

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, January 4, 2012 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members O'Connor, Wollrab, Rankin, and McIntyre

Members Absent: Member Butler

Other Members Present: None

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

Department Heads/
Elected Officials
Present:

Mr. Matt Riehle, Director, Nursing Home; Ms. Michelle Anderson, County Auditor; Mr. Robert Kahman, Supervisor of Assessments; Ms. Becky McNeil, County Treasurer; Mr. Walt Howe, Health Department Administrator;

Others Present:

Ms. Monica Paul, Chief Deputy County Auditor, Auditor's Office; Ms. Cathy Dreyer, Fiscal Services Supervisor, Health Department; Mr. Ken Springer, Project Analyst, Economic Development Council; Mr. Monty Greutman, Plant Manager, Bridgestone Americas Tire Operations, LLC, Mr. Mark Highland, Human Resource Manager, Bridgestone Americas Tire Operations, LLC, Bloomington Plant and Mr. Mike Tucker, President, USW Local 787-L, United Steel Workers

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

Chairman Owens presented the minutes of the December 7, 2011 Finance Committee Meeting for approval. Hearing no additions or corrections to those minutes, Chairman Owens advised that the minutes would stand approved as presented.

Chairman Owens indicated that he would deviate from the agenda to consider 3.H.1)c). Mr. Wasson noted that the title of the action item should be amended, as follows: Request approval to authorize a Settlement Agreement between Bridgestone Americas Tire Operations, LLC and the County of McLean. He explained that the tax agreement is accurate.

Chairman Owens asked Mr. Ken Springer, Project Analyst, Economic Development Council, to review the Settlement Agreement.

Mr. Springer introduced Mr. Monty Greutman, General Manager, Bridgestone Americas Tire Operations, LLC, Mr. Mark Highland, Manager, Human Resources, Bridgestone Americas Tire Operations, LLC, and Mr. Mike Tucker, President of the Union.

Mr. Springer stated that Bridgestone Americas Tire Operations, LLC ("Bridgestone") manufactures off-the-road (OTR) tires at its facility in North Normal and presently employs 408 workers. He noted that Bridgestone is requesting a five-year property tax freeze from all of the taxing bodies affecting the parcel which Bridgestone currently occupies. He indicated that they are making this same request of the other taxing bodies. Mr. Springer announced that the first two taxing bodies to review the request are Unit 5 and the Town of Normal, both of which approved the request.

Mr. Springer advised that one-half of an incentive package has already been approved by local municipalities, with the recent approval of an extension of the Bloomington/Normal/McLean County Enterprise Zone. The project in question would see an investment of \$19.6 million into the plant, which would in turn create 42 good-paying jobs within 36 months. Mr. Springer indicated that of the \$19.6 million to be invested, approximately \$2.7 million will go towards building and site improvements which will cause a nominal increase in the equalized assessed value of the Bridgestone property.

Mr. Springer stated that the freeze, if approved by the taxing bodies, would allow Bridgestone to pay a similar amount in taxes as it did in the most recent year and hold that amount steady for the next five years while the company invests into the site. He noted that after the period of five years is over, the company's taxes will rise to take into account the new investment on the site.

Mr. Springer advised that, as proposed, this arrangement protects the taxing bodies by guaranteeing that they will collect the existing pre-project level of property taxes throughout the next five years. Simultaneously, this would allow Bridgestone to realize the economic benefits of their new investment for five years before paying the full amount of property taxes on that investment.

Chairman Owens asked if all of the taxing bodies need to approve this Agreement before it is finalized. Mr. Springer replied that if one or more taxing bodies choose not to participate, this will have no affect whatsoever on taxing bodies that do choose to participate. Each individual taxing body's decision to approve or deny the request is independent of the other. Mr. Springer added that the amount of abated tax will vary from body to taxing body based on the size of each taxing body's specific levy.

Mr. McIntyre asked how many of the 42 jobs will be Union jobs. Mr. Tucker replied that 35-37 of the 42 jobs will be Union positions.

Mr. Rankin asked what "good-paying" means. Mr. Highland replied that the low end of the pay scale is \$36,000 per year and the high end would be \$80,000-\$90,000 per year. Mr. Springer stated that the median salary that the EDC uses is \$34,900.

Ms. Wollrab asked if the \$36,000 salary includes the benefits or is it just the salary. Mr. Highland responded that \$36,000 includes the salary and benefits. He added that the lowest hourly rate is \$14.04 per hour.

Ms. Wollrab asked what the County's amount of the abatement would be. Mr. Springer responded that the total abatement if all of the taxing bodies participated would be \$352,000 over those five years. Mr. Wasson referred to page 74 of the packet that shows the project abatement from each taxing district. Mr. Springer noted that McLean County's total abatement for the five years is \$8,254 per year, which reflects the improvements to be made based on this project. He indicated that, under arrangement as proposed, McLean County will collect all of the taxes that they are presently collecting from Bridgestone; the abatement is only on the portion that would be increased by the new investment that will take place on the site.

Motion by McIntyre/O'Connor to Recommend Approval to
Authorize a Settlement Agreement between Bridgestone
Americas Tire Operation, LLC and the County of McLean.
Motion carried.

Mr. Matt Riehle, Director, Nursing Home, reviewed his Monthly Reports. He stated that there was nothing unusual to point out in the reports.

Mr. Riehle advised that two weeks ago the Nursing Home received two checks totaling approximately \$1,313,000 from the State of Illinois. He noted that the amount was slightly higher than he had anticipated. Mr. Riehle added that \$200,000 was received last week to cover July 2011.

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

Ms. Michelle Anderson reviewed the Circuit Clerk Audit conducted on November 9, 2011. She stated that the Circuit Clerk's external auditors, which are different than the County's external auditors, noted some inconsistencies with one case type.

Ms. Anderson stated that the Auditor's Office has been working with the Circuit Clerk's Office to correct the inconsistencies. She reported that only one incident was found, but none related to the OV assessment noted above. Ms. Anderson indicated that it was deemed a training issue and it has been corrected. She thanked Mr. Everhart, Circuit Clerk, for his efforts getting the OV assessments cleared up.

Ms. Anderson reviewed the Auditor's Quarterly Report ending September 30, 2011. She advised that this is the last quarterly report to be received before the CAFR is completed in June.

Ms. Anderson stated that the first two quarters of revenues continue to exceed expenditures, which is somewhat skewed because of the way the revenues are deferred at the end of the year and then corrected in January. She noted that the Nursing Home definitely benefited from the revenue checks received.

Ms. Anderson indicated that the General Fund by departments shows that all of the departments are close to being on track except two Departments, namely EMA and the County Board. She indicated that Mr. Curt Hawk, Director, EMA, works very hard to find grant monies, which means that his budget is skewed annually. Ms. Anderson stated that she is working with Mr. Hawk to get the budget corrected. She stated that the County Board budget is skewed due to all of the pass-through grants, which will be adjusted in February or March.

Ms. Anderson stated that the Internal Revenue Service (IRS) recently announced the standard mileage rates will remain unchanged for 2012. She noted that, effective January 1, 2012, the standard mileage rates for the use of a personal vehicle will continue to be 55.5 cents per mile.

Ms. Anderson advised that the County Board Resolution Establishing Mileage Reimbursement states that "the mileage reimbursement rate for the use of private vehicles for conducting County business for County officials and employees is hereby set at the rate approved and authorized by the Internal Revenue Service."

Ms. Anderson noted that the rate for July 1, 2011 to December 31, 2011 was 55.5 cents per mile; it was 51 cents per mile from January 1, 2011 to June 30, 2011, and the 2010 rate was 50 cents per mile.

Ms. Monica Paul, Chief Deputy County Clerk, reviewed the Task Force 6 Audit Summary conducted on November 30, 2011. She advised that the Task Force 6 is operating in compliance with the grant agreements between the Illinois Criminal Justice Information Authority and McLean County. Ms. Paul noted that there were a couple payroll check requests that were not initialed as reviewed by the commander.

Ms. Paul stated that the Auditor's Office recommended that the Task Force 6 Commander approve all payroll and other expenditures prior to payment and indicate approval by initialing the check request.

Ms. Anderson indicated that the Auditor's Office is winding up for the audit which should begin in March.

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

Mr. Bob Kahman, Supervisor of Assessments, reviewed the County EAV Analysis. He noted that the Board of Review has concluded all 2011 business. Mr. Kahman indicated that they are currently in the process of preparing the final analysis, but that information should be available soon. He stated that he expects that the County total will be \$3,990,000,000 before exemptions.

Mr. Kahman referred to the attached chart, which he requested from the Department of Revenue, which lists all of the counties in Illinois except Scott and Union that have yet to close their 2010 tax year. He sorted the list by the One Year Percent Change column which divides 2010 EAV by 2009 EAV. For perspective, he included the 2000 EAV, 2009 EAV and 2010 EAV. The one year and ten year percent changes as well as the amount gained or lost from 2009 to 2010 are also listed.

Mr. Kahman stated that the chart reflects where the County is and where we are as a state in terms of assessed value. He pointed out that McLean County closed at \$3,642,352,060 in 2010. This amount is what is left after all of the exemptions are subtracted, so that is the taxable amount.

Mr. Kahman reported that Hamilton County, which is a small county in Southern Illinois had the largest percentage loss in 2010. Cook, DuPage and Lake all had EAV losses in the billions of dollars this year. Mr. Kahman pointed out that Cook County had a \$9 billion dollar EAV loss, DuPage had almost \$3 billion loss, and Lake County had almost a \$3 billion loss. Mr. Kahman noted that he included the 2000 EAVE amounts, which reflects the tremendous ten year growth period that led up to 2010. At that time, DuPage grew by a total of 71%, which is huge. Lake County grew 68%. Mr. Kahman reported that these collar counties were seeing a growth of about 10% every year.

Mr. Kahman pointed out that McLean County did not see the tremendous run up in values that were so apparent in other, typically more urban markets. McLean County has been very steady. Mr. Kahman stated that McLean County was fortunate enough to grow by 1% this year, and 57% over the last decade, which is a modest gain that has protected McLean County

Mr. Kahman pointed out that Rock Island grew by \$90 million in this last year. He noted that this may be the result of their wind towers coming on line. Mr. Kahman stated that Polk County's growth is almost entirely agricultural.

Mr. Kahman stated that McLean County is in the middle of the pack, which is not a bad place to be. He indicated that McLean County is the 13th largest county in terms of assessed value, which put the County in the top 10% of all counties in the state.

Mr. Kahman advised that, in terms of how the County has weathered during the recession, the County has held its own and staying fairly flat. He noted that the County's farmland values will go up 10% again this year. Mr. Kahman cautioned that what the rest of the market is doing is not terribly optimistic. He pointed out that the County saw a spike in value at the end of 2010 with the end of the federal credits that artificially started pushing values up because of supply and demand. Mr. Kahman anticipates that next year there will be a little sell-off in the market. Mr. Kahman stated that the White Oak Wind Farm will become taxable this next year, but the existing housing stock will have a slight decrease in the overall assess value, which reflects the assessors' reacting to what they are seeing in sales over the prior three years.

Mr. Kahman concluded that this report provides an idea of how the County stands with the rest of the state.

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

Chairman Owens presented the County Clerk's Monthly Report as submitted by Ms. Kathy Michael, County Clerk.

Chairman Owens presented the County Recorders Monthly Report as submitted by Mr. Lee Newcom, County Recorder.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending December 31, 2011, as distributed.

Ms. McNeil reviewed the Summary of Tax Vouchers for Sales, Income, Local Use and Personal Property Replacement Tax, as follows:

December 2011 Vouchers

Sales Tax	411,695.12
Revenue Sales Tax	56,213.70
Local Use Tax	18,213.97
Income Tax	94,632.94
PPRT	48,397.35
Total	629,153.08

December 2010 Vouchers

385,639.54	6.8%
51,516.94	9.1%
23,304.21	-21.8%
121,846.92	-22.3%
292,379.86	-83.4%
874,687.47	-28.1%

Monthly Comparison

December 2011 Vouchers	629,153.08	
December 2010 Vouchers	874,687.47	
Difference	(245,534.39)	-28.1%

YTD Comparison

YTD 2011 Vouchers	8,607,195.12	
YTD 2010 Vouchers	8,630,143.43	
Difference	(22,948.31)	-0.3%

Budget Comparison

2011 Annual Budget	\$ 8,600,000.00
Budgeted Revenue Per Month	\$ 716,666.67
Budgeted Revenue thru 12/31/11	\$ 8,600,000.00

YTD Actual Vouchers 8,607,195.12

Over (Under) Budget \$ 7,195.12 0.1%

Comptrollers explanation for drop in PPRT:

The Personal Property Replacement Tax distribution for December 2011, representing replacement taxes collected in October and November, is significantly less than last year.

There are several reasons:

- Amnesty inflated 2010 receipts,
- A required transfer from the Refund Fund to the PPRT Fund inflated 2010 receipts,
- Bonus depreciation depressed 2011 receipts, and
- About \$3.7 million was spent in 2011 from the PPRT Fund for local government officials' stipends and for Regional Supts.

Ms. McNeil pointed out that the PPRT tax of December 2010 was \$292,379.86 and the December 2010 PPRT tax was \$48,397.35. She noted that the State Comptroller's Office provided the above explanation on their website for the large discrepancy in the PPRT.

Ms. Wollrab asked for an interpretation of some of the reasons the State gave for reducing the County PPRT so significantly. Ms. McNeil replied that it is difficult to understand their explanation. Mr. Wasson stated that a portion of the difference is due to the Legislature enacting legislation that required that stipends be paid to elected officials and, then, later, the salaries of the Superintendent and Assistant Superintendent of the Regional Office of Education.

Mr. Wasson indicated that, over the year on a monthly basis, the amounts that the County gets from PPRT are so inconsistent there is no way to determine what the County payments will be. He noted that generally the end of the year numbers line up, but clearly we are going to experience a shortfall of over \$200,000. The good news is that we had not budgeted PPRT at last year's amount, so it will not be significantly under-budget for the year.

Ms. McNeil reviewed the Treasurer's Investment Report. She pointed out that the Nursing Home Fund increased significantly due to the \$1.5 million received from the state in the past month. Due to this influx of money, Ms. McNeil was able to purchase a Freddy Mac step-up bond at 1%. A step-up bond is a bond where we are locked in at 1% for a year and then it bumps up another percent the next year

Ms. McNeil reported that the total cash on hand is \$40,170,476.10.

Ms. McNeil reviewed the Employee Benefit Fund Quarterly Report. She noted that this fund is the fund where the County accounts for all revenues and contributions coming into the fund and all health employee benefit related expenses going out of the fund. As of December 31, 2011, the fund had an ending Fund Balance of \$1,110,347.87. Ms. McNeil noted that this is up from where it started at the beginning of the year of \$803,519.60. She noted that there are couple premiums that have not been paid yet, which reflects the difference in the balance.

Ms. McNeil advised that McLean County is in very good shape compared to other counties.

Ms. McNeil reviewed the CDAP Revolving Loan Fund Quarterly Report. She noted that the Balance available for lending is \$393,357.64.

Ms. McNeil stated that the \$150,000 CDAP loan for GDS Professional Displays closed at the end of December.

Ms. McNeil referred to the Victory Enterprises Loan, which was historically delinquent every month. She informed the Committee that two years ago a plan was arranged with Victory Enterprises and they have since been making their payments on time every month. Ms. McNeil pointed out that they currently owe only \$6,140.46 on their loan. Chairman Owens stated that the payment plan was arranged by the EDC and the County Treasurer's Office.

Ms. McNeil reviewed the State of Illinois Receivables. She noted that the Nursing Home Fund is very good since receiving the \$1.5 million from the state. Ms. McNeil noted that the State also paid \$400,000 on Probation at the end of the year, which took care of receivables due for July, August, and September. She added that one of the Income Tax payments was also received. Currently there is about \$1.6 million due from the state in receivables.

Motion by Rankin/O'Connor to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending December 31, 2011, as submitted.

Motion carried.

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

Mr. Walt Howe, Health Department Administrator presented a request for approval of an Ordinance of the McLean County Board amending the 2011 Combined Appropriation and Budget Ordinance for Fund 0105 (Vision and Hearing Fund). He explained that during the last two years, the Health Department has offered to provide school based vision and hearing screening via contract service hours to the school districts in McLean County and has seen a significant increase in revenue. Mr. Howe stated that, due to fiscal constraints in the school districts, many of the routine screening programs that were normally conducted by school nurses were found to be beyond the capabilities of reduced staffing compliments.

Mr. Howe advised that when the 2011 budget was prepared, the increased demand from the school districts for Health Department services was not anticipated. He reported that due to the increased demand for contract service hours, a temporary adjustment to the part-time vision and hearing technician hours was required. The increase in salary expense will be offset by the additional contract revenue generated from the schools.

Mr. Howe stated that a larger number of schools requested this service this year, so it became necessary to request an additional .13 FTE Vision and Hearing Technician. Therefore, he is asking to increase the revenue line by \$4,750 from \$5,000 to \$9,750 to cover the expense of the part-time vision and hearing technicians as well as covering the fringe benefits in the amount of \$4,750.

Chairman Owens called for a motion to recommend this action item as well as the second action item, namely a request for approval of a Resolution Amending the Fiscal Year 2011 McLean County Full-time Equivalent Position Resolution associated with an Ordinance to Amend the Fiscal Year 2011 McLean County Combined Appropriation and Budget Ordinance for Fund 0105 (Vision and Hearing).

Motion by Wollrab/McIntyre to Recommend Approval of an Ordinance of the McLean County Board Amending the 2011 Combined Appropriation and Budget Ordinance for Fund 0105 (Vision and Hearing Fund); and to Recommend Approval of a Resolution Amending the Fiscal Year 2011 McLean County Full-time Equivalent Position Resolution associated with an Ordinance of the McLean County Board Amending the 2011 Combined Appropriation and Budget Ordinance for Fund 0105 (Vision and Hearing Fund)..
Motion carried.

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

Mr. Bill Wasson, County Administrator, presented the request for approval of the critical personnel position requests which have been received by the County Administrator's Office through December 22nd. All positions listed below are budgeted and funded through the end of FY 2011 and FY 2012.

The following is a list of critical personnel position requests which fall under the "critical patient care exemption" section of the hiring freeze guidelines.

Health Department

- 1) Request to Fill a 1.0 FTE WIC Program Coordinator position that has been recently vacated

The WIC Program Coordinator is 100% grant funded out of Fund 0103. This position requires an RN degree due to patient care requirements. This position additionally directs and coordinates 9 employees of the WIC program and co-supervises three additional clerical support staff. This is a critical position to implement and manage one of my largest grant funded programs at \$479,266. This position is responsible to oversee the federally funded WIC program which provides supplemental foods, health screenings, health care referrals and nutrition education, at no cost, to low-income pregnant, breastfeeding and non-breastfeeding postpartum women and to infants and children up to 5 years of age who are found to be at nutritional risk. This position is also responsible for oversight of the Breastfeeding Peer Counselor Program, Childhood Lead Prevention Program and the Farmers Market Nutrition Program.

Nursing Home

- 1) Fill 1.0 FTE Licensed Practical Nurse Position which have been vacated

The Nursing Home has filled 1 FTE Licensed Practical Nurse Position which has been vacated and filled to provide sufficient personnel to meet critical minimum staffing levels required to meet state guidelines.

Motion by O'Connor/Rankin to Recommend Approval of the
Critical Personnel Hiring Requests.

Motion carried.

Mr. Wasson presented a request for approval of an Ordinance authorizing the execution and delivery of an Intergovernmental Cooperation Agreement and certain documents in connection therewith; and related matters (Assist 2011 Homebuyer Assistance).

Mr. Wasson advised that this request has been before the Committee in the past. He stated that the County has participated with a number of other Municipalities and Counties in the Assist Single Family Mortgage Revenue Bond Program. This provides the availability to financiers in McLean County to provide some financing assistance to homebuyers within the participating municipalities or counties. The funds are allocated and made available by the State of Illinois. He noted that the Ordinance is the means to approve and adopt the Intergovernmental Cooperation Agreement.

Mr. Wasson stated that the County does not have a current allocation, but as part of the aggregation process, it can engage in this agreement and allow County financial institutions to use this program as they work with individuals wishing to obtain mortgages in McLean County.

Ms. Wollrab asked where the money comes from. Mr. Wasson replied that the money was previously allocated by the state.

Motion by O'Connor/Rankin to recommend approval of an Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement and certain documents in connection therewith; and related matters for the Assist Single Family Mortgage Revenue Bond Program.
 Motion carried.

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

Chairman Owens presented the December 31, 2011 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$1,110,157.16 and a Fund Total that is the same.

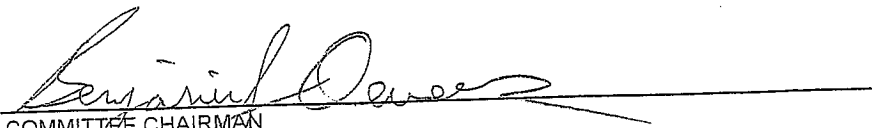
MCLEAN COUNTY BOARD COMMITTEE REPORT

AS OF 12/29/2011

EXPENDITURE SUMMARY BY FUND

Finance Committee

FUND	FUND TITLE	PENDING TOTAL	PREPAID TOTAL	FUND TOTAL
0001	GENERAL FUND		\$82,676.70	\$82,676.70
0130	SOCIAL SECURITY EXPENSE		\$208.43	\$208.43
0131	I.M.R.F. FUND		\$652,454.01	\$652,454.01
0133	CO-OPERATIVE EXTENSION		\$215,120.07	\$215,120.07
0134	HISTORICAL MUSEUM		\$26,486.40	\$26,486.40
0135	TORT JUDGEMENT		\$88,454.38	\$88,454.38
0137	RECORDER DOCUMENT STORAGE		\$2,697.86	\$2,697.86
0168	COLLECTOR AUTOMATION FUND		\$4,008.00	\$4,008.00
0512	EMPLOYEE BENEFIT PLAN		\$38,051.31	\$38,051.31
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			\$1,110,157.16	\$1,110,157.16


 COMMITTEE CHAIRMAN

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Motion by Wollrab/O'Connor to recommend approval of the Finance Committee bills as of December 31, 2011 as recommended by the County Auditor.
Motion carried.

The Nursing Home bills include a Prepaid Total of \$219,027.42 and a Fund Total that is the same.

MCLEAN COUNTY BOARD COMMITTEE REPORT

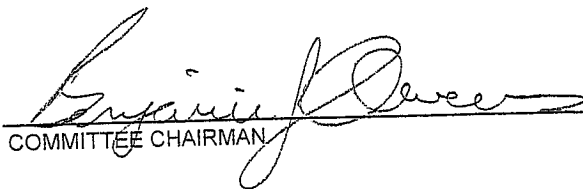
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AS OF 12/29/2011

EXPENDITURE SUMMARY BY FUND

Human Services Committee

FUND	FUND TITLE	PENDING TOTAL	PREPAID TOTAL	FUND TOTAL
0401	NURSING HOME		\$219,027.42	\$219,027.42
			\$219,027.42	\$219,027.42


COMMITTEE CHAIRMAN

Motion by O'Connor/McIntyre to recommend approval of the Nursing Home bills as of December 31, 2011 as recommended by the County Auditor.
Motion carried.

Chairman Owens presented transfers in the Health Department, namely \$24,200 in Fund 0112, \$7,200 in Fund 0102 and \$2,000 in Fund 0107.

Motion by O'Connor/McIntyre to recommend approval of the Health Department transfers.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 4:50 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary