

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, November 5, 2008 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Owens; Members Moss, Clark, Butler, and Rackauskas

Members Absent: Member Cavallini

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Mr. Terry Lindberg, Assistant County Administrator; Mr. Bill Wasson, Director, Administrative Services; Mr. Eric Ruud, First Assistant State's Attorney; and Ms. Judith LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials
Present:

Mr. Don Lee, Director, Nursing Home; Mr. Bob Keller, Administrator, Health Department; Mr. Lee Newcom, County Recorder; Ms. Jackie Dozier, County Auditor; Mr. Robert Kahman, Supervisor of Assessments; Ms. Jennifer Ho, Risk Management; Ms. Becky McNeil, County Treasurer; Mr. Eric Ruud, First Assistant State's Attorney

Others Present: Mr. Tom Anderson, Director of Environmental Health, Health Department; Ms. Carrie Borowski, Attorney, Costigan and Wollrab Law Firm; Ms. Michelle Anderson, Financial Reporting Specialist; County Clerk's Office; Mr. Don Meyer; Unit Leader, McLean County Cooperative Extension Services; Mr. Josh St. Peters, Cooperative Extension; Mr. Len Ash, Cooperative Extension; Mr. Bob Bishop, Cooperative Extension

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

Chairman Owens thanked Mr. Walt Clark for his tenure on the Finance Committee and the County Board. Mr. Clark responded that it has been a pleasure.

Finance Committee
November 5, 2008
Page Two

Chairman Owens presented the minutes from the October 1, 2008 Finance Committee Meeting, the October 8, 2008 Special Finance Committee Budget Meeting and the September 16, 2008 Stand-Up meeting to the Committee for approval.

Motion by Rackauskas/Butler to approve the Minutes of the October 1, 2008 Committee Meeting, the October 8, 2008 Special Finance Committee Budget Meeting and the September 16, 2008 Stand-up Meeting.
Motion carried.

Mr. Don Lee, Director, Nursing Home, presented a request for approval of a bid recommendation for Television Service at the Nursing Home. Mr. Lee explained that the McLean County Nursing Home has, historically, received Insight Cable Television service at a discounted rate as a governmental unit. Several years ago, Insight indicated that they would no longer be able to provide service under that arrangement, but did continue to provide the basic package to the Nursing Home under a bulk rate plan. Mr. Lee advised that the cost for that service has always been \$96-\$103 per month since that time. He noted that Insight indicated that they were not certain how long they would be able to offer this rate. Also, Insight indicated that the future cost of providing television service would probably increase to the monthly rate paid by any other home subscriber multiplied by 82, the number of television sets in the Nursing Home. Mr. Lee indicated that, in the following budget year, the Nursing Home increased that line item to cover the cost in the event Insight followed through with the anticipated increase. He stated that, although Insight allowed the plan to continue as a public service, the Nursing Home has continued to budget that amount in anticipation of a possible future change.

Mr. Lee reported that, in early September, Comcast informed him that they were no longer willing to continue the previous Insight plan. The cost for the same basic package at the Nursing Home would increase to \$630.00 per month. Adding the expanded package would increase the cost to \$1,344.00 per month. Mr. Lee added that if the Nursing Home entered into a five year contract, Comcast will re-cable the building at no charge.

Mr. Lee advised that he began to gather information on alternate service providers from other facilities and input on how satisfied they were with their service. He noted that the two providers most often mentioned were Bulk TV and Senior TV. Mr. Lee stated that both are Direct TV providers and specialize in facilities such as the Nursing Home.

Finance Committee
November 5, 2008
Page Three

Mr. Lee recommended that the Board approve a contract with Senior TV as the low bidder on a five year basis and that the Board approve the purchase of their equipment in the amount of \$16,262.80. He indicated that the Nursing Home will have \$13,847.00 remaining in the line item in the 2008 budget and will be able to provide the balance from other capital lines not fully expended.

Mr. Butler asked if under the 5 year lease option, will the equipment belong to the Nursing Home at the end of the lease term. Mr. Lee replied that the equipment would belong to the Nursing Home.

Motion by Clark/Moss to recommend Awarding the Bid for Television Service at the Nursing Home to Senior TV.
Motion carried.

Mr. Lee reviewed his Monthly Report, noting that there is nothing specific to point out.

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

Mr. Bob Keller, Administrator, Health Department, introduced Mr. Tom Anderson, Director, Environmental Health Division, Health Department. Mr. Keller presented a request for approval of an Amendment to the McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation. This amendment will allow the Health Department to increase food and sewage fees by 3% and also assist in maintaining the minimum standards set by the Illinois Department of Public Health's Food Service Sanitation Code. He noted that this coincides with the budgeted revenue in the FY'2009 Recommended Budget, which the Committee reviewed last month. Mr. Keller stated that an additional change in the Codes is the incorporation of a non-refundable fee provision for all food permit fees. He noted that this provision is similar to the one in the Sewage Ordinance that makes the fees paid non-refundable.

Motion by Rackauskas/Butler to recommend approval of an Amendment to McLean County Revised Code, Chapter 26, Food Service, and Chapter 28, Health and Sanitation.
Motion carried.

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending October 31, 2008, as distributed.

Statistics on the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending October 31, 2008, are follows:

- Retailers Occupation Tax Revenue Year to Date is \$4,793,852.33, which is 1.94% above last year and 81.25% of budget.
- State Income Tax Revenue is \$1,713,010.07, which is 8.76% above last year and 92.58% of budget.
- Personal Property Replacement Tax Revenue is \$1,649,268.47, which is 0.66% above last year and 97.55% of budget.
- General Fund Property Tax Revenue is \$7,143,971.54, which is 94.45% of budget.

Ms. McNeil advised that the Investment Report shows interesting fluctuations in rates. She noted that the Federal Rate a year ago was 4.50%, a month ago it was 2.00% and now it is 1.00%. Ms. McNeil stated that this report reflects the fact that banks are having difficulty getting other banks to lend them money. She indicated that when the Illinois Fund rates were dropping to about 1.00%, State Farm's rate was coming up. Ms. McNeil stated that, as of the end of October, the County's Money Market rate with State Farm was 3.05%. She reported that \$3,413,939.29 was transferred to that State Farm Money Market account, which was the maximum amount State Farm allowed in October. Ms. McNeil indicated that State Farm did agree to accept \$2,000,000.00 for a short-term money market.

Ms. McNeil stated that the long-term CD rates for six, nine and 12 months were very low, at 2.5% in October. She noted that several banks came in with very good rates, due to the fact that the banks need cash. Ms. McNeil pointed out the following CD rates:

- A new \$500,000.00 CD with Commerce Bank which is at 4.00% for three months;
- A \$500,000.00 CD with Chase Bank at 3.78% for six months;
- \$500,000.00 CD with Chase Bank at 3.68% for nine months;
- Bank of Illinois \$400,320.55 CD was rolled over at 3.96%, which was previously 5.39%;
- Central Illinois Bank \$90,000.00 CD was rolled over at 4.10%, which was previously 4.25%.

Ms. McNeil advised that the four Repurchase Agreements (“repo”) are much like Certificates of Deposit, with high rates, but they give the County flexibility. Ms. McNeil noted that, while there is a maturity date, the County has the ability to use the funds without penalty.

Ms. McNeil pointed out the rates on the following Money Market accounts:

- Illinois Funds Money Market rate is 1.17%;
- Illinois Funds Prime rate is 1.36%;
- State Farm Money Market rate is 3.05%. (After deducting the Pledge Fee, the actual interest earnings are 2.80%.)

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance, as follows:

- The Fund Balance at the beginning of the year was \$10,824,532.32;
- The total Revenue as of October 31, 2008 was \$25,201,789.87, which is 79.14% of budget;
- Expenditures were \$27,877,746.34, which is 87.55% of budget;
- The Fund Balance as of October 31, 2008 was \$10,159,048.88.

Ms. McNeil noted that, last year, the County experienced a very good year for revenue. This year, the interest earnings are down and other County revenue sources are also reflecting the changes in the market.

Ms. McNeil pointed out that the Expenditures last year at this time were \$24,979,836.61 as compared to this year at \$27,877,746.34. She indicated that this reflects a third payroll in October this year. Ms. McNeil noted that there are four pay periods left in 2008 as compared to five pay periods remaining a year ago at this time.

Motion by Butler/Rackauskas to accept and place on file the Month-end Financial Reports from the County Treasurer’s Office for the month ending October 31, 2008, as submitted.
Motion carried.

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

Chairman Owens called for a motion to go into *Executive Session* to discuss Pending Litigation.

Motion by Clark/Butler to Recommend the Finance Committee go into Executive Session at 7:45 a.m. to discuss Pending Litigation with the Committee Members, Ms. Carrie Borowski, Attorney, Costigan & Wollrab; Mr. Eric Ruud, First Civic Assistant State's Attorney; Ms. Jennifer Ho, Risk Management, and the Administrator's Office Staff.

Motion carried.

Motion by Rackauskas/Butler to recommend the Finance Committee return to *Open Session* at 8:04 a.m.

Motion carried.

Chairman Owens called for a motion to recommend approval to settle two pending legal cases against McLean County.

Motion by Butler/Rackauskas to recommend Approval to Settle Case # ALS 507-595.

Motion carried.

Motion by Butler/Rackauskas to recommend Approval to Settle Case # 07-1160.

Motion carried.

Mr. Robert Kahman, Supervisor of Assessments, distributed the following reports:

- Assessment Status Report as of November 4th;
- EAV Change Current vs. Prior Year Report;
- Year to Year Farmland Values Report;
- New Construction Dollars Report.

Mr. Kahman highlighted the following:

- The value of homes in McLean County continues to increase;
- Normal Township assessment complaints were down by 110 complaints over last year, with a smaller multiplier than the City of Bloomington;
- The City of Bloomington had a large amount of assessment complaints;
- McLean County's Overall Assessed Value is \$3.8 billion, which is up by 6.48% over last year, an increase of \$231 million.

- Lexington farm values appear to have increased 11.7%; however, the increase reflects reclassification from residential to farm;
- Overall, the County farmland value went up 10%, or \$12 million;
- New construction value has increased \$102 million, \$32 million attributable to the Wind Farms;
- New construction went up from \$67 million in 2006 to \$89 million in 2007, and to \$102 million this year;
- It is anticipated new construction value will drop back to the \$67 million range;
- McLean County, because of the strength of its major employers, is holding its own in real estate value.

Mr. Kahman concluded that the home values in McLean County are much healthier than most other Counties and States.

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

Mr. Lee Newcom, County Recorder, presented the County Recorder's General Report, noting that there is nothing significant to report.

Mr. Newcom reported that the remodeling in the Recorder's Office is going well and provides for a much more secure facility. He invited Committee members to tour the new office.

Mr. Newcom commended the County Clerk's Office for its good work during the elections. He pointed out the added burden to the County Clerk's Office with new legislative mandates.

Ms. Jackie Dozier, County Auditor, and Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office, presented a Capital Asset Inventory Report. Ms. Anderson stated that this inventory audit of Capital Assets was conducted during the last half of 2008 to determine that assets listed on the inventory were still in existence.

Ms. Anderson reported that the scope of this audit included all of the County's fixed assets having an original value greater than \$10,000.00. Four departments (County Board, Building and Zoning, Information Technology, and Facilities Management) were not tested, as they are to be tested during 2008 on their regular inventory schedule.

Ms. Anderson advised that the methodology consisted of the Auditor's Office taking a listing of assets that were on inventory and going to the department and physically viewing each asset. County asset tags and/or serial numbers were used to confirm items when available. Alternate methodology was used for the County's infrastructure (roads and bridges).

Ms. Anderson stated that testing found that thirty-one (31) items, worth a combined total of \$4,118,848.23, had been disposed of without completing the Capital Item Release Request Form. She indicated that the Auditor's Office will work with the department heads and elected officials to reiterate the importance of notifying the Auditor's Office of transfers and disposals of Capital Assets, by their Capital Item Release Form.

Ms. Anderson updated the Committee on the County's standing in term of implementing new GASB Standards. She pointed out that the first five standards listed on the memorandum in the Packet (GASB No. 45, GASB No. 49, GASB No. 50, GASB No. 51, GASB No 52) were included in the December 31, 2007 Comprehensive Annual Financial Report (CAFR) as upcoming GASB Standards. The final standard (GASB No. 53) is a new standard passed by GASB on June 30th of this year.

Ms. Rackauskas asked what are "intangible assets" listed under GASB No 51. Ms. Anderson replied that intangible assets include easements, computer software, water rights, timber rights, trademarks, etc.

Ms. Anderson reviewed the Auditor's Quarterly Report for the nine months ending September 30, 2008.

Mr. Moss asked what are the two items, worth \$3,388,361.02, that were disposed of under "Infrastructure" in the Capital Asset Inventory Audit Report. Ms. Anderson replied that the Highway Department made two jurisdictional transfers to Bloomington of a road and a bridge. She added that the Highway Department has been informed that the Auditor's Office needs to be notified when a jurisdictional transfer is made.

Mr. Butler asked for an explanation of the Desks/Office Furniture that was disposed of without notification to the Auditor's Office. Ms. Anderson replied that this is furniture that has been replaced but there is no record of what happened to the old furniture.

Mr. Butler asked what is the “seawall” that was included in the list. Ms. Anderson replied that the seawall was at Lake Evergreen, but it has corroded and is now submerged.

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

Ms. Jennifer Ho, Risk Management, presented a request for approval to award the bid for Public Officials Bonds – Election Year 2008 – to the following companies:

<u>OFFICE</u>	<u>BOND AMOUNT</u>	<u>SURETY</u>	<u>PREMIUMS 4-Yr. Prepaid)</u>
County Auditor	\$10,000.00	State Farm Fire & Casualty	\$84.00
County Coroner	\$5,000.00	State Farm Fire & Casualty	\$43.00
Circuit Clerk	\$1,000,00.00	Liberty Mutual Insurance Co.	\$3,550.00
County Recorder	\$20,000.00	State Farm Fire & Casualty	\$149.00
State's Attorney	\$5,000.00	State Farm Fire & Casualty	\$43.00
Total:			\$3,869.00

Ms. Ho reported that a Bid Opening was conducted on October 16, 2008 at 3:45 p.m. in Room 404, Government Center. Pursuant to this undertaking, a legal notice was published in the September 22, 2008 legal notice in *The Pantagraph*. Bids were due by 3:30 p.m., October 16, 2008.

Ms. Ho indicated that the bid for each bond is considered to be an independent and separate bid from other bids submitted by each agent. The most price-competitive bid for each position bond is selected as the winning bid, unless the carrier has imposed marketing conditions to the contrary. There were none noted.

Ms. Ho advised that bids were received from six agencies. She stated that bid results are summarized on the Bid Opening Form included in the Packet. All bids are to be kept open for 90 days following the bid opening, i.e. until January 9, 2009. Ms. Ho noted that the bond for each applicant is subject to meeting the surety's underwriting requirements.

Ms. Rackauskas asked why is the bond amount different for each elected position. Ms. Ho replied that the bond amount is set according to provisions in the Illinois Statutes. She noted that the \$1,000,000.00 bond for the Circuit Clerk was set by the County Board. Ms. Rackauskas asked why is the Circuit Clerk's bond so much higher than everyone else. Mr. Zeunik replied that the Circuit Clerk's bond is higher because of the fiduciary responsibility of that office. He

pointed out that the Circuit Clerk handles all of the payments that come into the office and then distributes money to the agencies in McLean County.

Motion by Moss/Butler to recommend approval of the Recommendation of Bids received for the Public Officials Bonds – Election Year 2008.
Motion carried.

Ms. Ho presented a request for approval to select Arthur J. Gallagher Risk Management Services, Inc. (AJG) to be the County's Brokerage Service Provider. She noted that this would be for a three-year contract at a total cost of \$68,000.00 in fees. Ms. Ho indicated that AJG will not be compensated by commission for brokerage services.

Ms. Ho advised that this consideration is based on an evaluation of proposals submitted by three firms in response to a Request for Proposal for Brokerage Services that was initiated in August, and was due September 19, 2008. The three firms are AJG, Wells Fargo Insurance Services Inc. of Illinois, and Dimond Brothers Insurance Agency. The RFP was conducted to determine the cost-effectiveness of the County's brokerage services. Ms. Ho noted that proposers were also asked to indicate their capacity to provide loss control services as well. She pointed out that the proposals are summarized in Attachment #1.

Ms. Ho advised that Ms. Jackie Dozier, County Auditor, and Mr. Don Lee, Director, Nursing Home, assisted with the evaluation of the proposals. In conjunction with the selection process, background references were checked, with references reporting a high degree of satisfaction for services provided by the three firms. All three firms have clients and references based in Central Illinois. Ms. Ho noted that AJG had the most public entity clients, followed by Dimond Brothers and Wells Fargo Insurance Services, Inc. She expressed her opinion that, in terms of market access to carriers, AJG has a slight edge over the other two firms. Ms. Ho stated that AJG offered the most cost-effective proposal in terms of price for both brokerage and loss control services offered.

Ms. Ho reported that the proposed contract has been reviewed by the County's First Civil State's Attorney, Mr. Eric Ruud.

Motion by Rackauskas/Moss to recommend approval to Select Arthur J. Gallagher Risk Management Services, Inc. (AJG) to be the Brokerage Service Provider for McLean County.
Motion carried.

Ms. Ho presented her Third Quarter Risk Management Fund Report for Fiscal Year 2008. She stated that the cumulative claims experience is shown in Table 1 while the “new claims” experience is shown in Table 2.

Ms. Ho advised that the total number of claims reported for the Third Quarter in FY’2008 shows a decline over the five-year period, due to a decline in the number of workers’ compensation claims. She indicated that the decline in the number of workers’ compensation claims is significant for the following departments: Sheriff’s Department, Nursing Home and the Highway Department. These departments are experiencing their lowest or close to lowest number of workplace injuries in their loss history. Ms. Ho announced that the reduced claims count will assist with reducing the overall incurred expenses for the County when all claims are settled.

Ms. Ho stated that it is important to pay attention to the severity of claims. She noted that, while the number of claims have gone down, the average claims cost remain higher than usual.

Mr. Butler commented that this is a good report. He noted that this is an area that can grow very quickly and be very costly. Mr. Butler stated that preventing losses is commendable.

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

Mr. Zeunik requested that the Committee consider the Fiscal Year 2009 Recommended Budget for the Cooperative Extension Services at this time. He stated that Mr. Don Meyer, Unit Leader, McLean County Cooperative Extension Services and Extension volunteers are present.

Cooperative Extension Services – 0133-0088 can be found on pages 227-228 of the FY’2009 Recommended Budget and pages 62-63 of the Summary. Pursuant to the referendum approved by the voters in McLean County, the County Board is permitted to levy a property tax in an amount not greater than \$0.05 per \$100.00 of equalized assessed valuation. To account for the receipt and distribution of the property tax funds for Cooperative Extension, Special Revenue Fund 0133 has been established in the FY’2009 Recommended Budget. Under Illinois Law, the County Board is required to approve the proposed tax levy for the Cooperative Extension Services.

Mr. Don Meyer, Unit Leader, Cooperative Extension Services introduced Mr. Josh St. Peters, Chairman of the U of I Extension Council, Mr. Len Ash, Master Gardener and Certified Arborist, and Mr. Bob Bishop, Extension Council Member and Master Gardener. Mr. Meyer reminded the Committee that the Cooperative Extension Services is a partnership with the University of Illinois and the Federal Government. He noted that the reliance on Local and State funding has been the biggest shift in the last 15-20 years. Mr. Meyer added that he just completed his 25th year with the Extension.

Mr. Meyer indicated that the Extension is based here in Bloomington. The Extension's four main programs are:

- Agriculture – serving the farm and the agri-business needs, horticulture needs, growing master gardener volunteers, with over 100 active master gardeners who give 40 hours of time annually. There is a new class of 20 gardeners anticipated next season. These gardeners receive 12 days of training and, in exchange, they volunteer 60 hours the first two years and 40 hours if they want to stay as an active master gardener.
- 4-H program – the largest County 4-H program in the State. There are 1,100 children who are members of 55 to 57 4-H Clubs, meeting monthly to teach children leadership, community service, and project skills culminating in the County Fair.
- Nutrition and family areas and Consumer areas offer programs with financial management skills. Nutrition area focuses on the food stamp eligible families of McLean County.
- McLean County Community Compact is a major part of the Extension's programming.

Mr. Meyer advised that the Extension is a well-rounded program that serves more than the farm population. He pointed out that the Extension offers a lot of educational programs.

Mr. Meyer indicated that two issues that the Extension is currently dealing with include Soybean Rust and the Emerald Ash Borer. He reported that Soybean Rust was found in McLean County two weeks ago. Mr. Meyer added that most of the soybeans in this area are past the risk factor. He advised that the Emerald Ash Borer is in McLean County and they are keeping an eye on the movement of the Ash Borer in the area.

Mr. Meyer stated that the Extension Program is a viable program and he hoped that the Committee takes advantage of the information provided by the Extension.

Mr. Meyer advised that the Cooperative Extension is requesting a 10.54% increase in financial assistance. He acknowledged that their typical requests have been about 2.6% to a high of 4.8% in the past. Mr. Meyer stated that the financial problem the Extension is having reflects the difficulty receiving funds from the State of Illinois. He reported that on April 1, 2007, the Extension did not receive any of the State match, which is typically half of their budget. Mr. Meyer noted that the funds finally arrived at the end of May with a 94 cent match level. He stated that this year they anticipate an 85 cent match, which is the best case scenario. To date, the Extension has received 25% of that amount, but they do not know the status of the balance of those funds.

Mr. Meyer indicated that the Extension is substantially raising their program fees, as follows:

- 4-H from \$2.00 to \$10.00 fee;
- Master Gardener's fees have increased \$40.00 for each trainee;
- Workshop fees for farmers' pesticide certification training is now \$30.00.

Mr. Meyer stated that the Extension is looking at reducing costs in the County Fair area in anticipation of these tough years.

Mr. Meyer reiterated that the Cooperative Extension is asking for an increase of 10.5%, which would be \$538,000.00.

Mr. Moss asked what percentage of the Extension budget comes from fees. Mr. Meyer replied that currently fees account for 6% of the budget; however, that amount will grow from 6% to 10%-12% this year. Mr. Moss asked if the 4-H groups were involved in the discussion about raising their fee. Mr. Meyer replied that they were aware of the increase in fees. Mr. St. Peter added that the Extension Council appointed a task force from leaders and educators across the County to evaluate what would be affordable for the families and compared it to similar Counties. Mr. Moss asked if they found comparable increases in other Counties. Mr. Meyer replied that there are comparable Counties increasing their fees. He added that the State will probably announce a suggested rate of \$20.00. Mr. Meyer noted that the Extension will not ask for this much of an increase.

Ms. Rackauskas expressed concern that the County continues to "pick up the slack" for the State. She pointed out that the State may not meet their obligations in the future if the Counties continue to fund the obligations of the State. Ms. Rackauskas recommended that the County Board take a stand to send a message back to the State.

Chairman Owens announced that the Illinois Association of Counties is discussing the issue of the State not meeting its obligations. He advised that the Legislative Committee meets with local legislators and this may be an issue to bring to their attention.

Motion by Moss/Clark to recommend tentative approval of Cooperative Extension Services – 0133-0088 FY'2009 Recommended Budget as submitted.
Motion carried.

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

Mr. John Zeunik, County Administrator, presented a request for approval of Position Reclassification and Salary Upgrades recommended as part of the Fiscal Year 2009 Recommended Budget.

Mr. Terry Lindberg, Assistant County Administrator, stated that there were 12 requests for reclassifications. He advised that six requests have been recommended for approval.

Mr. Lindberg reported that the FY'2009 General Fund Budget includes recommendations to reclassify two (2) positions. Both reclassifications reflect additional duties and responsibilities added to existing positions; these were evaluated using the Position Appraisal Method (PAM) adopted by McLean County in 2000 as a result of a comprehensive consulting study by Public Administration Service, Inc.

Mr. Lindberg advised that the County Administrator's Office recommends the following position reclassifications under the General Fund:

- An upgrade in the existing position classification entitled Public Defender Defense Investigator from Pay Grade 8 to Pay Grade 9. This position now requires that the incumbent work toward certification as a Private Investigator. It also has year-round responsibility for directing the work of advanced criminal justice graduate students as they conduct witness interviews and other defense preparation tasks.
- In the Sheriff's Department, an existing Office Support Specialist Position (Pay Grade 6) be eliminated and replaced with a new job classification entitled Computer Crime Technician/Evidence Custodian, established at Pay Grade 7. The incumbent in this position will be trained to support

detectives who investigate technology crimes. Special computer equipment with tracking and file preservation software has been acquired to support this position. In addition, an improved system for securing and tracking criminal evidence is being implemented. Responsibility for managing evidence will be transferred from the detective staff to this position, freeing up more time on the part of the sworn officers to do detective work.

Mr. Lindberg indicated that there are four (4) reclassifications in the Special Revenue Funds, as follows:

- Within the County Highway Department, Fund 0120, it is necessary to upgrade two positions: the Fleet Manager from a Pay Grade 9 position to Pay Grade 10, and the Heavy Equipment Mechanic position from Pay Grade 7 to Pay Grade 8. These adjustments are based on a review of peer group and market conditions.
- Within the Metro McLean County Combined Communications Department, Fund 0452, the following upgrades are recommended: upgrade the Emergency Communications Supervisor from Pay Grade 9 to Pay Grade 10, and consolidate the two MetCom Assistant Director titles into a common title at Pay Grade 11. The Assistant Director – Technical Services has been a Grade 11 position and the Assistant Director – Operations was a Grade 10 job. Our recommendation will place both of them at Grade 11. These upgrades are due to salary compression caused by the current collective bargaining contract that covers the Telecommunicators. No one will accept a promotion from the dispatcher level to the first-line supervisor level if it entails a reduction in pay.

Mr. Lindberg summarized that the County Administrator's Office recommends six (6) reclassifications from among twelve (12) requests. The FY'2009 budget impact is shown on the FY'2009 Reclassifications Table. Funds are included in the recommended departmental budgets. Mr. Lindberg stated that details showing the changed PAM scores and a complete Proposed FY'2009 Position Reclassification and Pay Range listing are included in the Packet.

Mr. Moss asked why are the salaries so far apart for the two Emergency Comm. Supervisors. Mr. Lindberg replied that one is a new Supervisor and the other is a senior Supervisor.

Motion by Butler/Rackauskas to recommend tentative approval of Position Reclassification and Salary Upgrades recommended as part of the Fiscal Year 2009 Recommended Budget.
Motion carried.

Ms. Rackauskas asked if the County will face the Living Wage issue. Mr. Lindberg replied that the Living Wage is an advisory referendum that the City Council will need to act upon. He noted that the County has not been contacted regarding the Living Wage. Mr. Lindberg added that there were a couple part-time positions that were increased to meet the State minimum wage requirement.

Mr. Zeunik presented a request for approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2009. He noted that Open Enrollment will occur this month.

Mr. Lindberg advised that there were not a lot of changes in the overall benefits program this year, so it was fine-tuned and made more understandable for employees. He indicated that Mr. Bill Wasson, Director, Administrative Services, Health Department personnel, and insurance providers did a tremendous job organizing three Open Enrollment meetings that have been very well-received. Mr. Lindberg stated that the County gets national recognition for its Wellness Program efforts. He noted that the Health Department is very involved in providing wellness programs to the County employees all year. Mr. Lindberg added that the employees appreciate the amount of time and effort put into the Wellness Program.

Mr. Lindberg indicated that the Resolution reflects the rate increases for the plan last year going into this year. He advised that the only change in the plan is that it will be more costly for people to get out of Network Services, but over 99% of the County employees use the plan in Network. He explained that the plan is a modified HMO that allows you to go out of network on occasion, but you would need prior approval from your primary care physician.

Mr. Lindberg reported that enrollment remains stable to slightly up. He noted that employees are developing an understanding of the health reimbursement program. Mr. Lindberg explained that there is a base deductible of \$1,500.00 per person. The employee pays the first \$500.00. If they participate in the wellness activities by taking an on-line risk assessment and following up with particular focus programs on needs areas they might have, the County will pay the second \$500.00. If the employee is contacted for telephonic counseling (about 20% are

contacted) and they cooperate with the telephone nurses and counselors, the County will pay the third \$500.00. Mr. Lindberg pointed out that the \$1,500.00 deductible can become a \$500.00 deductible if the employee participates in the wellness programs.

Mr. Lindberg advised that the County employees feel like the employer cares about them and is making an effort to reduce absenteeism and make them healthier. He pointed out that the wellness screening has been instrumental in detecting health risks for some employees.

Ms. Rackauskas asked how much does the County pay per month for an employee. Mr. Lindberg replied that for an employee and spouse the full cost of the plan is a little less than \$800.00 per month.

Motion by Butler/Clark to recommend tentative approval of a Resolution to Establish Rates for Health and Life Insurance Coverage for Fiscal Year 2009.
Motion carried.

Mr. Zeunik introduced the review of the Fiscal Year 2009 Recommended Budget for the following departments:

F.I.C.A. Social Security – 0130-0069 can be found on pages 227-228 of the FY'2009 Recommended Budget and 64-66 of the Summary. Mr. Zeunik reported that Illinois law allows the County Board to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA), which includes the Social Security expense and participation in the Federal Medicare Program.

Mr. Zeunik reported that the proposed Property Tax Levy is \$2,179,363.00. He noted that, this year, the County is using money out of the Unappropriated Fund Balance to cover this obligation.

Mr. Zeunik pointed out that there are only two expense lines, as follows:

- **599.0003 Social Security Contribution:** Pursuant to Chap. 40, Illinois Compiled Statues (2006), Section 5/21-110, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Social Security Program (FICA). This property tax levy may include the costs of participating in the Federal Medicare Program. The FICA employer rate in FY'2009 remains the same at 7.65%.

- 999.0001 Interfund Transfer: This line item account has increased from \$313,208.00 in the FY'2008 Adopted Budget to \$321,918.00 in the FY'2009 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the FICA expense at the Nursing Home and the transfer to the County Board's budget for 100% of the FICA expense at MetCom.

Motion by Rackauskas/Clark to recommend tentative approval of the F.I.C.A. Social Security – 0130-0069 FY'2009 Recommended Budget as submitted.
Motion carried.

I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 can be found on pages 229-230 of the FY'2009 Recommended Budget and pages 67-69 of the Summary. Mr. Zeunik advised that the total cost this year is \$2,680,281.00, which is an increase of 5.67% over the FY'2008 Adopted Budget.

Mr. Zeunik noted that the General Property Tax line item account has increased from \$2,457,537 in the FY'2008 Adopted Budget to \$2,580,281.00 in the FY'2009 Recommended Budget. Pursuant to Illinois law, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel.

Mr. Zeunik reported that under Personal Property Replacement Tax, pursuant to State law, the County is required to allocate \$21,403.00 in Personal Property Replacement Tax revenue in the IMRF. In the FY'2009 Recommended Budget, the Personal Property Replacement Tax revenue is budgeted at \$100,000.00, the same approved in the FY'2008 Adopted Budget. This increase is budgeted to reduce the impact on the County's overall property tax levy of the increase in the IMRF rates.

Mr. Zeunik indicated that, under the County's IMRF Contribution, pursuant to State law, the County Board is authorized to levy a property tax sufficient to meet the cost of participating in the Illinois Municipal Retirement Fund pension program for County employees and for Sheriff's Department Law Enforcement personnel. The I.M.R.F. employer rate is 7.44% in FY'2009. For the current fiscal year, the rate is 7.83%. The I.M.R.F. Sheriff's Department Law Enforcement Personnel (SLEP) employer rate is 20.52% in FY'2009. For the current fiscal year, the rate is 21.51%.

Mr. Zeunik advised that there is an Interfund Transfer in this budget, similar to what exists in the F.I.C.A. budget. This Interfund Transfer has decreased from \$330,449.00 in the FY'2008 Adopted Budget to \$313,081 in the FY'2009 Recommended Budget. This expense represents the amount to be transferred to the Nursing Home to cover approximately 75% of the I.M.R.F. expense at the Nursing Home and to transfer to the County Board's budget 100% of the I.M.R.F. expense for MetCom.

Motion by Butler/Clark to recommend tentative approval of the I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 FY'2009 Recommended Budget as submitted.
Motion carried.

Mr. Zeunik announced that the Certificate of Achievement for Excellence in Financial Reporting has been awarded to McLean County by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Mr. Zeunik advised that the outstanding preparation of the Comprehensive Annual Finance Report is attributable to Ms. Jackie Dozier, County Auditor; Michelle Anderson, Financial Reporting Specialist, County Auditor's Office; Ms. Becky McNeil, County Treasurer and Ms. Cathy Dryer, County Treasurer's Office. He noted the following:

1. 100% of the Comprehensive Annual Financial Report was prepared by the Auditor's Office (Ms. Jackie Dozier and Ms. Michelle Anderson) and the County Treasurer's Office (Ms. Becky McNeil and Ms. Cathy Dryer).
2. This is the earliest that the County has ever received this award from GFOA. This indicates that this was a job very well done and recognizes the work of the County in terms of complying with the GFOA requirements.

Mr. Zeunik reported that, pursuant to requirements of Section 105 ILCS 5/3-5 of the Illinois School Code, all Regional Offices of Education are now required to report official acts on a quarterly basis to County Boards. He noted that the report for the Regional Office of Education DeWitt-Livingston-McLean Counties is

Finance Committee
November 5, 2008
Page Twenty

being submitted to the Finance Committee since members of the Finance Committee sit on the oversight board for the Regional Office of Education.

Chairman Owens presented the October 31, 2008 Finance Committee bills for review. The Finance Committee bills include a Prepaid Total of \$972,270.84 and a Fund Total that is the same.

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

The Nursing Home bills include a Fund Total of \$738,411.78 with a Prepaid Total that is the same.

Motion by Butler/Clark to recommend approval of the Nursing Home bills as of October 31, 2008 as recommended by the County Auditor.
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Owens asked for a motion to adjourn the meeting at 9:18 a.m.

Motion by Clark/Rackauskas to adjourn the Finance Committee Meeting at 9:18 a.m.
Motion carried.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary