindberg replied that changes are typically submitted to the Board once a year.

Chairman Owens called for a vote on the motion.

Motion carried.

Mr. Butler commented that Mr. Newcom had some valid points regarding the policy. He noted that when the issue goes far enough in one direction, it will start going back in the other direction.

Chairman Owens presented the final December 31, 2008 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Pending Total of \$2,019.00 and a Prepaid Total of \$197,831.67 for a Fund Total of \$199,850.67.

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Motion by Butler/Rackauskas to recommend approval of the final December 31, 2008 Finance Committee bills as recommended by the County Auditor.
Motion carried.

Chairman Owens presented the January 31, 2009 Finance Committee bills for review. The Finance Committee bills include a Pending Total of \$26,340.70 and a Prepaid Total of \$649,226.51 for a Fund Total of \$675,567.21.

Motion by O'Connor/Rackauskas to recommend approval of the Finance Committee bills as of December 31, 2008 as recommended by the County Auditor.

Motion carried.

Chairman Owens presented the final December 31, 2008 Nursing Home bills for review and approval as transmitted by the County Auditor. The Nursing Home bills include a Pending Total of \$7,902.25 and a Prepaid Total of \$223,030.29 for a Fund Total of \$230,932.54.

Motion by Butler/O'Connor to recommend approval of the final December 31, 2008 Nursing Home bills as recommended by the County Auditor.
Motion carried.

The Nursing Home bills include a Pending Total of \$22,143.90 and a Prepaid Total of \$452,887.95 for a Fund Total of \$475,031.85.

Motion by Rackauskas/O'Connor to recommend approval of the Nursing Home bills as of January 31, 2009 as recommended by the County Auditor.
Motion carried.

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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

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