

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, August 6, 2008 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Acting Chairman Moss, Members Clark, Butler and Rackauskas

Members Absent: Chairman Selzer, Member Owens

Other Members Present: None

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

Department Heads/
Elected Officials

Present: Mr. Don Lee, Director, Nursing Home; Mr. Lee Newcom, County Recorder; Ms. Jackie Dozier, County Auditor; Ms. Lori McCormick, Director, Court Services; Ms. Cathy Waltz, Superintendent, Juvenile Detention Center; Ms. Peggy Ann Milton, County Clerk; Ms. Becky McNeil, County Treasurer; Ms. Jennifer Ho, Risk Management

Others Present: Ms. Carol Ash, Chief Deputy County Clerk

Acting Chairman Moss called the meeting to order at 7:35 a.m.

Acting Chairman Moss presented the minutes from the July 2, 2008 Finance Committee Meeting and the June 17, 2008 Stand-up Committee Meeting to the Committee for approval. Hearing no corrections to those minutes, Acting Chairman Moss advised that the minutes would stand approved as presented.

Mr. Don Lee, Director, Nursing Home, presented his Monthly Report, noting that the Nursing Home ended the month in a positive stance and he predicts that it will end this year on a positive note.

Mr. Lee indicated that the census today is 130 residents. He noted that, while the census is a little low, it is still currently above the break-even point for the month.

Acting Chairman Moss asked what it would take to bring the census up. Acting Chairman Moss asked if marketing the Nursing Home in the community would help to increase the census. Mr. Lee responded that one of the causes is that some nursing home facilities admit patients directly from the hospital with no background on the patient. He stated that the Nursing Home believes it is better for patient care to understand the patients' needs before they are admitted. The hospitals are anxious to release patients and often channel them in the direction of the facilities who will take the patients immediately. Mr. Lee advised that admissions from the community are still high.

Ms. Rackauskas asked what is the status of a Nursing Home resident when they are in the hospital. Mr. Lee replied that residents who are in the hospital are not counted in the census. Ms. Rackauskas asked how long is a bed held for a resident who is in the hospital. Mr. Lee responded that the Nursing Home is required to hold a bed for a public aid recipient for ten days. Normally, the same rule is applied for a private pay individual. Mr. Lee noted that most facilities charge residents for their rooms even when they are in the hospital. He stated that the Nursing Home does not charge residents when they are in the hospital, but, after ten days, they ask the private pay individual to give up the bed or pay to maintain the room. In the past, when the census was high, the Nursing Home charged private pay residents for their room when they were in the hospital. Mr. Lee indicated that the Nursing Home patterns their fee requirements after Public Aid, and Public Aid changed their rule on holding beds. Also, the family of residents who are in the hospital oppose the fee knowing that the census is down.

Mr. Lee informed the Committee that, under the Intergovernmental Transfer Program (the "IGT"), the State has learned that, in the past, they miscalculated their IGT reimbursement rates for all County homes. He advised that the IGT Program billed the federal government too much and then reimbursed all County nursing homes too much. Therefore, the State must repay the federal government and they are asking the County nursing homes to repay the state. Mr. Lee noted that this goes back to 2006 and 2007. He indicated that he believes the 2008 IGT rates are correct.

Mr. Lee stated that the State will probably be taking back approximately \$440,000.00 that they overpaid McLean County Nursing Home in 2006 and 2007. He indicated he does not know what method the State will utilize to recoup the funds.

Ms. Rackauskas expressed concern with this amount of money being repaid. She recommended that all of the Counties get together to discuss this payback. Mr. Zeunik advised that for some nursing homes this will be a significant amount of money to repay the State. There are a number of County nursing homes that, on a regular basis, request additional funding from the General Funds to maintain operations each month. Mr. Lee pointed out that one larger nursing home must repay \$1,275,000.00.

Ms. Rackauskas recommended that our representatives need to be contacted to do something immediately. She stated she does not believe the County should be responsible for this overpayment.

Mr. Butler referred to Mr. Lee's report, noting that IDPA revenue is significant and it will be difficult to argue with repaying the overpayment. Mr. Lee indicated that the repayment amounts to approximately one month's payment from Public Aid. He stated that he does not know how the repayment will be made.

Acting Chairman Moss asked if there were any additional questions. Hearing none, he thanked Mr. Lee.

Mr. Lee Newcom, County Recorder, reviewed his Request for Proposal (RFP) for two projects, namely the Redaction of Social Security Numbers and Indexing of documents. He explained that the redaction of Social security Numbers is the masking of Social Security Numbers in the office records. Mr. Newcom advised that there are approximately 3.9 million pages of information that are available for viewing by the public. He indicated that the State has recently passed legislation requiring all Counties to present a plan for the redaction of Social Security Numbers. Mr. Newcom reminded the Committee that he has been making plans to accomplish this task for the past year.

Mr. Newcom stated that the purpose of a Recorder's Office is to have land record documents publicly available so they can be searched and title searches can be completed on property. He indicated that the office has discovered approximately 100,000 documents that were never indexed into the system over a 20-year period. Mr. Newcom explained that a typical residential mortgage search covers 30-35 years and a commercial search covers 100 years. He indicated that his goal is to make the 35 year mortgage search reliable.

Mr. Newcom stated that the bids were due on Monday, August 4th. He advised that the winning bid was submitted by Cott Systems. Mr. Newcom asked that the contract to award the bid be considered at a Stand-up meeting prior to the Board meeting.

Mr. Newcom informed the Committee that eight companies requested copies of the RFP. All eight companies participated in the pre-bid mandatory conference, four companies ultimately bid on the project and one bid was disqualified because they did not meet the criteria.

Mr. Newcom indicated that the project will cost approximately \$250,000.00. Mr. Newcom advised that the funds for the two projects are available through the Recorder's Document Storage Fund, which is specifically targeted for this type of large, expensive project.

Mr. Butler asked if the process requires an individual to sit at a computer to physically redact the Social Security Numbers when the machine stops at numbers. Mr. Newcom replied that a person does need to physically do the redaction. He noted that the numbers of pages that are actually going to have a Social Security Number on it are a minor percentage of the 3.9 million pages. Mr. Newcom indicated that the software for this project is very well developed. He added that this project would have been two or three times more expensive to accomplish a couple of years ago.

Acting Chairman Moss asked how the company will access the material. Mr. Newcom replied that the Recorder's Office will send the contractor a hard drive containing all of the images. The contractor will load that information into their system, process it, and put it back on the hard drive to be returned to the Recorder's Office.

Mr. Newcom advised that Cott Systems, which is the Recorder's Office land records system vendor, is a very good company. He noted that Cott is one of the more reputable land records vendors and service companies in the nation.

Mr. Newcom requested that this contract and an Emergency Appropriation Ordinance be considered at a Stand-up meeting prior to the Board meeting.

Acting Chairman Moss asked if there were any additional questions. Hearing none, he thanked Mr. Newcom.

Ms. Jackie Dozier, County Auditor, County Auditor's Office, presented the Auditor's Quarterly Report for the period ended June 30 2008. She pointed out that the revenue on the report is a bit skewed because of the late due date for the first installment of property taxes. They will be included in the next quarter.

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Ms. Dozier also submitted the following internal audit reports: ICJIA Court Services Juvenile Reporting Center Computer Equipment Audit and the IEMA Radio Audit for Emergency Management.

Acting Chairman Moss asked if there were any questions or concerns. Hearing none, he thanked Ms. Dozier.

Acting Chairman Moss called for a motion to go into Executive Session.

Motion by Butler/Rackauskas to Recommend the Finance Committee go into Executive Session at 8:07 a.m. to discuss Personnel matters with the Committee Members, the Administrator's Office Staff and Ms. Lori McCormick, Director, Court Services and Ms. Cathy Waltz, Superintendent of the Juvenile Detention Center
Motion carried.

Motion by Clark/Butler to recommend the Finance Committee return to Open Session at 8:15 a.m.
Motion carried.

Ms. Lori McCormick, Director, Court Services, presented a request for approval of a Resolution Authorizing the Director of Court Services to offer a salary above the Starting Maximum Salary.

Motion by Clark/Rackauskas to Recommend approval of a Resolution Authorizing the Director of Court Services to offer a Salary above the Starting Maximum Salary.
Motion carried.

Acting Chairman Moss asked if there were any questions or concerns. Hearing none, he thanked Ms. McCormick and Ms. Waltz.

Ms. Becky McNeil, County Treasurer, presented a request for approval of an Emergency Appropriation Ordinance amending the McLean County Fiscal Year 2008 Combined Annual Appropriation and Budget Ordinance, Collector's Automation Fund 0168, County Treasurer 0004, Financial Management 0004.

Ms. McNeil advised that annually \$25,000.00 is received into the Collector's Automation Fund and the fund annually has an interfund transfer to Information Technologies for various services and support they provide, including the internet. She noted that there is currently a balance of \$41,000.00 in the fund. Ms. McNeil indicated that there are some restrictions as to how the fund is to be used. She stated that this request is to help automate the Treasurer's Office in its collections process. Ms. McNeil advised that the Treasurer's Office is in need of a high speed envelope opener and an automatic check endorser.

Mr. Butler asked if this equipment will shorten the payment process. Ms. McNeil replied that it may not shorten the time, but it will eliminate a lot of the manual hands-on activity.

Ms. McNeil indicated that she purchased the envelope opener earlier this year out of the General Fund. However, when the true usage was reviewed, 90% of the use is for the collector, so it should be charged to the Collector's Automation Fund.

Motion by Clark/Butler to Recommend approval of an
Emergency Appropriation Ordinance Amending the
McLean County Fiscal Year 2008 Combined Annual
Appropriation and Budget Ordinance, Collector's
Automation Fund 0168, County Treasurer 0004,
Financial Management 0004.
Motion carried.

Ms. McNeil reviewed her Financial Reports for the period ending July 31, 2008, as distributed.

Ms. McNeil advised that with receipt of the Property Tax revenue in July, she was able to make some investments. She stated that three CD's came due that she was able to renew at a lesser rate than in the past. Previously the rates were 5.25%, 5.35% and 3.00%. The new rates are 2.50% and 3.00%. Ms. McNeil reported that there are five new CD's that are larger, collateralized CD's. She indicated that these were taken out at very good rates, since normally a quarter of a point is deducted for collateralization. Ms. McNeil pointed out that the CD for State Farm was at 3.55% and one with Bank of Illinois was 4.00%. She added that she went back to Bank of Illinois to get another \$500,000.00 CD for the Nursing Home Fund. Ms. McNeil stated that speculation is that interest rates are going to probably stay flat through the end of the year and might actually come up towards the end of the year.

Ms. McNeil indicated that the Money Markets are still at 2.00% She noted that there was not much change this month compared to last month.

Ms. McNeil referred to the Nursing Home IGT payment that Mr. Lee discussed earlier. She stated that the Nursing Home Fund has a sizeable fund balance, with a current balance of \$7,262,826.55. Ms. McNeil advised that if the Nursing Home is required to pay the money back, it will not hurt the Nursing Home's reserve.

Ms. McNeil stated that the Total of all Funds is \$29,794,454.47.

Ms. Rackauskas asked what is the Baker Estate Trust Fund 0513. Ms. McNeil replied that it is a fund that was established through a trust that was granted to the Health Department for indigent health care.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending July 31, 2008, as follows:

- Retailers Occupation Tax Revenue Year to Date is \$3,299,873.02, which is 1.50% above last year and 55.93% of budget.
- State Income Tax Revenue is \$1,322,747.00, which is 10.56% above last year and 71.48% of budget.
- Personal Property Replacement Tax Revenue is \$1,263,653.98, which is 1.88% above last year and 74.74% of budget.

Ms. McNeil reported that there are three more Personal Property Replacement Tax payments coming in August, October and December.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of July 31, 2008. She noted that there are some revenue sources that are down this year, including interest revenue, recording fees, some fees in the Circuit Clerk's Office, Court Services funds from AOIC, reimbursement for Special Prisoners for Court Services and permit fees for Building and Zoning.

Statistics for Statement of Revenues, Expenditures and Fund Balance are as follows:

- The Fund Balance at the beginning of the year was \$10,824,532.32;
- The total Revenue as of July 31, 2008 was \$16,038,963.82, which is 50.37% of budget;

- Total Revenue last year was \$16,266,095.36;
- Expenditures were \$18,817,533.75, which is 59.09% of budget;
- Total expenses last year were \$17,145,009.55;
- The Fund Balance as of July 31, 2008 was \$10,056,435.42.

There was a brief discussion regarding eliminating some fund lines, such as the Children's Waiting Room Fee, that have no balance and no activity. Ms. McNeil indicated that she will try to make adjustments to the report.

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

Ms. Carol Ash, Chief County Clerk, presented the County Clerk's Monthly Activity Report for the period ending June 30, 2008.

Acting Chairman Moss asked if there were any questions. Hearing none, he thanked Ms. Ash.

Acting Chairman Moss presented the Assessment Status Report as submitted by Mr. Robert Kahman, Supervisor of Assessments.

Ms. Jennifer Ho, Risk Management reviewed the Second Quarter Risk Management Fund Report for Fiscal Year 2008. She advised that, since her last report to the Committee, there have not been any significant losses that may be of financial consequence to the County.

Ms. Ho reported that the number of workers compensation claims continues to decline, but the average severity is significantly higher due to two cases. She stated that the auto physical damage line item recorded an unexpected transfer-in of \$9,295.00 in May 2008 for the purchase of a replacement vehicle that was totaled in 2007, after the proceeds from the salvaged vehicle were applied. Ms. Ho indicated that the actual auto physical claims for FY'2008 are four losses for a total cost of \$7,305.00.

Ms. Rackauskas asked does the "Auto Physical Damage" means car accidents. She also asked if there was any correlation between the ages of the driver. Ms. Ho replied that there is no correlation between the ages of the drivers in the car accidents. The Auto Physical Damage category includes any type of vehicle accident. She noted that there were four vehicles involved in accidents out of 125 County vehicles.

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Acting Chairman Moss asked if there were any questions or concerns. Hearing none, he thanked Ms. Ho.

Acting Chairman Moss presented the July 31, 2008 Finance Committee bills for review and approval as transmitted by the County Auditor. The Finance Committee bills include a Fund Total of \$978,040.24 and a Prepaid Total that is the same.

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

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The Nursing Home bills include a Fund Total of \$519,228.30 with a Prepaid Total the same.

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

There being nothing further to come before the Committee at this time, Acting Chairman Moss adjourned the meeting at 8:40 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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