

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, October 7, 2009 at 4:00 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Rackauskas, O'Connor, Caisley, Butler (arrived 4:15 p.m.), and Moss (left at 5:20 p.m.)

Members Absent: None

Other Members Present: None

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

Department Heads/
Elected Officials
Present:

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

Others Present: Ms. Cathy Dryer, Fiscal Services Supervisor, Health Department; Cathy Coverston-Anderson, Assistant Health Department Administrator; Ms. Julie Osborn, Chief Deputy Auditor, County Auditor's Office; Mr. Ken Springer, Project Analyst, Economic Development Council; Mr. Tim Stratton, Senior Council, Ice Miller, a bond council firm

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

Chairman Owens reminded the Committee that there was not a meeting in September, so there are no minutes to approve.

Mr. Howe presented two requests that can be acted upon together. The first is a request for approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0107. The second request is for approval of a Resolution Amending the Fiscal Year 2009 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2009 McLean County Combined Appropriation and Budget Ordinance for Fund 0107.

Mr. Howe introduced Ms. Cathy Dryer, Fiscal Services Supervisor, Health Department, and Ms. Cathy Coverston-Anderson, Assistant to the Administrator and Community Health Services Coordinator, Health Department.

Mr. Howe advised that the Health Department has been notified by the Illinois Department of Public Health that it has been awarded a grant of \$185,976 covering the period July 31, 2009 through July 30, 2010 encompassing the planning phases of the Public Health Emergency Response to the pandemic influenza H1N1. He indicated that the grant is going to come to the County in three phases. The first two phases are included in the \$185,976, which is designed for planning and education. The Health Department also anticipates another sizable grant associated with the implementation phase of the response plan that will be issued in the coming weeks.

Mr. Howe stated that the Health Department estimates that approximately \$102,672 of the grant will be targeted for expense during the County Fiscal Year 2009. The spending plan includes personnel expense associated with two part-time RN planners working on vaccination planning for public health-organized clinics. This includes all efforts associated with identifying locations, working closely with private sector planners, assessing and addressing cold storage capacity, assuring all aspects of Vaccine Adverse Events Reporting System (VAERS) are routinely followed, assuring monitoring efforts associated with dosage administration are in place, and coordinate the communication and education of staff, volunteers and partners to meet the requirements of the grant.

Mr. Howe advised that an additional .35 FTE for a Staff Specialist is also being budgeted for enhancement to the Health Department website. The web will be a crucial component of the information and communication process being implemented for this response plan.

Mr. Howe indicated that in addition to personnel expenses, the planning phase of the response grant will also include costs associated with preparation efforts for rolling the vaccine out into the community and the ongoing information and education of the citizens of the County to assure the public is aware of the plans for community measures to address N1H1. Mr. Howe summed up the financial needs as follows:

- Two part-time RN's;
- One part-time Administrative Specialist;
- Medical Supplies for the clinics;
- Contractual Services for educational outreach;
- Training cost for staff;
- Facility rental costs to set up clinics;
- Misc. Assistance, such as security at clinics;

- Equipment such as refrigerator/freezer to store the vaccine (approximately 32,000 doses of vaccine);
- Generator to protect refrigeration;
- Computer equipment and educational development support material.

Ms. Rackauskas asked if the grant is from Illinois or the Federal Government. Mr. Howe replied that it is coming from Federal monies filtered through Illinois.

Ms. Rackauskas asked if the vaccine will be free to the public. Mr. Howe responded that the vaccine will be free to the public. He added that the grant does allow for the charge of an administrative fee.

Ms. Rackauskas asked what the target date is for starting the vaccination. Mr. Howe replied that the shipment of vaccine should begin next week and continue every week thereafter. He reiterated that he is expecting 32,000 doses of vaccine.

Mr. Caisley asked what the targeted population is for the vaccine. Mr. Howe replied that the target population in McLean County is approximately 100,000 people. The groups are prioritized as follows:

- Pregnant women;
- Families that take care of infants under the age of six months;
- Individuals aged six months to 24 years;
- People up to age 64 who have a chronic disease;
- Health care workers.

Motion by Moss/Rackauskas to recommend approval of an Ordinance of the McLean County Board Amending the 2009 Combined Appropriation and Budget Ordinance for Fund 0107; and to recommend approval of a Resolution Amending the Fiscal Year 2009 McLean County Full-Time Equivalent Position Resolution Associated with an Ordinance to Amend the Fiscal Year 2009 McLean County Combined Appropriation and Budget Ordinance for Fund 0107.

Motion carried.

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

Finance Committee
October 7, 2009
Page Four

Chairman Owens indicated that the County Clerk's action item and budget consideration will be considered at this time.

Ms. Peggy Ann Milton, County Clerk, presented a request for approval to change the Polling Place for Precinct, Empire 3 from Water Tower Place, 212 Pine St. to the LeRoy Christian Church, 603 S. East St., LeRoy, IL.

Ms. Megan Nelson, Chief Deputy County Clerk, indicated that this change is in addition to the request submitted last month to move Empire 1 & 2.

Mr. Caisley recommended that signs be placed at the Water Tower Place directing voters to the new facility.

Motion by O'Connor/Rackauskas to recommend approval to Change the Polling Place for Precinct, Empire 3 from Water Tower Place, 212 Pine St., LeRoy, IL to LeRoy Christian Church, 603 S. East St., LeRoy, IL.

Motion carried.

Ms. Milton presented her August 2009 Monthly Report.

County Clerk – 0001-0005 can be found on pages 19-22 of the FY'2010 Budget and pages 49-52 of the Summary.

Ms. Nelson stated that the change in the revenue has been due to the decrease in the past few years with the vital records. She noted that even though the charge for copies of vital records increased from \$12 to \$15 in 2009, fewer people are requesting extra copies.

Ms. Nelson stated that the State is required to help fund the Election Judge income, but they are only funding at 50% this year. She added that it is possible that the State will fund this at 100%. Ms. Milton pointed out that the budget reflects 100% funding from the State, but it may be reduced to 50%.

Chairman Owens asked for an explanation of the Equipment and Maintenance increase. Ms. Milton replied that this increase is due to the fact that there are two elections in 2010 versus 2009.

Mr. Caisley asked what needs to be done should the State not reimburse the Election Judges salaries at 100%. Mr. Lindberg replied that, in the future, if it is known that the State will not provide the revenue at 100%, a decision would be made at that time.

Highlights of the Recommended Budget:

REVENUE:

410.0526 Marriage Certificates: This line item account has decreased from \$34,000 in the FY'2009 Adopted Budget to \$25,000 in the FY'2010 Recommended Budget. Despite an increase from \$12 to \$15 for the first copy and an increase of \$3 for each additional copy, total revenue has declined.

410.0527 Birth Certificates: This line item account has decreased from \$94,000 in the FY'2009 Adopted Budget to \$90,000 in the FY'2010 Recommended Budget. Despite an increase from \$12 to \$15 for the first copy and an increase of \$3 for each additional copy, total revenue has declined.

407.0011 Reimbursement Special Services: This line item account has increased from \$7,800 in the FY'2009 Adopted Budget to \$31,950 in the FY'2010 Recommended Budget. The FY'2010 Recommended Budget figure reflects the reimbursement to be received from the State Board of Elections for Election Judges' expense. In FY'2010, the number of election judges required to be present is higher than in an odd-year election. The State reimburses \$45 per election judge at the primaries and general election.

EXPENDITURES:

Personnel:

There is no change in the FTE staffing level in the FY'2010 Recommended Budget.

Materials and Supplies:

All Materials and Supplies line item accounts in the FY'2010 Recommended Budget have been budgeted at the same level or less as in the FY'2009 Adopted Budget with the following exceptions:

629.0001 Letterhead/Printed Forms: This line item account has increased from \$28,950 in the FY'2009 Adopted Budget to \$72,646 in the FY'2010 Recommended Budget. This increase is based on the need to purchase additional ballots for two elections during 2010. Expenses were \$69,553 in 2008.

630.0001 Postage: This line item account has increased from \$22,000 in the FY'2009 Adopted Budget to \$25,000 in the FY'2010 Recommended Budget due to postage expense associated with absentee balloting.

Contractual:

All Contractual Services line item accounts have been budgeted in the FY'2010 Recommended Budget at the same level or less as in the FY'2009 Adopted Budget with the following exceptions:

701.0001 Advertising/Legal Notices: This line item account has increased from \$28,000 in the FY'2009 Adopted Budget to \$34,000 in the FY'2010 Recommended Budget. This increase is based on the need to publish additional legal notices for two elections during 2010. Expenses were \$33,967 in 2008.

750.0001 Equipment Maintenance Contracts: This line item account has increased from \$27,905 in the FY'2009 Adopted Budget to \$37,612 in the FY'2010 Recommended Budget. This increase is based on maintenance costs for touch screen and optical scan voting equipment.

762.0001 Election Judges' Expense: This line item account has increased from \$120,160 in the FY'2009 Adopted Budget to \$145,000 in the FY'2010 Recommended Budget. This increase is based on 2010 being an even year election. Expenses were \$155,121 in 2008.

773.0001 Non Contractual Services: This line item account has been budgeted at \$112,000 in the FY'2010 Recommended Budget; an increase from the \$102,000 budgeted in the FY'2009 Adopted Budget. This line item includes the expense to be incurred to program the touch screen voting machines. This line item accounts for the professional services provided by the third party vendor used by the County Clerk to prepare the ballots for the primary and general election and to program the optical scan voting machines.

Capital Outlay:

832.0002 Lease/Purchase Office Equipment: This line item account includes the principle expenses for the photocopier in the County Clerk's Office.

Motion by Caisley/O'Connor to recommend tentative approval of the County Clerk – (0001-0005) FY'2010 Recommended Budget as amended.
Motion carried.

County Clerk Document Storage Fund – 0164-0006 can be found on pages 23-26 of the FY'2010 Recommended Budget and pages 53-55 of the Summary.

Ms. Milton advised that the Document Storage budget was decreased by 0.93% due to the decrease in revenue. She noted that this budget funds an automation position in the County Clerk's Office to update vital records.

Highlights of the Recommended Budget:

Pursuant to Illinois law, the County Board established the County Clerk's Document Storage Fund. This Special Revenue Fund was established to assist the County Clerk's Office with automation and document storage. Through the collection of a Document Storage fee, the County Clerk's Office has available funds which can be used to purchase automated document storage systems, contract for services, purchase capital equipment, and purchase computer hardware and software. As a Special Revenue Fund, the fund must be balanced within the fund.

REVENUE:

410.0089 Document Storage Fee: This revenue line item account has been budgeted at \$25,000 in the FY'2010 Recommended Budget. This revenue figure is based on a review of last year's actual revenue and the year to date revenue, as of the date the Recommended Budget was prepared.

400.0000 Unappropriated Fund Balance: This revenue line item has been budgeted at \$22,817 in the FY'2010 Recommended Budget to balance the total expenditures with the revenue. Per the outside auditor's Fiscal Year 2008 audit, the end of year fund balance as of December 31, 2008, totaled \$33,999.

EXPENDITURES:

Salaries:

There is No Change in the FTE Staffing level in the FY'2010 Recommended Budget.

Fringe Benefits:

The Fringe Benefit expenses attributable to the 1.0 FTE Deputy County Clerk position have been budgeted in the Clerk's Document Storage Fund.

Contractual Services:

773.0001 Non-Contract Services: This line item account has been budgeted at \$10,000 in the FY'2010 Recommended Budget. The funding will be available to assist the County

Clerk's Office with microfilming and indexing of the permanent vital records that must be retained by the office.

Motion by Rackauskas/Caisley to recommend tentative approval of the County Clerk Document Storage Fund – (0164-0005) FY'2010 Recommended Budget as submitted.
Motion carried.

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

Ms. Michelle Anderson, County Auditor, presented a request for approval of a Corporate Resolution adding Ms. Michelle Anderson to the Commerce Bank Credit Card Account.

Motion by Caisley/O'Connor to recommend approval of a Corporate Resolution adding Ms. Michelle Anderson to the Commerce Bank Credit Card Account.
Motion carried.

Ms. Anderson presented the Auditor's 2nd Quarter Financial Statements, a Circuit Clerk's Office Audit Report, and a Children's Waiting Room Fund Audit Report.

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

Ms. Becky McNeil, County Treasurer, presented a request for approval of a Resolution to authorize the Chairman of the McLean County Board to Execute a Deed of Conveyance to Mark Sakowicz on Parcel #12-07-227-019.

Ms. McNeil reviewed the Delinquent Real Estate Tax Liquidation Program. She noted that the program started in 1999 as a way to deal with property where the taxes were not paid. This agreement was entered into in conjunction with the specifications outlined in 35ILCS 200/21-90 of the property tax code. The primary goal of the program is to recover delinquent real estate taxes for the benefit of all taxing districts. The second goal is to return unproductive and abandoned parcels back to productive use and subsequently, the tax rolls of the County. Ms. McNeil stated that the 2009 surplus auction included 19 parcels. Bids were received and accepted for two of these parcels.

Ms. McNeil noted that most of the parcels are small parcels or strips of land between a parcels, corner lots, lots with no access, etc.

Ms. McNeil indicated that the property taxes on parcel 12-07-227-019 were originally unpaid for tax year 2004 and were sold at the 2005 annual tax sale. The subsequent taxes were also left unpaid for tax year 2006, 2007, and 2008. In accordance with the Illinois property tax code, the County of McLean acquired title in 2009 through the Delinquent Real Estate Tax Liquidation Program. This parcel was available in the 2009 Surplus Property Auction and a bid of \$702.00 was received from March Sakowicz.

Ms. McNeil stated that, when we go to property tax sale, everything is usually purchased by a tax buyer. For any parcel that is not sold after three years, the County, as Delinquent Tax Agent, will pick up the unsold parcels. Those parcels then become part of the County's portfolio.

Motion by Moss/Butler to recommend Approval of a Resolution to Authorize the Chairman of the McLean County Board to Execute a Deed of Conveyance to Mark Sakowicz on Parcel #12-07-227-019.
Motion carried.

Ms. McNeil presented a request for approval of a Resolution to authorize the Chairman of the McLean County Board to Execute a Deed of Conveyance to Eleanor L. Koertge on Parcel #30-20-426-001.

Motion by O'Connor/Moss to recommend Approval of a Resolution to Authorize the Chairman of the McLean County Board to Execute a Deed of Conveyance to Eleanor L. Koertge on Parcel #30-20-426-001.
Motion carried.

Ms. Becky McNeil, County Treasurer, presented the Financial Reports for the period ending September 30, 2009, as distributed.

Ms. McNeil reviewed the Statistics on the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending September 30, 2009.

- Retailers Occupation Tax Revenue for September 30, 2009 is \$484,625.54.
- Retailers Occupation Tax Revenue Year to Date is \$4,007,193.70, which is 69.7% of budget.
- State Income Tax Revenue is \$1,307,677.00, which is 67.9% of budget.
- Personal Property Replacement Tax Revenue is \$1,115,579.47, which is 59.7% of budget.

Ms. McNeil advised that the month of September showed a lower decrease in tax funds coming to the County, which is a good sign.

Ms. McNeil pointed out that we would like the revenue to be at 75% at the end of September. She noted that the revenue sources are currently not at 75%.

Ms. McNeil reviewed the Summary of Tax Receipts through September 30, 2009 report, which reflects how financial conditions are affecting revenue on our Sales and Income tax receipts. She noted the following:

September 2009 Revenue:	\$577,723.57
September 2008 Revenue:	\$609,221.60
Difference:	(\$31,498.03)
YTD 2009 Revenue:	\$6,430,450.17
YTD 2008 Revenue:	\$7,238,879.10
YTD Difference:	(\$ 808,428.93)
2009 Annual Budget:	\$9,545,150.00
Budgeted Revenue Per Month:	\$ 795,429.17
Budgeted revenue thru 9/30/09:	\$7,158,862.50
TYD Actual Receipts	\$6,430,450.17
Amount Over (Under) Budget:	(\$ 728,412.33)

Ms. McNeil noted that the budget was adjusted between 2008 and 2009, as the Administrator's Office anticipated a reduction in receipts going into 2009.

Ms. McNeil reviewed the Statement of Revenue, Expenditures and Fund Balance. She noted that interest in investments is down significantly. Ms. McNeil pointed out that Revenue stamps, which are derived from new home sales, is down. She advised that some revenues are up, such as Parks and Recreation. Ms. McNeil noted the following:

- Total Revenue year to date as of September 30, 2009 was \$23,764,992.54, which is 72.50% of budget;
- Expenditures were \$23,753,619.79, which is 72.95% of budget;
- The Fund Balance as of September 30, 2009 was \$9,768,761.66.

Ms. McNeil reviewed the Investment Report, noting that, with the receipt of the majority of distributions, she has been looking for investment options. She noted that the money markets and cash account with Heartland Bank and State Farm Bank are the best rates

for the County. Ms. McNeil stated that she has renewed a couple short term CD's. She added that she will continue to look for possibilities. Ms. McNeil indicated that the State of Illinois continues to challenge the Treasurer's Office due to its unpredictability. She advised that she is looking at investing methods that will keep funds accessible in the money markets and repos.

Ms. McNeil reported that the Commerce Bank-Payroll Clearing Account shows a negative \$1.1 million, which is simply a timing issue as far as when the expense hit the general ledger.

Ms. McNeil indicated that she continues to watch the State of Illinois receivables. She noted that a lot of municipalities are facing issues with the State not transferring the Income Tax payments. Ms. McNeil stated that she is now waiting for the July, August and September Income Tax payments. She noted that all of the counties in Illinois are experiencing the same situation.

Ms. McNeil presented the Employee Benefit Fund Quarterly Report. She advised that the Employee Benefit Fund is an unbudgeted fund. Ms. McNeil stated that the Revenue year-to-date of contributions coming into the fund from employees and the employer, the County, is \$3,419,153.68. The expenses are \$3,320,934.93. Ms. McNeil indicated that the year to date surplus is \$98,218.75.

Ms. McNeil stated that the Fund Balance changed from \$155,915.82 as of January 31, 2009 to the current amount of \$254,134.57.

Ms. McNeil reviewed the CDAP Revolving Loan Fund Quarterly Report. She noted that out of the six active CDAP loans, one loan is in default, namely Victory Enterprises. She indicated that their last payment was in May for February and March. At present, arrangements have been presented to them for payment options.

Motion by Rackauskas/Butler to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending September 30, 2009, as submitted.

Motion carried.

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

Mr. Matt Riehle, Administrator of the McLean County Nursing Home, reviewed his Monthly Report, noting that there was nothing new to report. He noted that the census has been a little higher, as it generally is towards the winter months.

Ms. Rackauskas asked if the Nursing Home residents are in line to receive vaccinations for H1N1. Mr. Riehle responded that he registered the Nursing Home as a provider to give H1N1 vaccines. He noted that the "over 65" population is the last group to receive the vaccine. Mr. Riehle indicated that the Nursing Home employees are classified as health care workers and they have been registered to receive the vaccine. Ms. Rackauskas asked if it is mandatory for the Nursing Home employees to be vaccinated. Mr. Riehle replied that there is no mandate forcing employees to be vaccinated, but they are strongly encouraged to do so.

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

Mr. Robert Kahman, Supervisor of Assessments, distributed an updated Assessment Status Report. He indicated that things are going well and the multipliers are coming in.

Ms. Rackauskas pointed out that Mr. Kahman's original report had a column that said "Open Townships" and in the new report the column was entitled "Closed Townships." Mr. Kahman explained that the highlighted area in the first report reflected the open townships. On the report, most of the townships were highlighted. When he made the second report he changed parlance to "Closed Townships" because there were fewer closed townships and, thus less highlighted material. Mr. Kahman further explained that "Closed Township" means that those have been processed and the taxpayer can no longer come in and file a complaint.

Mr. Caisley asked if the number of complaints have increased this year. Mr. Kahman replied that they have not increased at this point. He added that, until everything is completed, there is no way to predict if the complaints will be up or down.

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

Mr. Caisley pointed out that there seems to be more townships with a "factor" than in previous years. Mr. Kahman indicated that he is capturing value through a multiplier that would be better captured by the assessor actually going out and finding the value. He stated that the market perception and the market value are two very distinct things.

Mr. Caisley noted that Cropsey Township went from a Factor of 1.000 in 2008 to a Factor of 1.0359 in 2009. Mr. Kahman replied that the average assessment in Cropsey might be \$20,000 so there would be almost no change. He noted that an average assessment of \$100,000 is more significant.

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

Chairman Owens presented the County Recorder Reports as submitted by Mr. Lee Newcom, County Recorder.

Mr. Terry Lindberg, County Administrator, presented a request for approval of an Ordinance Designating McLean County a Recovery Zone for purposes of Issuing Bonds for Qualified Projects.

Mr. Lindberg introduced Mr. Ken Springer, Project Analyst, Economic Development Council and Mr. Tim Stratton, Senior Council, Ice Miller, a bond council firm.

Mr. Lindberg advised that this program has just been started by the Federal Government and counties have until December 31, 2010 to take advantage of the program.

Mr. Stratton indicated that the Ice Miller firm has been working with Mr. Lindberg and the County to develop the Recovery Zone process. Mr. Stratton stated that he has worked with a number of counties throughout the State of Illinois.

Mr. Stratton provided a summary on how the Recovery Zone Bonds work. He noted that the Program was established in February 2009 through the American Recovery and Reinvestment Tax Act of 2009 (or ARRA). The bill covered a lot of territory and this portion is a small part of that bill that has to do with tax exempt financing. The legislation allocates to every county in the United States, based upon job loss, a certain dollar amount of a bond allocation which can be granted or spread by the County to two types of issuers, as follows:

The Recovery Zone Economic Development Bonds (or RZEDBs) are taxable tax-credit government bonds that may be used to finance certain "qualified economic development purposes," defined as promoting development or other economic activity in a designated Recovery Zone, including (1) capital expenditures paid or incurred with respect to property located in the recovery zone, (2) expenditures for public infrastructure and construction of public facilities, and (3) expenditures for job training and educational programs. The interest rates for RZEDBs are higher than those of tax-exempt bonds because the income for the investor is taxable. The higher interest rates on RZEDBs are then offset by the federal subsidy to the issuer, equal to 45% of interest payable. Therefore, if the local government pays 5% interest to the investor, the 45% federal subsidy equals 2.25%, and your net interest rate is 2.75%.

Economic Recovery Zone Facility Bonds (or RZFBs) are private activity bonds issued on a tax-exempt basis. These bonds may be for a range of business activities. By offering project financing at a tax-exempt interest cost, RZFBs are intended to spur business development that would not otherwise happen. If you have a business in the County that is interest in expanding, this may be a good opportunity to assist the business. The Facilities Bonds are to be issued by private developers much like industrial revenue bonds.

Mr. Stratton stated that what this program does specifically for the County is allow the County to designate upwards of \$3,712,000 for governmental bonds, which may be used for County projects or allocate those to school districts, community colleges, cities, towns, township or any unit of local government within the boundaries of McLean County. The Facility Zone side is \$5,569,000 and that money gets allocated to projects within the County pursuant to the process which is outlined in the Ordinance.

Mr. Stratton advised that, in order to take advantage of the bonding program, the County must take action to designate the County as a "Recovery Zone." The criteria under the Act are very broad because the impetus was to get money out into the community. Criteria includes:

- Show significant poverty,
- unemployment,
- rate of home foreclosures, or
- General distress.

Mr. Stratton indicated that "general distress" is a catchall phrase. He noted that the unemployment rate in McLean County has increased 28% from July of 2008 to July 2009, rising from 5.6% to 7.2%. The volume of foreclosures in McLean County has increased 41% from 2005 to 2008, rising from 356 to 503. Mr. Stratton stated that the 2008-2009 Recession, instigating a period of rising unemployment and increasing home foreclosures, has led to a condition of "general distress" in the overall McLean County economy.

Mr. Stratton noted that once a county takes advantage of the program and decides to designate as a "Recovery Zone" the projects can commence and the monies can be allocated.

Mr. Stratton noted that there are some misperceptions about this program. This is not money that is given by the County to someone; rather, it is a volume cap which is a mathematical formula which has been derived at and that number is the amount of bonds that can be authorized. For instance, if the County were to take advantage of

this program and wanted to issue all \$3.7 million worth of money for its own projects, the County would go through its normal bonding mechanisms under state law, so they would either be general obligation alternate revenue bonds or debt certificates or some other type of bond. What this means to the borrowing, by designating these bonds as the Recovery Zone Bonds, it means you get a 45% rebate on the interest paid on the bond back from the IRS. Mr. Stratton explained that if the County or a school district, town or city, borrows money and asks the County for the designation, you are allowing them to get a 45% rebate from the Federal Government. The County is not responsible for any of the money. The County would simply control the maximum amount of those bonds which can be issued within its political boundaries of the County.

Ms. Rackauskas asked who gets the 45% refund. Mr. Stratton replied that whoever borrows the money gets the rebate. For instance, if the County designated \$1 million to a local school district, the school district would borrow the money and issue the bonds, but they would be able to check a box on their tax return for the bond issue and then the school district would get back 45% of the interest that they would pay on the bonds.

Mr. Stratton noted that the above explanation is for the public side of the money. On the private side, this allows projects that would otherwise have to go to the bank and get conventional financing to get a tax-exempt rate of interest. Without this bond, a developer for a real estate commercial development or a housing development would have to go to their bank and get a taxable loan and pay the current rate of interest on that loan. This legislation allows the developer to tap into the tax-exempt financing market. Instead of getting a taxable loan, they would get a tax-exempt rate of interest on their loan, which is anywhere from 80 to 100 basis points below what they would get otherwise from their bank. Mr. Stratton advised that this is not free money, but it does allow a project that might have some challenges in this economy to get off the ground and be completed because the cost of borrowing has been reduced.

Mr. Stratton repeated that there is no liability for the issuance of these bonds that comes back to the County. The County merely serves as a conduit to pass this ability to issue the tax exempt bonds to qualified projects within the County jurisdiction.

Chairman Owens asked if a school district wanted to take advantage of the bonds, would it need to come to the County for approval. Mr. Stratton replied that he is correct. He added that the legislation vests the authority in the County to make the determination and award of the allocation.

Mr. Stratton stated that out of all the stimulus programs, this is the one program that is getting a lot of praise for being successful because it is injecting a lot of dollars into our local economies at no cost to the County. The program has been adopted by Congress and the allocation is sitting out there. If the County does not take advantage of the

allocation, it reverts back to the state and the state will allocate it to whomever they see fit.

Mr. Stratton advised that all of the bonds have to be issued by December 31, 2010. At that time, the entire program sunsets.

Ms. Rackauskas asked if this Ordinance has to be approved by the Board and in place in order to get the bonding capability. She also asked if it is necessary to allocate all of the money. Mr. Stratton responded that the Ordinance needs to be in place to get the bonding capability, and it is not necessary for the County to allocate the entire amount of money.

Mr. Lindberg pointed out that there is a very short window of action. He indicated that this Ordinance will reserve McLean County's place in line for approximately \$9 million. Mr. Lindberg added that he wanted to develop a transparent process so that we could make sure that any other unit of government within the County would be aware of it and have access to it. If the County doesn't declare a "Recovery Zone," nobody else can do so within the County. Once the County declares itself a "Recovery Zone" it can choose to simply give the allocation out to another municipality, it can do so. The County can also develop a process to make this known and develop an application and review process, it can also do that. Mr. Lindberg the County has had a good relationship with EDC reviewing the County's CDAP loan applications. He indicated that this designation as a "Recovery Zone" is a positive economic development tool to encourage new development in the area or to entice a company to remain in this area. Mr. Lindberg advised that it is important that all of the small governmental units and school districts are aware of this designation. He noted that it is important that we have an open process and method to evaluate the applications in a fair and objective basis

Ms. Rackauskas asked if this can only be used for new projects, such as the growth in uptown Normal. Ms. O'Connor asked if it could be used for the Crown Plaza project. Mr. Lindberg replied that the Crown Plaza was a project started by a private developer that has stalled. He noted that there has never been any debt financing on the project. Mr. Stratton asked if the project is completed. Mr. Lindberg replied that it has not been completed. Mr. Stratton advised that the way the program works, it must be used for construction costs or renovations. Ms. O'Connor asked if the funds would need to be granted through the Town of Normal or the developer of the Crown Plaza. Mr. Lindberg replied that it could be granted either way.

Mr. Caisley asked if the financing could apply to school districts and fire protection districts. Mr. Stratton replied that it applies to any unit of local government.

Mr. Stratton advised that the initial step is the establishment of the Zone by the County.

Mr. Lindberg stated that all municipalities, school districts, developers, etc. will be notified of the designation, offered the opportunity to apply, and have a review process in place to make sure that it is a qualified project. He added that the entity would have to have a bank that would be willing to issue the debt and support the debt.

Ms. Rackauskas asked what the sunset date of December 31, 2010 means. Chairman Owens responded that this is the date that the \$9 million would have to be disbursed.

Mr. Butler pointed out that the Ordinance designated the EDC as the entity reviewing the project applications. Mr. Lindberg responded that the EDC will review the projects much like they do the CDAP loan applications. The applications will come back to the Finance Committee and ultimately to the County Board for final approval.

Mr. Stratton suggested that if the County moves forward with this and begins approving projects, it would be in the County's best interest to have in the approval resolution for the project a clause stating that if the project financing is not closed upon by a certain date that the allocation would revert back to the County. He indicated that the last thing the County wants to do is give all of the allocation away and then have projects fall through.

Chairman Owens advised the Committee that this Ordinance is approving that the County will accept the \$9 million from the Federal Government.

Mr. Caisley indicated that he would make a motion for approval of the Ordinance if it would also include assurance that, if the Ordinance is adopted, all units of local governments will be notified that they have a time frame within which to make application to the Economic Development Council. Mr. Lindberg assured him that all local governments will be notified immediately upon the adoption of the Ordinance.

Motion by Caisley/O'Connor to Recommend Approval of an Ordinance Designating McLean County a Recovery Zone for Purposes of Issuing Bonds for Qualified Projects as amended to include assurance that all units of local government will be notified of a time frame within which to make application to the Economic Development Council.

Motion carried.

Mr. Butler commented that the deadline of December 31, 2010 is a very short timeframe to put a project together, get financing and go through all of the necessary steps to begin the project.

Mr. Terry Lindberg, County Administrator, introduced the review of the Fiscal Year 2010 Recommended Budget for the following departments:

County Auditor – 0001-0003 can be found on pages 11-12 of the FY'2010 Recommended Budget and pages 40-42 of the Summary.

Ms. Anderson indicated that new letterhead and envelopes are ordered every two years. She noted that cuts were made in every area that is necessary.

Ms. Anderson requested one change in the salary section. She stated that, since being appointed as the County Auditor, her former position is currently open. Ms. Anderson indicated that she would like to continue preparing the financial reporting. She asked that the Committee unfund her position as the Financial Reporting Specialist and refund the Internal Auditor position. Ms. Anderson added that both positions are grade 10 and is budget neutral.

Highlights of the Recommended Budget:

EXPENDITURES:

Personnel:

The FTE staffing level in the FY'2010 Recommended Budget is 1.00 less than the FY'2009 FTE count. Funds were not budgeted for the position of Internal Auditor in FY'2009, and the position was eliminated in the FY'2010 Recommended Budget. Now that the previous Financial Reporting Specialist has assumed the County Auditor position, she will determine the optimum mix of duties and responsibilities previously handled by the Internal Auditor and Financial Reporting Specialist and fill one vacant Salary Grade 10 position.

Materials and Supplies:

All 600 line items are equal to or less than the previous year, and the aggregate Materials and Supplies category is down by 8%.

629.0001 Letterhead/Printed Forms: This line item account has decreased from \$2,100 in the FY'2009 Adopted Budget to \$1,200 in the FY'2010 Recommended Budget. This increase reflects the two-year cycle of ordering forms and other printed materials.

Contractual:

All 700 line items are equal to or less than the previous year, and the aggregate Materials and Supplies category is down by 21%.

769.0001 Interest Expense: This line item account has decreased from \$360 in the FY'2009 Adopted Budget to \$275 in the FY'2010 Recommended Budget. This line item account will pay the interest expense of \$360 for the lease-purchase agreement for the copier. As interest goes down, principle goes up.

Capital Assets:

832.0002 Lease/Purchase Office Equipment: This line item account includes funding to cover the principle expense for the lease/purchase contract for the copier in the Auditor's Office.

Motion by Butler/Caisley to recommend tentative approval of the County Auditor – (0001-0003) FY'2010 Recommended Budget as amended.
Motion carried.

County Treasurer – 0001-0004 can be found on pages 13-16 of the FY'2010 Recommended Budget and pages 43-45 of the Summary in the Finance Committee Packet.

Ms. McNeil advised that the major source of revenue decline is on investments.

Highlights of the Recommended Budget:

REVENUE:

415.0001 Interest on Investments: This revenue line item account has decreased from \$315,000 in the FY'2009 Adopted Budget to \$80,000 in the FY'2010 Recommended Budget due to the decrease in interest rates on money market accounts and certificates of deposit.

415.0003 Costs/Interest on Delinquent Taxes: This revenue line item account has increased from \$500,000 in the FY'2009 Adopted Budget to \$525,000 in the FY'2010 Recommended Budget, equal to the budgeted amount in the FY'2008 Adopted Budget.

415.0400 Interest on Certificates of Deposit: This revenue line item account has decreased from \$215,000 in the FY'2009 Adopted Budget to \$180,000 in the FY'2010 Recommended Budget. This decrease is based on the lower interest rates on Certificate of Deposit investments offered by financial institutions. This is the second year in a row interest earnings have declined.

EXPENDITURES:

Personnel:

There is No Change in the staffing level in the FY'2010 Recommended Budget.

Materials and Supplies:

All Materials and Supplies line item accounts in the FY'2010 Recommended Budget have been budgeted at the same level or less as in the FY'2009 Adopted Budget with the following exception:

620.0001 Operating/Office Supplies: This line item account has increased from \$3,000 in the FY'2009 Adopted Budget to \$3,300 in the FY'2010 Recommended Budget, based on a review of last year's actual expenses and the year-to-date expenditures.

Contractual:

All Contractual line item accounts in the FY'2010 Recommended Budget have been budgeted at the same levels or less as in the FY'2009 Adopted Budget.

718.0001 Schooling & Conferences: This line item account has decreased from \$4,700 in the FY'2009 Adopted Budget to \$3,685 in the FY'2010 Recommended Budget. Staff will remain current on all of the financial reporting requirements issued by the Government Accounting Standards Board ("GASB").

Capital Outlay:

832.0001 Purchase of Office Furnishings/Equipment: This line item account provides for replacement of chairs and desks in the Treasurer's Office.

832.0002 Lease/Purchase Office Equipment: This line item account includes the principle payment due for the lease-purchase agreement for the copier in the office.

Motion by O'Connor/Rackauskas to recommend tentative approval of the County Treasurer – (0001-0004) FY'2010 Recommended Budget as submitted.
Motion carried.

Collector Automation Fund – 0168-0004 can be found on pages 17-18 of the FY'2010 Recommended Budget and pages 46-48 of the Summary.

Ms. McNeil stated that a revenue budget amount of \$20,000 was suggested for funds coming into the Collector Automation Fund based on past receipts. She indicated that she felt it was appropriate to make an amendment on the revenue source, as well as the external transfer out that has been amended to \$20,000.

Highlights of the Recommended Budget:

Pursuant to Illinois law, the County Board established the County Collector's Automation Fund. This Special Revenue Fund was established to assist the County Treasurer's Office with automation and document storage. Through the collection of an Automation fee, the County Treasurer's Office has available funds which can be used to purchase automated document storage systems, contract for services, purchase capital equipment, and purchase computer hardware and software. As a Special Revenue Fund, the fund must be balanced within the fund.

REVENUE:

410.7000 Collector Duplicate Bill Fee: This is a new revenue line item account for FY'2010 and has been budgeted at \$2,000.

410.7001 Collector Automation Fee: This revenue line item account has been budgeted at \$18,000 in the FY'2010 Recommended Budget, less than the \$25,000 that was approved in the FY'2009 Adopted Budget.

400.0000 Unappropriated Fund Balance: This is a new line item account that was added in the FY'2009 Recommended Budget. This revenue line item account has been budgeted at \$0.00 for FY'2010. As of December 31, 2008, the unappropriated fund balance in the County Collector Automation Fund totaled \$33,595.

EXPENDITURES:

Transfer to Other Funds:

999.0001 Interfund Transfer: This line item account has been budgeted at \$20,000 in the FY'2010 Recommended Budget. Since Information Technologies provides full support to the Treasurer's Office, the County Treasurer has recommended that the Collector's Automation Fee revenue be transferred to the County's General Fund to help offset the expenses incurred by Information Technologies.

Motion by Rackauskas/Caisley to recommend tentative approval of the Collector Automation Fund – (0168-0004) FY'2010 Recommended Budget as submitted.
Motion carried.

Supervisor of Assessments – 0001-0049 can be found on pages 164-168 of the FY'2010 Recommended Budget Book and pages 64-67 of the Summary in the Agenda Packet. Mr. Lindberg introduced Mr. Bob Kahman, Supervisor of Assessments and Ms. Connie Clifford, Chief Deputy, Supervisor of Assessments.

Mr. Lindberg referred the Committee to the FTE Summary for the Supervisor of Assessments Department on pages 167 and 168 of the FY'2010 Recommended Budget. He advised that these pages are incorrect and has been reprinted. It does not change the budget numbers. Mr. Lindberg pointed out the following:

- Under the 2008 FTE where it says "10.86" people should say 11.44 just like in 2009.
- On page 167, third line, the GIS Technician should be 1.00.
- On the Office Support Specialist II line, it should be 2.00.
- There will be another line restored to the report entitled "Senior Assessor," which will show reflect one FTE in 2008 and .42 FTE in 2009.

Mr. Lindberg stated that the Senior Assessor was a person who left due to ERI. This individual was there for all of 2008 and for five months in 2009, and the position has been zeroed out. Mr. Lindberg indicated that between 2008 and 2009, there were 11.44 positions and these positions were retooled from non-technology positions to hire technical positions. In 2010, the Assessor's Office dropped from 11.44 FTE's to 10.44 FTE's, which is the result of having some beginning experience with the technology transfer and Mr. Kahman's optimism that two employees could do the job that three employees were doing. Mr. Lindberg noted that it has been successful.

Mr. Wasson distributed the budget sheets with the corrected FTE.

Highlights of the Recommended Budget:

REVENUES:

The Revenue line item accounts are budgeted at the same dollar amount as in the FY'2009 Adopted Budget with the following exceptions:

407.0006 Supervisor of Assessments Salary Reimbursement: This revenue line-item account reflects the anticipated reimbursement to be received from the State for a portion of the Supervisor of Assessments salary.

450.0011 Transfer from Other Funds: The transfer in the amount of \$85,070 will cover the salary expense of the GIS Specialist and GIS Technician positions. \$34,469 will come from GIS fees collected by the Recorder's Office (Fund 0137) and \$50,600 will come from the GIS fees designated for GIS system support (Fund 0167).

EXPENDITURES:

Personnel:

The 2010 FTE Staffing level is reduced by 1 FTE in the FY'2010 Recommended Budget.

Please note that the FTE Staffing level proposes the following changes:

Office Support Specialist II – Reduce from 1.42 FTE to 1.00 FTE
GIS Technician – Reduce from 1.58 FTE to 1.00 FTE
Senior Assessor – Reduce from 0.42 FTE to 0.00 FTE
GIS Specialist – Increase from 0.58 FTE to 1.00 FTE

In FY'2009 The Supervisor of Assessments changed two positions from administrative support positions to GIS technical positions. In FY' 2010, staffing has been adjusted down 1.00 FTE based on successful progress on maintaining GIS data within the Assessor's Office rather than relying on an outside contractor.

Materials and Supplies:

All Materials and Supplies line item accounts have been budgeted in the FY'2010 Recommended Budget at the same level as in the FY'2009 Adopted Budget with the following exceptions:

620.0001 Operating/Office Supplies: This line item account has increased from \$3,350 in the FY'2009 Adopted Budget to \$3,800 in the FY'2010 Recommended Budget to cover ink supplies for the GIS plotter.

628.0001 Copying Expenses: This line item account has increased from \$800 in the FY'2009 Adopted Budget to \$900 in the FY'2010 Recommended Budget to cover paper supplies for the plotter.

629.0001 Letterhead/Printed Forms: This line item account has increased from \$39,750 in the FY'2009 Adopted Budget to \$43,745 in the FY'2010 Recommended Budget. This increase is attributable to the increase in the number of parcels, increased paperwork for exemptions and the resulting increase in the expense for printing the assessment notices.

630.0001 Postage: This line item account has increased from \$37,600 in the FY'2009 Adopted Budget to \$40,075 in the FY'2010 Recommended Budget. This increase covers the increase in the postage rate and the costs of mailing the Senior Citizen Assessment Freeze notices and exemption paperwork, as well as other mailing expenses incurred by the office in sending out assessment notices.

Contractual:

All Contractual line item accounts have been budgeted in the FY'2010 Recommended Budget at the same level or less as in the FY'2009 Adopted Budget with the following exceptions:

706.0001 Contract Services: This line item account has decreased from \$75,500 in the FY'2009 Adopted Budget to \$10,500 in the FY'2010 Recommended Budget. We have reduced our reliance on Sidwell for mapping and GIS services from well over \$100,000 per year to a relatively nominal amount and speeded up the process by doing so.

715.0001 Dues & Memberships: This line item account has increased from \$460 in the FY'2009 Adopted Budget to \$560 in the FY'2010 Recommended Budget. This increase is based on the annual increase in the dues and membership expense for the professional staff in the office.

Capital Outlay:

832.0002 Lease/Purchase Office Equipment: This line item account is for the principle expense on the Lease-Purchase agreement for one copier in the office.

Finance Committee
October 7, 2009
Page Twenty-five

Motion by O'Connor/Butler to recommend tentative approval of the Supervisor of Assessments – (0001-0049) FY'2010 Recommended Budget as submitted.
Motion carried.

Chairman Owens indicated that the County Recorder was unable to attend the meeting. His budget will be discussed tomorrow.

Chairman Owens presented the September 30, 2009 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$877,158.23 and a Fund Total that is the same.

Finance Committee
October 7, 2009
Page Twenty-six

Motion by Butler/Rackauskas to recommend approval of the Finance Committee bills as of September 30, 2009 as recommended by the County Auditor.
Motion carried.

The Nursing Home bills include a Prepaid Total of \$465,520.72 and a Fund Total that is the same.

Motion by Caisley/O'Connor to recommend approval of the Nursing Home bills as of September 30, 2009 as recommended by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens recessed the Finance Committee at 5:44 p.m. to be reconvened on Thursday, October 8th.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

Minutes of the Finance Committee

The Finance Committee of the McLean County Board reconvened its Wednesday, October 7, 2009 meeting on Thursday, October 8, 2009 at 5:30 p.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens, Members Rackauskas, Caisley, Butler, and Moss

Members Absent: Member O'Connor

Other Members Present: None

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

Department Heads/
Elected Officials

Present: Mr. Lee Newcom, County Recorder

Others Present: None

Chairman Owens reconvened the Wednesday, October 7th meeting to order on Thursday, October 8th at 9:30 a.m.

Mr. Terry Lindberg, County Administrator, introduced the review of the Fiscal Year 2010 Recommended Budget for the following departments:

County Recorder – 0001-0006 can be found on pages 27-30 of the FY'2010 Recommended Budget and pages 56-58 of the Summary. Mr. Lindberg reported that the Revenue is down from \$1,022,000 in the FY'2009 Adopted Budget to \$922,000 in the FY'2010 Recommended Budget, which is a decrease of 9.78%. He indicated that the overall budget has decreased from \$266,604 in the FY'2009 Adopted Budget to \$265,591 in the FY'2010 Recommended Budget which is a decrease of 0.38%.

Highlights of the Recommended Budget:

REVENUE:

410.0029 Recording Fees: This revenue line item account will remain at \$550,000 in the FY'2010 Recommended Budget. This is based on a review of last year's actual revenues and year-to-date revenue.

410.0032 Sales of Revenue Stamps: This line item account has been decreased to \$325,000 in the FY'2010 Recommended Budget from \$425,000 in the FY'2009 Adopted Budget, based on a review of year-to-date revenue.

410.0195 Rental Housing Support: This revenue line item account was added in FY'2005 to account for the County's share of the new fee that is being collected pursuant to Public 94-0118. The Recorder's Office collects an additional \$10.00 fee and remits \$9.00 to the State for a statewide rental housing program administered by the Illinois Housing Development Authority. The Recorder's Office is permitted to retain \$1.00 of this new fee. This line item account has been budgeted in the FY'2010 Recommended Budget at the same amount as in the FY'2009 Adopted Budget - \$35,000.

EXPENDITURES:

Personnel:

The FTE Staffing level increased from 3.60 FTE in the FY'2008 Adopted Budget to 5.00 FTE in the FY'2009 Adopted Budget, due to shifting 1.40 FTE positions from the Recorder's Document Storage Fund 0137 to the Recorder's Office General Fund budget. There are no FTE changes recommended in the FY'2010 Recommended Budget.

Materials and Supplies:

All 600 line items are equal to or less than last year with the following exception:

620.0001 Operating/Office Supplies: This line item account has increased from \$5,500 in the FY'2009 Adopted Budget to \$7,980 in the FY'2010 Recommended Budget.

Contractual:

Most Contractual line item accounts have been budgeted in the FY'2010 Recommended Budget at the same level or less as in the FY'2009 Adopted Budget with no notable exceptions.

Capital Outlay:

832.0002 Lease/Purchase Office Equipment: This line item account includes the principle payment due under the Lease/Purchase agreement for the Office copier.

Motion by Butler/Rackauskas to recommend tentative approval of County Recorder – (0001-0006) FY'2010 Recommended Budget as submitted.
Motion carried.

Mr. Caisley asked why the Recorder's Office is paying 159% in increase expense. Mr. Newcom replied that that is the copier lease payment, which is counted as interest expense. Mr. Lindberg explained that it was split between the 832.0002 line where the principal is and the interest line.

County Recorder Document Storage Fund – 0137-0006 can be found on pages 31-34 of the FY'2010 Recommended Budget and pages 59-61 of the Summary.

Mr. Newcom expressed his appreciation that this year is a belt-tightening year and that there are a lot of very important expenditures to deal with. However, he believes that the Recorder's Office is a vital public service. Mr. Newcom indicated that he understands that the Recorder's Office does not have a high profile and that many people do not understand what the office accomplishes. He advised that the Recorder's Office cares for the land records of the County.

Mr. Newcom stated that every year for the last four years he has talked about the use of Fund 0137 Special Use Fund and its use as a payroll fund for the County. He noted that a Special Fund is allocated by the Legislature to accomplish specific projects. Fund 0137 was specifically funded for computer automation of the office and the document storage needs. Mr. Newcom advised that instead that money is being used for payroll. Mr. Newcom stated that this fund should no longer be used for General Fund purposes, and used for the needs it was specifically targeted.

Mr. Newcom distributed a sample book that he produced to demonstrate the current dire condition of some of the plat and land monument records. He indicated that the sample book shows the current micro-film image of a document, which is what surveyors see. Because the image is inadequate, surveyors are going to the books, dating into the 1800's, to be photocopied, and the books are being destroyed. Mr. Newcom indicated that the sample book exhibits the exact same image as it has been redone with current technology that allows the image to be restored. He noted this computer program process allows the deteriorating image to be enhanced to a very strong image. Mr. Newcom stated that this is one of the reasons that this restoration work is so important. He indicated that once we lose the paper record, the only thing left is the very poor micro-film image.

Mr. Newcom advised that the real estate title business in McLean County has changed significantly over the past several years, placing ever growing professional pressure on the Recorder's Office to make its records more reliable and accessible.

Ms. Rackauskas asked how often the old books are being used. Mr. Newcom replied that they are used on a daily basis.

Mr. Newcom advised that part of the budget presentation last year included much of the same information being discussed today regarding Fund 0137. He indicated that, at that time, the Administrator's Office said that the goal was to remove the payroll from this Fund this year so that the Fund could be used for these purposes. Mr. Newcom added that this is the fifth year that this issue has been discussed. He noted that he understands that the budget is very tight, but he also understands that this is a Special Use Fund, meaning it is intended for a specific purpose. When the Fund is used for General Fund uses, for which payroll is a General Fund use, it takes the money away from the ability to accomplish this project.

Mr. Newcom noted that as part of their multi-year plan to bring the Recorder's Office up to the professional standards of performance required, the following goals have been accomplished over the past four years:

- Aggressive privacy initiatives have been undertaken to prevent inappropriate or illegal use of the Recorder's on-line research database, including the redaction (blocking) of all Social Security Numbers from the database on-line.
- All document images on microfilm from 1973 to present have been digitized and are now available in the on-line search capability. This allows a typical 30 year residential title search to be conducted entirely on-line, making financial transactions for McLean County citizens faster and more reliable.
- More than 76,000 documents, which had previously existed on microfilm but never entered into the Recorder's records, have been entered into the search index.
- A complete inventory has been taken and catalogued, for all book and microfilm records from 1831 to present.

Mr. Newcom reiterated the extreme need to make the old plat books digital, take them out of daily use and have them available on monitors so that surveyors and people are able to see the image and print it on a laser printer, so that the old books are not completely destroyed from being photocopies. He added that if we do not do this project, there will be no records to refer to in the future.

Mr. Newcom acknowledged that, legally, there is an Attorney General's opinion that allows this fund to be used for payroll. However, he advised that this is a Special Use Fund for a special purpose; it is a per document charge in the Recorder's Office that is made by the users of the office and is supposed to be used for the intended legislative purpose for the office and not a General Fund use.

Ms. Rackauskas asked the Administrator's Office to respond. Mr. Lindberg indicated that there was a fund balance in this Recorder's Document Storage Fund of \$677,000 in 2004, which was the result of a lot of projects that may not have been taken care of in prior years. Since that time, Mr. Newcom has been aggressive in accomplishing some of the projects to advance the preservation of these records. Mr. Lindberg indicated that the Recorder has spent considerably more than he has taken in over those years since 2004 to the point where we expect that by the end of this current fiscal year if the contracts are in place now are completed and fully paid for, the fund balance would have deteriorated from almost \$700,000 in 2004 down to about \$40,000 in 2009. Mr. Lindberg added that there was no commitment on the part of this Committee, the County Board or the County Administrator's Office to take all of the positions out of this fund. If that could be accomplished, there would be more funds available to spend on contract services. Mr. Lindberg advised that the statute provides that this fund is for Recorder Document Storage, including the hardware and the software, as well as the people that are required to deal with the document storage and document storage systems.

Ms. Rackauskas noted that the need for the manpower to run the document storage area explains why employee salaries can come out of the Fund. Mr. Lindberg replied that there is \$70,000 between salaries and fringe benefits in this fund. If there is another way to fund the salaries, it would provide that much more money to be used for contractual projects on the records.

Chairman Owens asked if the microfilm line item can be used to help restore these documents. Mr. Newcom replied that this budget could help if there were money left over, but the microfilm line item needs are too great to use the funds for another purpose.

Mr. Newcom read the following from last year's budget meeting minutes: "Ms. Rackauskas asked Mr. Zeunik if there was a way to phase the payroll expense back into the County General Fund. Mr. Zeunik responded that the goal is to phase the balance of personnel out of the Document Storage Fund and into the General Fund by 2010," which is the budget that is being dealt with today. Mr. Lindberg responded that this comment was made last October 2008. He added that it is unlikely that Mr. Zeunik would feel the same way today considering the economic situation of the County.

Mr. Lindberg indicated that no one knew how deeply the current recession would affect our revenue stream and our ability to add positions to the General Fund budget. He noted that 14 FTE's were eliminated from the General Fund. Mr. Lindberg advised that the County is not in a position to add expense to the General Fund this year. He stated that 1.42 positions were moved from the Special Fund into the General Fund in 2009, but it wasn't possible to do so this year.

Ms. Rackauskas asked Mr. Newcom what he feels is the solution. Mr. Newcom responded that payroll is not the proper purpose of the Recorder's Document Storage Fund. He indicated that several years ago he proposed a compromise to gradually wean the General Fund off of using this fund which isn't for the use of payroll. He stated that this has not been done, which is why the situation has become critical. Mr. Newcom advised that this could have been dealt with easier three years ago before the current financial problems arose.

Mr. Newcom compared the Fund with a Cemetery Fund, noting that the funds are collected and put away to take care of the documents into the future. He indicated that, at this time, there is virtually no money available in the Fund. He stated that if both FTE's are removed from the Fund today, it would take several more years before the money is available to complete the project to preserve the old documents. Mr. Newcom advised that if this project is not completed, the records will be lost.

Mr. Moss asked how the Fund is replenished. Mr. Newcom replied that it is replenished by a \$3.00 per document fee charged on every document that comes into the office. He added that this Fund is being used for payroll and not the special use need for which it was designed.

Mr. Caisley acknowledged that the County consistently utilizes the Document Storage Fund in all offices that have a Document Storage Fund (i.e. Circuit Clerk and County Clerk) for some payroll. He cautioned that taking the payroll out of one Document Storage Fund may precipitate other departments requesting the same consideration.

Mr. Newcom questioned the ethics of using the Document Storage Fund for General Fund uses, such as salaries. He indicated that the Board should look upon this use as a policy issue.

Mr. Butler asked what the necessary process is to preserve the documents and the information. Mr. Newcom replied that the following actions are required:

- The entire inventory of books must be re-filmed with new, silver based film. This has a projected life of 500 years when stored properly, and will ensure the future of the land records in McLean County.
- The entire inventory of books must also be scanned to provide high quality digital images of the pages. This will eliminate the destructive daily use of the books, and provide images that are printable for the public users of our office records. Such scanning also has the ability to restore some of the measurement information which is currently not readable to the human eye on those older pages.

Mr. Newcom indicated that the condition of the current records is as following:

- Books with vital measurements are deteriorating.
- Microfilm of these books does not exist in some cases and in others is barely or not at all readable.
- Existing microfilm has redox, which is like rust on the film, which can and has been corrected with a process called brown-toning.
- Existing microfilm in our office has "Vinegar Syndrome," which will require the replacement of the entire microfilm inventory in the office, within a short time.
- Professional surveyor's time is being wasted as they attempt to get the information they need from the manual book system.

Mr. Butler asked what the cost is to repair the books. Mr. Newcom replied that the total cost of refilming and scanning the entire book inventory will be approximately \$150,000-200,000. He noted that there are over 1,000 books. Mr. Newcom added that less than half of the books need to be done.

Mr. Butler suggested that the books could be repaired one or two at a time as the money becomes available.

Mr. Moss asked what it would take to move the payroll out of the Document Storage Fund and is this the proper time to make the change. Mr. Lindberg replied that the County's Budget Ordinance requires that the Administrator's Office present to the Board a balanced budget. He stated that recommendations are made to the Board in terms of the revenue side, the expenditure side, and staffing the various programs that provide a balanced budget. Mr. Lindberg indicated that should you choose to change those, it will be necessary to cut some expense, find revenue to increase or violate the County's Ordinance and spend money out of the Fund Balance in the General Fund.

Mr. Moss asked what would need to be done in order to move the money out of the Document Storage Fund and put into the General Fund. Mr. Lindberg responded that there is a Fund Balance to do that. However, the County's policy prohibits such use. Mr. Lindberg noted that the policy is to match current revenue with current expense. He indicated that the Administrator's Office makes recommendation to the Board based on their best guess about revenue and their recommendation on the expense indicating which programs ought to be funded and staffing levels that need to be supported. Mr. Lindberg advised that if the Board wishes to remove some of some of the expenses out of the Document Storage Fund and put it into the General Fund, it will be necessary to find more revenue in the General Fund to balance that or take some expense out of the General Fund. He stated that the Budget he presents is a recommended budget. Mr. Lindberg indicated that the County Board has the legislative policy authority to make that change.

Chairman Owens again cautioned should these monies be removed from the County Auditor's Document Storage Fund, other departments may make similar requests with their special use funds.

Ms. Rackauskas advised that this is a difficult financial time in which to make these types of changes in the budget. She asked Mr. Newcom if he is willing to let an employee go in order to preserve the records. Mr. Newcom responded that his office cannot afford to lose an employee.

Ms. Rackauskas asked Mr. Newcom what he would recommend if he were on the Board. Mr. Newcom responded that he would acknowledge the difficult financial times. However, he would recommended that a plan be put in place to begin taking out half of an FTE from the Document Storage Fund for the next four years until that expense is weaned out of that Fund.

Mr. Moss recommended that the salaries be removed from the Document Storage Fund next year and put into the General Fund.

Ms. Rackauskas asked the County Administration to respond to this recommendation. Mr. Lindberg replied that he cannot foresee what the County's financial situation will be a year from now. He indicated that whatever motion is passed will be treated with respect. Mr. Lindberg noted that he also cannot predict if this will cause a reaction in the many other special revenue funds that also support personnel where arguments can be made to move the personnel costs out in favor of using the money for technology and outside contracting.

Chairman Owens asked if Mr. Moss is making a formal motion to recommend that the salaries be moved out of the Document Storage Fund and placed into the General Fund.

Motion by Moss/Butler to recommend approval that the employee's salaries currently in the County Recorder's Document Storage Fund be removed and be included in the General Fund in the 2011 Budget.

Mr. Caisley reiterated his concern that other department heads are going to be influenced by this decision to ask for similar changes in their budgets.

Mr. Butler called for the question on the vote.

Chairman Owens called for a roll call vote and he will vote.

Mr. Caisley:	Yes
Ms. Rackauskas:	Yes
Mr. Moss:	Yes
Mr. Butler:	Yes
Chairman Owens:	Yes

Motion carried unanimously.

Highlights of the Recommended Budget:

The Recorder's Document Storage Fund 0136 is a Special Revenue Fund that has been established to properly account for the receipt and expenditure of the Document Storage Fees assessed and collected by the Recorder's Office. As a Special Revenue Fund, the Fund must be balanced by using the fees collected and the available Fund Balance.

REVENUE:

410.0089 Document Storage Fees: This revenue line item account has increased from \$106,000 in the FY'2009 Adopted Budget to \$120,000 in the FY'2010 Recommended Budget based on a review of last year's actual revenue and the year-to-date revenue as of the date the Recommended Budget was prepared.

400.0000 Unappropriated Fund Balance: This revenue line item account was decreased from \$385,963 in the FY'2008 Adopted Budget to \$30,030 in the FY'2009 Adopted Budget. It was later increased to \$222,236 due to carryover of a project from the prior year. Based on available revenue and fund balance, the recommended amount for this account in the FY'2010 budget is \$28,077. Per the outside auditor's Fiscal Year 2008 audit, the end of year fund balance as of December 31, 2008, totaled \$247,726.

EXPENDITURES:

Personnel:

The FTE Staffing level decreases from 3.82 FTE in the FY'2008 Adopted Budget to 2.42 FTE in the FY'2009 Recommended Budget. This decrease resulted from shifting 1.40 FTE positions from the Recorder's Document Storage Fund 0137 to the Recorder's Office General Fund budget. There are no changes recommended in the FTE for FY'2010.

Materials and Supplies:

All Materials and Supplies line item accounts have been reduced in the FY'2010 Recommended Budget in order to prepare a balanced budget within this Special Revenue Fund.

Contractual:

All Contractual line item accounts have been budgeted in the FY'2010 Recommended Budget at the same level or less as in the FY'2009 Adopted Budget:

706.0001 Contract Services: This line item account provides for the microfilming of records and documents in the Office. It was amended and increased during FY'2009 to complete a vendor project that was not finished during 2008. That project is expected to be completed during 2009. The budget for this line will decrease from \$192,206 in the FY'2009 Amended Budget to \$15,870 in the FY'2010 Recommended Budget.

Motion by Butler/Caisley to recommend tentative approval of the County Recorder Document Storage Fund – (0138-0006) FY'2010 Recommended Budget as submitted.
Motion carried

County Recorder GIS Fees Fund – 0167-0006 can be found on pages 35-36 of the FY'2010 Recommended Budget and pages 62-63 of the Summary.

Pursuant to Illinois law, the County Board approved and authorized the County Recorder to collect a \$5.00 GIS fee. The GIS fee is remitted as follows: \$4.00 to the GIS Fees Fund 0167 and \$1.00 to the Recorder's Document Storage Fee Fund 0137. The fees remitted to the GIS Fees Fund are to be used to support the Countywide GIS (Geographic Information System) development project that is being managed by the Regional Planning Commission and the in-house County GIS staff.

REVENUE:

410.0181 GIS Document Fee: This revenue line item account was established in the FY'2008 Recommended Budget to account for the \$4.00 GIS fee collected by the Recorder to support the Countywide GIS development project. This revenue line item account is budgeted at \$180,000.00 in the FY'2010 Recommended Budget, the same amount approved in the FY'2009 Adopted Budget.

EXPENDITURES:

0980.0181 GIS Fees: This line item account has been established in the FY'2010 Recommended Budget to account for GIS fees to be transferred to fund one GIS Specialist position in the Supervisor of Assessments Office. This position has assumed the responsibility of maintaining the GIS cadastral layer for all users.

500.0000 Budget Balance Account: 10% of the total receipts in this fund are held by the County Treasurer's Office to pay for any bank service charges or other indirect costs incurred by the County.

0980.0181 GIS Fees: This line item accounts the GIS fees to be paid to the Regional Planning Commission. \$4.00 of the \$5.00 GIS fee is remitted to the Regional Planning Commission to support the Countywide GIS development project. Given that roles are changing in GIS support, we will work with Regional Planning to determine the adequacy of the fee and how it is currently allocated.

Motion by Caisley/Butler to recommend tentative approval of the County Recorder GIS Fees Fund – (0167-0006) FY'2010 Recommended Budget as submitted.
Motion carried.

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

There being nothing further to come before the Committee at this time, Chairman Owens adjourned the Finance Committee at 10:30 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary