

Minutes of the Executive Committee Meeting

The Executive Committee of the McLean County Board met on Tuesday, February 11, 2003, at 4:30 p.m. in Room 700, Law and Justice Center, 104 West Front Street, Bloomington, Illinois.

Members Present: Chairman Sweeney, Members Sorensen, Bass, Gordon, Bostic, Segobiano, and Renner

Members Absent: Members Berglund and Hoselton

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Ms. Christine Northcutt, County Administrator's Assistant

Department Heads/
Elected Officials Present: Sheriff Dave Owens

Others Present: None

Chairman Sweeney called the meeting to order at 4:31 p.m.

Chairman Sweeney presented the minutes of the January 14 and January 21, 2003 meetings for approval.

Motion by Bass/Bostic to approve and place on file the minutes of the January 14 and January 21, 2003 meetings. Motion carried.

Chairman Sweeney stated that there are six reappointments and no new appointments or resignations for which the Committee's advice and consent is sought.

Motion by Renner/Gordon to recommend approval of the six reappointments as recommended by the Chairman. Motion carried.

Chairman Sweeney presented a request from the Information Services Department to apply for a departmental credit card. He asked Mr. Craig Nelson, Director, Information Services for more information.

Mr. Nelson stated he had spoken to both the County Administrator and the County Auditor about the credit card that was issued, on a trial basis, to the Sheriff's Department. The trial in the Sheriff's Department has been a smooth process and neither the Auditor nor the Administrator have a problem with Information Services' request for a department credit card. Mr. Nelson advised the Committee that Information Services incurs a significant amount of travel and conference type expenses. Secondly, Information Services purchases software and software upgrades over the internet that, if purchased by mail order, would take in excess of 2-3 weeks to process the check request, mail the order and receive the software. This will not replace the normal purchase order process. This would be for an "exception" type process. The credit cards would be locked in the Director's office. Mr. Nelson asked the Committee to approve the issuance of one card in his name, one in the Assistant Director's name and a departmental one that can be used for travel by his staff members.

Mr. Bass asked if the bidding process would remain the same. Mr. Nelson replied that the proposed credit card would be added to the account already established with Commerce Bank for the Sheriff's Department.

Mr. Segobiano stated that he would not oppose Mr. Nelson's request, but stated that every department could make the same case with travel, etc. Eventually, there may be a lot of departmental credit cards.

Chairman Sweeney added that when the initial request was received from the Sheriff's Department, several Board members expressed this concern.

Mr. Gordon asked how long ago was the Sheriff's Department's request received and approved.

Sheriff Owens replied 6-8 months ago. He added that there was going to be a review at six months, but the Auditor's Office and the Sheriff's Department have not experienced any problems with the departmental credit cards.

Mr. Gordon asked if it would be possible to authorize and issue one credit card that would be kept in the Administrator's Office and available for use by all of the departments that report to the Administrator.

Mr. John Zeunik, County Administrator, replied that you could authorize a single card to be issued in the name of McLean County, with no individual's name on the card.

Mr. Zeunik stated that the Auditor's Office has been very pleased with the relationship with Commerce Bank for two reasons. First, it is possible to code the credit card so that it is restricted to certain uses. For example, it can be limited to travel or a specific purchase category. If a purchase is attempted that is not within the specified category, it will be rejected. The credit card cannot be used at an ATM or for a cash advance. Secondly, the Auditor's office has the ability to view the credit card purchases on line before the printed bill is received in the office. They can audit the transactions as they become available on line. To date, there have not been any problems with the card.

Mr. Bass asked how many credit cards does the Sheriff's Department currently have. Sheriff Owens replied that they have four cards. One is in Sheriff Owens name, one is in Chief Deputy's name, and the other two are kept locked in the bookkeeper's office and if an employee needs to use a credit card, it can be signed out.

Mr. Bass stated that he could envision this expanding where several cards are issued to each department and then there may be a problem with accountability.

Mr. Zeunik stated that when Mr. Nelson brought the request to his attention, Mr. Nelson raised two concerns. There are some employees who prefer not to expense advance hotel lodging on their own personal credit card. Many hotels require a credit card for reservations. The other issue is internet purchases. Many of the transactions in Information Services are now done over the internet. Most internet purchasing cannot be done with purchase order numbers. They tend to require a credit card.

Mr. Bass asked if employees could get a travel advance for a conference. Mr. Zeunik responded, that under County Board Policy, an employee can receive an advance for travel, if the request is received by the Auditor's Office far enough in advance of the travel dates. The employee must document all expenses when the travel is completed.

Mr. Segobiano asked if the County was paying an annual fee or a service charge for any of the cards. Mr. Zeunik replied that there weren't any annual fees assessed by Commerce Bank. Mr. Segobiano asked why there weren't any fees. Mr. Zeunik stated that the County maintains numerous business accounts with Commerce Bank, which are assessed fees.

Mr. Zeunik noted that there are incentives offered to customers which transact a certain volume of purchases using a credit card. The County's volume is not close to the amount necessary for an incentive.

Mr. Gordon asked that if the Committee was to go ahead and approve Mr. Nelson's request today, could Mr. Zeunik explore the possibility of an "Administrative" credit card. Information Service's card could then be folded into the system.

Chairman Sweeney stated that this Committee can direct the Administrator's Office to look into other options and the Committee can approve Mr. Nelson's request in the mean time.

Mr. Gordon noted that he wanted to be sure that Mr. Nelson's request didn't get held up while the Administrator researches other possibilities.

Mr. Segobiano asked if on-line purchases are primarily done in house by Information Services. Mr. Nelson replied that he is not sure if other departments purchase on line. Last year, Mr. Nelson informed the Committee that he was reimbursed for over \$6,000 in conference and on-line purchasing expenses.

Mr. Zeunik stated that the Health Department does do some purchasing on-line as well.

Mr. Sorensen advised the Committee that, independent of County business, he has done a lot of work at State Farm and has read a lot on the topic of a "P" card or a "Purchasing Card". American Express is the industry leader in this field. For some of their accounts, they provide up to a 5% rebate back to companies. Many accounts payable departments find that there is a whole set of cost savings associated with "P" card activity. There is a cost associated with each check that is cut, for each specific item. With a "P" card being used, a single check is being cut to pay a credit card company. The data that the credit card company can provide in electronic format, can cut a lot of work for the Auditor's Office. The key to this is appropriate internal reviews and audits. Mr. Sorensen added that, as the County explores this option further, it should anticipate that this will grow and become more commonplace. The future of business transactions is down this road. It is a great idea to cautiously step into this way of business, refining our auditing and reviewing process.

Chairman Sweeney asked if there was any other discussion. Hearing none, Chairman Sweeney asked for a motion.

Motion by Gordon/Renner to recommend approval of the
Request to Apply for a Departmental Credit Card for
Information Services. Motion carried.

Mr. George Gordon, Chairman of the Land Use and Development Committee, presented no items for action at this time. The Stormwater Management Plan will be presented to the County Board for approval. This Plan was prepared by County staff to meet the requirements of the Environmental Protection Agency. The Plan must be filed with the State EPA in March.

Ms. Diane Bostic, Chairman of the Property Committee, presented two items for the Committee's attention. The two Emergency Appropriation Ordinances cover the expenses for the emergency replacement of the McBarnes Memorial Building Steam Boiler.

Motion by Bostic/Renner to recommend approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2002 Combined Annual Appropriation and Budget Ordinance. Motion carried

Motion by Bostic/Gordon to recommend approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2003 Combined Annual Appropriation and Budget Ordinance. Motion carried.

There are three items that will require attention from the Board.

Mr. B.H. "Duffy" Bass, Chairman of the Transportation Committee, presented no items for the action at this time. There are five items concerning bid lettings on vehicles, etc.

Mr. Matt Sorensen, Chairman of the Finance Committee, presented a request for approval of an Ordinance Authorizing Execution and Delivery of an Intergovernmental Cooperation Agreement; Assist 2003 Single-Family Mortgage Revenue Bond Program.

Mr. Segobiano asked how many people utilized this program. Mr. Zeunik answered that the program was utilized throughout the County. The Finance Committee received a report which he will include in the County Board packet. He further stated that this year the anticipated allocation to McLean County would be slightly in excess of \$5 million that will be available to local financial institutions for low interest loans to first time home-buyers.

Mr. Renner stated that the definition for first time home-buyer is fairly broad. This program should be publicized so it can help even more people.

Motion by Sorensen/Renner to recommen approval of an Ordinance Authorizing Execution and Delivery of an Intergovernmental Cooperation Agreement; Assist 2003 Single-Family Mortgage Revenue Bond Program. Motion carried.

Mr. Sorensen stated that the next item for action is the annual cash flow transfer resolution and ordinances for the first five months of fiscal year 2003.

Motion by Sorensen/Bass to recommend approval of the Interfund Transfer Ordinances for Fiscal Year 2003: January 1 – May 31, 2003
(1) Resolution Transferring Monies from the Working Cash Fund 002.
(2) Ordinance Transferring Monies from the Tort Judgement Fund 0135.
(3) Ordinance Transferring Monies from the Treasurer's Indemnity Fund.
Motion carried.

Mr. Sorensen stated that all other items are for the County Board.

Mr. Tari Renner, Chairman of the Justice Committee, brings three items to the Committee for action.

Motion by Renner/Sorenson to recommend approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2002 combined Annual Appropriation and Budget Ordinance Court Security Fund 0141, Sheriff's Department 0029 and the County General Fund 0001.
Motion carried.

Motion by Renner/Bostic to recommend approval of an Emergency Appropriation Amending the McLean County Fiscal Year 2002 Combined Annual Appropriation and Budget Ordinance Public Defender's Office Violent Crime Defense Grant Fund 0149, Public Defender's Office 0021. Motion carried.

Motion by Renner/Gordon to recommend approval of an Intergovernmental Cooperation Agreement between the Village of Heyworth and McLean County. Motion carried

Mr. John Zeunik, County Administrator, stated that the Treasurer's office and Auditor's office have completed a "soft-close" for FY 2002. Mr. Zeunik stated he is pleased to report that it appears that the County's General Fund will finish FY 2002 in the black. This is a result of the cuts that the Committee recommended and the Board approved last summer. It is significant because there are many local governments that are ending the fiscal year significantly in the red. The Finance Committee received a report early this month that indicated the General Fund will finish the year \$161,531 in the red. That report did not reflect an additional \$186,108 in revenue to be received before the end of FY 2002. With that additional revenue, the General Fund appears to be in the black. Mr. Zeunik reminded the Committee that the goal was not to see any further erosion in fund balance. This will basically ensure that this will not happen. The State of Illinois is now 100+ days behind in remitting payment to local governments. As a result, even though the fund balance number appears to be unchanged, the cash position is significantly less.

Mr. Zeunik advised the Committee that for FY 2003, the numbers which the Treasurer's Office presented to the Finance Committee earlier this month for State income tax, retail sales tax, and personal property replacement tax are tracking on budget. Mr. Zeunik stated that they will be watching these revenue accounts very closely this year.

Mr. Segobiano asked where is the Unappropriated Fund Balance this year. Mr. Zeunik replied that on December 31, 2002 the General Fund fund balance stood at \$4,316,270.00. Last year, at this time, it was at \$4,200,321.

Chairman Sweeney asked for any other communications or questions. Hearing none, Chairman Sweeney presented the bills and transfers.

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Motion by Renner/Bostic to recommend approval of the bills and transfer, as of January 31, 2003, as presented by the County Auditor. Motion carried.

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Motion by Bass/Renner to recommend approval of the
Bills of December 31, 2002 as presented by the Auditor.
Motion carried.

There being no further business to come before the Committee, the meeting was
adjourned at 5:00 p.m.

Respectfully submitted,

Christine Northcutt
Recording Secretary