

## **Minutes of a Special Finance Committee Meeting**

The Finance Committee of the McLean County Board held a special meeting on Tuesday, October 9, 2007 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, Illinois.

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

Members Absent: Member Clark

Staff Present: Mr. John Zeunik, County Administrator, Mr. Terry Lindberg, Assistant County Administrator and Ms. Jude LaCasse, Assistant to the County Administrator

Elected Officials/  
Department Heads: Ms. Jackie Dozier, County Auditor; Mr. Lee Newcom, County Recorder; Ms. Charlene Stanford, Director, Bloomington Election Commission; Mr. Bob Keller, Health Department Administrator; Mr. Don Meyer, Unit Leader, McLean County Cooperative Extension Services; Ms. Joan Naour, Director, Correctional Health Service; Ms. Jennifer Ho, Risk Management; Mr. Don Lee, Director, Nursing Home

Others Present: Ms. Michelle Anderson, Financial Reporting Specialist; Auditor's Office; Mr. Walt Howe, Assistant Administrator, Health Department; Ms. Linda Fay White; Cooperative Extension; Ms. Charlotte Talkington, Cooperative Extension

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

Chairman Selzer stated that this is a special meeting of the Finance Committee to review FY'2008 Recommended Budgets for County offices and departments under the oversight of the Finance Committee.

Mr. John Zeunik, County Administrator, stated that most of the departments and offices under the oversight of the Finance Committee are scheduled for review at today's meeting.

**County Auditor – 0001-0003** can be found on pages 11-12 of the FY'2008 Recommended Budget and pages 1-4 of the Summary in the Agenda packet. He stated that, earlier this year, the Finance Committee recommended and the County Board approved the following changes in the FTE staffing complement in the Auditor's Office:

- Delete 1.00 FTE Accounting Specialist II at Grade 07
- Add 1.00 FTE Financial Reporting Specialist at Grade 10
- Delete 0.53 FTE Office Support Specialist I at Grade 04
- Add 0.50 FTE Accounting Specialist I at Grade 05

Mr. Zeunik advised that these changes were made in response to the Outside Auditor's Single Audit Findings wherein the Outside Auditor recommended that the County "...have personnel possessing a thorough understanding of applicable generally accepted accounting principals, staying abreast of recent accounting developments. Such personnel would perform a comprehensive review procedure to ensure that in the preparation of its annual financial statements that such statements, including disclosures, are complete and accurate."

Mr. Zeunik indicated that the Commodities Supplies line item is down 2%. He noted that, under Contractual Services, the major increase is under Schooling and Conferences, which is similar to the increase in the County Treasurer's Office. This increase is based on the finding in the Outside Auditor's Single Audit Report. In order for the County's professional financial staff to be able to handle all of the financial reporting requirements issued by the Government Accounting Standards Board (GASB), professional staff in the Treasurer's Office and the Auditor's Office need to attend additional continuing education classes.

Mr. Zeunik stated that, under Purchase of Furnishings/Office Equipment, the expense is for a new lateral file cabinet.

Motion by Owens/Rackauskas to recommend tentative approval of the County Auditor – 0001-0003 FY'2008 Recommended Budget as amended.  
Motion carried.

Chairman Seltzer asked if there were any other questions or comments. Hearing none, he thanked Ms. Dozier.

**County Recorder – 0001-0006** can be found on pages 27-30 of the FY'2008 Recommended Budget and pages 5-8 of the Summary. Mr. Zeunik reported that the Revenue is flat in 2007 at \$1,073,000.00. There is no proposed changes in the staffing level other than the change made earlier in the year, which is reflected in Fund 137.

Mr. Zeunik noted that the following changes:

- 620.0001 Operating/Office Supplies line item account has increased from \$2,200.00 in the FY'2007 Adopted Budget to \$6,500.00 in the FY'2008 Recommended Budget. This increase is based on the additional expenses incurred for the purchase of toner and tape for the additional computer equipment installed in the office.
- 630.0001 Postage line item account has increased from \$16,500.00 in the FY'2007 Adopted Budget to \$18,150.00 in the FY'2008 Recommended Budget. This increase is based on the increase in the first class postage rate.

Mr. Zeunik stated that there is very little change in the Contractual line items, noting that the largest expense is under 832.0001 Purchase of Furnishings/Office Equipment. This is a result of the recommendation that was included in the MAXIMUS Study that included changing the layout of the office. Mr. Zeunik noted that this is included in the Facilities Management Budget for Government Center. As a result, other changes are being proposed, including purchasing new desks, supply cabinet, shelves, and a camera security system.

Chairman Selzer recommended that all of the County Recorder's Budgets be reviewed and approved at one time.

**County Recorder Document Storage Fund – 0137-0006** can be found on pages 31-34 of the FY'2008 Recommended Budget and pages 9-11 of the Summary. Mr. Zeunik advised that the Document Storage Fund 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. Mr. Zeunik noted that there are two sources of revenue, namely the Document Storage Fee and the Unappropriated Fund Balance. He indicated that the Document Storage Fee does not increase, rather it remains the same as in 2007, which is consistent with the earlier projection of revenue in the General Fund. The remaining money to balance the Fund comes from the Unappropriated Fund Balance.

Mr. Zeunik noted that the FY'2008 Recommended Budget reflects the following change in staffing recommended by the MAXIMUS, Inc. Study and approved by the County Board in September:

- Increase Office Support Specialist from 2.00 FTE to 3.00 FTE
- Decrease Part-Time Clerical Assistant from 1.42 FTE to 0.42 FTE

Mr. Zeunik stated that there are no changes in the Materials and Supplies Accounts. He indicated that there is a slight change in one of the Contractual Accounts. Mr. Zeunik advised that the largest new expense in this Fund is the purchase of a new Storage Area Network (SAN) device at a cost of \$65,000.00, as recommended by Information Services. This device stores all of the images contained in the County Recorder's Document Database.

**County Recorder GIS Fees Fund – 0167-0006** can be found on pages 35-36 of the FY'2008 Recommended Budget and pages 12-13 of the Summary. Mr. Zeunik explained that, 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.

Mr. Zeunik indicated that the GIS Fund supports two activities, as follows:

- The Regional Planning Commission, which is responsible for maintaining the County-wide GIS System that is used by all three local governments as well as Normal and Bloomington Township.
- The County's development of GIS for County offices and departments.

Motion by Butler/Rackauskas to recommend tentative approval of County Recorder – 0001-0006 FY'2008 Recommended Budget as submitted; to recommend the County Recorder Document Storage Fund – 0138-0006 FY'2008 Recommended Budget as submitted and to recommend approval of the County Recorder GIS Fees Fund – 0167-0006 FY'2008 Recommended Budget as submitted.  
Motion carried.

**Health Department** can be found on pages 167-206 of the FY'2008 Recommended Budget and pages 16-25 of the Summary. Mr. Zeunik noted that the Grant Funds are on pages 167-189. He reported that the Grant Funds are budgeted to balance, based on the projected receipt of grant funds during the County's fiscal year. Mr. Zeunik added that some of the grants received are based on services delivered. He noted that a portion of the Health Department's staff is budgeted on a pro-rata basis throughout the grants, depending upon the activity and work the individuals will be completing. Mr. Zeunik stated that there are three property tax supported funds, namely Fund #0110, Persons with Developmental Disabilities; Fund #0111 is the T.B. Care and Treatment, and Fund #0112, which is the Health Department's largest fund. He indicated that the Summary in the Agenda packet provides summaries of the three tax-supported funds and an overview of the entire budget that was prepared by Mr. Keller for the Board of Health, which includes a summary of all of the information, as well as the increases and what is driving the increases.

Mr. Keller reviewed his budget, noting that Grant Funds #0102-0107 are derived from revenue and expenditures received from outside sources, such as Public Aid, WIC, etc., which are segregated funds. He stated that some of the personnel assigned to those projects are 100% grant funded or on a pro-rata distribution.

Mr. Keller indicated that the tax-supported funds are Funds #0110, #0111 and #0112. He stated that on Page 25 of the Summary in the Agenda packet shows a breakdown of the various three tax levies for those funds by program. Mr. Keller advised that there was a small incremental adjustment of 2.5% in the overall Levy for Fund #0110. The T.B. Program Fund is 4.32% higher in the Levy with about the same rate.

Mr. Keller noted that the only significant increase is for the Drug Court. He explained that, during 2006, the Board of Health was requested by the County Board to use a portion of its Mental Health levy to meet the needs of Drug Court. During 2007, the department utilized a portion of its unencumbered fund balance to support the approximately \$167,000.00 in anticipated treatment costs. Mr. Keller stated that, for 2008, this contract is being annualized at a cost of approximately \$171,000.00 with the Health Levy being used to underwrite the costs. He indicated that if not for this fund, the Health Department Tax rate would have declined.

Mr. Keller advised that, other than the Drug Court and some of the increases in space and utilities, there have been no changes or FTE increases. He noted that he also budgeted for a 3% annual adjustment in some of the major fees, namely food and sewage.

Chairman Selzer asked if any of the grant funds will be expiring thereby causing FTE issues. Mr. Keller responded that if there are any reductions in grant funds, reductions will be made in personnel or expenditures.

Mr. Zeunik advised that Mr. Duane Moss, a member of the Finance Committee, sits on the Board of Health.

Motion by Owens/Moss to recommend tentative approval of the Health Department Funds FY'2008 Recommended Budget as submitted.  
Motion carried.

**F.I.C.A. Social Security – 0130-0069** can be found on pages 226-227 of the FY'2008 Recommended Budget and 26-28 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 \$2,006,302.00, which is slightly down from last year. He stated that it is down because the County finished FY'2006 with a significant fund balance in this fund. As a result, it is proposed that \$200,000.00 of the fund balance be used to offset the proposed Property Tax.

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

- **599.0003 Social Security Contribution:** Pursuant to Chap. 40, Illinois Compiled Statutes (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'2008 remains the same at 7.65%.
- **999.0001 Interfund Transfer:** This line item account has increased from \$301,035.00 in the FY'2007 Adopted Budget to \$313,208.00 in the FY'2008 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.

Mr. Zeunik stated that MetCom is a County Department. As a result, in the County Board budget, there is a line item that is the County's contribution to MetCom. He noted that if you look at the MetCom budget, the County's contribution plus the contribution from the City of Bloomington, ETSB and the Town of Normal covers that cost, and, in MetCom, all of the FICA and Social Security expense are budgeted in the MetCom Fund. In order to provide the County's portion of the Social Security cost, it is transferred out of FICA and goes into the General Fund.

Mr. Zeunik indicated that, In the Nursing Home, approximately 25% of the census is Private Pay. As Private Pay, they are able to recover 100% of the cost. Under Medicaid and Medicare, the Nursing Home is not allowed to recover 100% of the cost. Therefore, it has been the practice of the County to budget for 75% of the Nursing Home's FICA and IMRF expense in the respective property tax supported funds and then transfer this amount to the Nursing Home.

Motion by Moss/Rackauskas to recommend tentative approval of the F.I.C.A. Social Security – 0130-0069 FY'2008 Recommended Budget as submitted.  
Motion carried.

**I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069** can be found on pages 228-229 of the FY'2008 Recommended Budget and pages 29-31 of the Summary. Mr. Zeunik advised the Committee that Illinois law authorizes the County Board to levy a General Property Tax in an amount 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 stated that, unlike other State Pension Programs, the State does not support this program. The IMRF fund is supported entirely by contributions from members and employees who work for the members and by the investments of IMRF.

Mr. Zeunik indicated that the Property Tax Levy is \$2,436,497.00, which is a 7.75% increase over FY'2007. He stated that the County is required, by law, to appropriate Personal Property Replacement Tax dollars in the IMRF Fund. The County is required, by law, to appropriate an amount that is slightly less than \$24,000.00. Mr. Zeunik pointed out that for the last three years, because of the significant growth in the Personal Property Replacement Tax revenues, the County has been able to appropriate \$100,000.00 into the IMRF Fund.

Mr. Zeunik noted that the County's contribution is the amount that the County pays. There are two rates, namely the rate for regular employees, which is 7.83% and a separate rate for the Sheriff's Law Enforcement personnel, which is called the SLEP Rate. This rate is for the Deputies, Sergeants and Detectives and is

21.51%. Mr. Zeunik noted that this rate increased not quite 2% over the previous year. He stated that this increase is largely driven by the enhanced pension benefits which the General Assembly approved a year ago for the Sheriff's Law Enforcement Program.

Mr. Zeunik advised that the Interfund Transfer is exactly the same as the Interfund Transfer that appears in the Social Security Fund, namely that it covers 75% of the IMRF expense at the Nursing Home and 100% of the expense for IMRF at MetCom.

There was a brief discussion on the proposed contract for the FOP in association with the 21.51% SLEP Rate. Mr. Zeunik stated that the County was unable to get the FOP to agree to stipulate some rules when the negotiations began. One of the rules the County follows is that it does not comment on any contracts until the contracts are ratified or until the stipulated order is received from the mediator. Mr. Zeunik pointed out that the FOP has already released information to the media. He stated that the 21.51% increase is a huge increase, but the Pension Plan for the Sheriff's Law Enforcement Personnel was greatly enhanced by action of the Legislature last year. Mr. Zeunik added that they do pay a higher employee contribution. In the regular plan, the employees pay 4.5% and the Deputies pay 7.5%.

Mr. Butler asked if the rate is higher because the benefit is so good or because they have such a short time before they retire. Mr. Lindberg replied that it is a little bit of both. He noted that when you do have a retirement going against that side of it, there is a smaller base so the impact is greater. Mr. Zeunik added that it used to be "20 years and out" for police officers and firefighters. Because of that fact, their retirement was skewed to recognize that they would not work past 20 years. He noted that this is not as true today.

Mr. Butler asked why the State law requires that the money come from the Personal Property Tax. Mr. Zeunik replied that this is a requirement under Illinois law. He stated that when the Personal Property Replacement Tax was created, it made specific reference to the amount of money Counties were required to appropriate into the IMRF Fund.

Motion by Owens/Moss to recommend tentative approval of the I.M.R.F. Illinois Municipal Retirement Fund – 0131-0069 FY'2008 Recommended Budget as submitted.

Motion carried.

**Tort Judgment Fund – Juvenile Detention Health – 0135-0077** can be found on pages 234-236 of the FY'2008 Recommended Budget and pages 34-36 of the Summary. Mr. Zeunik explained that this is the medical services component of the Juvenile Detention Center. He noted that there is a small amount of revenue dollars of \$3,500.00, which reflects the reimbursement received for medical care provided to juveniles detained at the Juvenile Detention Center, including in-County and out-of-County youth. Mr. Zeunik indicated that the growth is directly related to the fact that the census at the Juvenile Detention Center has been up.

Mr. Zeunik reported that there is no change in the staffing level. There is one full-time registered nurse and one part-time nurse to cover when the full-time nurse is on vacation.

Mr. Zeunik indicated that there is little change in the 600 line items. He noted that the Medical/Nursing Supplies increased slightly which reflects the increased utilization. Mr. Zeunik pointed out that this year and last year there have been a number of juveniles housed from outside of McLean County, so the increase has gone up. He stated that those Counties are billed for any services that are provided outside of the daily charge, such as if a juvenile needs to be hospitalized or taken to the Emergency Room, etc.

Mr. Zeunik advised that Contract Services reflects the cost of the physician and the mental health therapist at the Juvenile Detention Center, which has an increase of 3%.

Mr. Zeunik informed the Committee that the State's Attorney, back in 1987, advised the County that it would be permissible for the County to budget the cost of medical care provided, at that time, in the Adult Jail in the Tort Judgment Fund. When the Juvenile Detention Center opened in 1993, this expense was permitted to be included in the Tort Judgment Fund, which is basically the Risk Management Fund. There is no way to buy insurance on the open market to provide insurance for the care of inmates. The County is required by law to provide medical care for the inmates. Mr. Zeunik cautioned that the County is at great risk if it does not provide medical care. He noted that a good number of lawsuits against the County have to do with inmates alleging that they did not receive adequate medical care while in the Jail. Mr. Zeunik stated that, given the risk that is involved, it was the State's Attorneys opinion that it was permissible for the County to budget for this expense as if it was an insurance or Risk Management expense.

Mr. Zeunik noted that most of the juveniles are healthy and do not require a lot of medical care, and incarceration at the JDC is relatively short.

Mr. Moss referred to Page 235 of the FY'2008 Recommended Budget. He noted that the "Last Year Budget" was \$45,952.00 and "Last Year Actual" was \$50,352.00. He asked what accounted for the increase since there was no overtime. Mr. Lindberg replied that he will find an answer for him. He stated he didn't believe that it is under budget,

Motion by Butler/Owens to recommend tentative approval of the Tort Judgment Fund – Juvenile Detention Health – 0135-0077 FY'2008 Recommended Budget as submitted.  
Motion carried.

**Bloomington Election Commission – 0001-0048** can be found on pages 160-162 of the FY'2008 Recommended Budget and pages 14-15 of the Summary. Pursuant to an Intergovernmental Agreement between McLean County and the City of Bloomington, the Election Commission agreed to return to the County monies that were not used. The projected amount to be reimbursed to the County in FY'2008 is \$100,000.00, which is the same amount received in FY'2006. Mr. Zeunik reported that the expenses consist of staffing, which includes the Director and Assistant Director as well as three members of the Election Commission. He stated that the Contractual Service line item is the amount that must be reimbursed to the Commission. Under State law, that amount is to be equal to the projected increase in the equalized assessed valuation. Mr. Zeunik advised that this amount goes up next year from \$399,928.00 to \$419,124.00.

Mr. Selzer asked how many Election Commissions are left in the State. Ms. Stanford replied that there are nine Election Commissions in Illinois, which includes Chicago, Danville, County of DuPage, East St. Louis, Galesburg, Peoria, Rockford and Aurora.

Ms. Rackauskas noted that the County is mandated by law to pay for the Bloomington Election Commission. She asked why do we need the Bloomington Election Commission and how can it be changed. Ms. Stanford replied that the only way the law can be changed is by Referendum on a ballot. She indicated that there was a discussion of that possibility a few years ago.

Ms. Rackauskas asked why the law wasn't changed at that time. Chairman Selzer replied that if the Bloomington Election Commission did not service Bloomington, the County would have to pick up all of those election services. He stated that the difference in cost is negligible. Ms. Stanford added that the County would also have to purchase new equipment, as the equipment is all different. She stated that probably the only salary the County would save would be hers. Ms. Stanford advised that she has a staff of 1.5 FTE's, noting that salaries and benefits come out of the Bloomington Elections Commission budget. She indicated that the Bloomington Elections Commission returns money to the County each year, which will increase to \$100,000.00 per year.

Motion by Rackauskas/Moss to recommend tentative approval of the Bloomington Election Commission FY'2008 Recommended Budget as submitted.  
Motion carried.

**Cooperative Extension Services – 0133-0088** can be found on pages 230-231 of the FY'2008 Recommended Budget and pages 32-33 of the Summary. Mr. Don Meyer, Director, Cooperative Extension Services introduced Ms. Charlotte Talkington, Past Chairman of the Council and a Master Gardener, and Ms. Linda Fay White, Council member. Mr. Meyer reported that the Cooperative Extension Services programs remain very strong. He indicated that one position was frozen for nine months to save money. Mr. Meyer noted that 24 new master gardeners were trained this year that are now out doing volunteer programming in the County. He stated that there are over 100 active Master Gardeners.

Mr. Meyer advised that the 4-H Program is the largest community club program in the State of Illinois, with 1,240 4-H Community Club members. Mr. Meyer indicated that they are reaching about 5,000-6,000 youth in total with the school programs, after-school initiatives and other community groups. There are 56 4-H Clubs active in McLean County. Mr. Meyer stated that there are 30 delegates from Illinois going to the National 4-H Congress in Atlanta, Georgia, with ten delegates from McLean County.

Mr. Meyer reported that they had a good year with the State match. He noted that the local funds generated by the Cooperative Extension Services are matched or eligible for State match. He indicated that last year the State match was almost 100%.

Mr. Meyer advised that the State request this year was for flat dollars, which he anticipates will drop slightly as budgets grow around the State. He reported that the Governor zeroed out some of the youth positions that did not affect McLean County. Mr. Meyer noted that the Cooperative Extension Services has always funded its youth position because of its strong program. He expressed concern with the Governor's action and what it will do to youth programming state-wide.

Mr. Meyer indicated that opportunities for growth for the Cooperative Extension Services would be in the after-school initiatives where they have begun to see some potential partnerships, including Ms. White's program, The Best of All Clubs, with Bloomington Housing Authority.

Mr. Meyer announced that he has had a lot of calls regarding the Emerald Ash Bore. He indicated that horticulturists are looking for the creature in the County. Mr. Meyer stated that the Emerald Ash Bore is being brought into the County in firewood. He noted that the Cooperative Extension Services has also received calls regarding soybean rust. Mr. Meyer stated that soybean rust was found in Illinois last week, but not in McLean County.

Chairman Selzer pointed out that the Cooperative Extension Services can levy a tax of up to .05 cents per \$100.00, but they only ask for \$0.01526, which is considerably less than it could be.

Motion by Owens/Rackauskas to recommend tentative approval of Cooperative Extension Services – 0133-0088 FY'2008 Recommended Budget as submitted.  
Motion carried.

**Tort Judgment Risk Management – 0135-0077** can be found on pages 241-243 of the FY'2008 Recommended Budget and pages 42-45 of the Summary. Mr. Zeunik reported that this is the insurance portion of the Tort Judgment Fund. He stated that expenses totaled \$1,032,607.00 in the FY'2008 Recommended budget. Mr. Zeunik reported that there is no change in the staffing level.

Mr. Zeunik indicated that most of the 600 line item accounts have very little changes, with most changes being a decrease. He stated that the Consultant Expense is down in the 700 line items. Mr. Zeunik reminded the Committee that the actuarial study was conducted in FY'2007. He noted that the increase in Contract Services is for the brokerage service.

Mr. Zeunik reported that most of the major insurance lines, based on the work done by Ms. Jennifer Ho, Risk Manager, with the broker, remain relatively flat. There are no significant swings up or down in the insurance market right now. Mr. Zeunik advised that 719.0014 Public Officials Bond increased from \$1,000.00 in the FY'2007 Adopted Budget to \$10,300.00 in the FY'2008 Recommended Budget. This increase is based on the fact that Fiscal Year 2008 is an election year for Countywide elected officials.

Mr. Zeunik noted a change in line item 757.0002 Employee Medical Expense. He explained that the County is now outsourcing the Hepatitis-B vaccinations for County employees who may come into contact with blood borne pathogens. Mr. Zeunik stated that previously the Health Department provided these vaccinations and the expense was budgeted in the Health Fund. The Health Department found that the vaccine was often expiring on the shelf as employees who needed to get vaccinated did not go over to receive them in a timely manner. Mr. Zeunik noted that the Health Department suggested that, rather than the Health Department incur the expense of purchasing the vaccine, the service be contracted out.

Mr. Zeunik indicated that the Transfer to Other Funds is the amount that is transferred to the Nursing Home for that portion of the Nursing Home's insurance cost as paid for by the Tort Judgment Fund. He noted that the Nursing Home is responsible for paying 25% of its total insurance costs since this is the percentage of private pay patients at the Nursing Home. The private pay patients can be billed for the actual cost per day. Because Medicare and Medicaid do not reimburse 100% of the actual cost, the Board's policy and practice has been to budget the unreimbursed share of the Nursing Home's insurance expense in the Tort Judgment Fund.

Motion by Rackauskas/Butler to recommend tentative approval of the Tort Judgment Risk Management – 0135-0077 FY'2008 Recommended Budget as submitted.

Motion carried.

**Nursing Home – 0401-0090** can be found on pages 263-270 of the FY'2008 Recommended Budget Book and pages 48-53 of the Summary. Mr. Zeunik reported that the Nursing Home is an Enterprise Fund and the recommended total operating budget for FY'2008 is \$10,243,508.00, which represents a 50.53% increase over the FY'2007 Adopted Budget of \$6,804,808.00. This is the County's only Enterprise Fund, which means that this budget operates more like a business.

Mr. Zeunik reported that the largest increase in revenue is found in line item 407.0040 Illinois Public Aid/Medicaid. This has increased from \$3,153,600.00 in the FY'2007 Adopted Budget to \$6,518,918.00 in the FY'2008 Recommended Budget. He explained that this is part of the Intergovernmental Transfer. Mr. Zeunik noted that there is also an expense where the County is paying back to the State of Illinois. This Intergovernmental Transfer Fee was established for publicly owned and operated Nursing Homes. The Nursing Home pays a fee, which is assessed by the State. In return the Nursing Home receives reimbursement from Public Aid. Mr. Zeunik stated that the Nursing Home has not experienced any delays in payments from the State of Illinois.

Mr. Zeunik indicated that line item 450.0011 Transfer from Other Sources has increased from \$579,004.00 in the FY'2007 Adopted Budget to \$588,854.00 in the FY'2008 Recommended Budget. Because Medicare and Medicaid reimbursement do not cover 100% of the Nursing Home costs to care for a resident, the Nursing Home's budget includes a transfer from the FICA/Social Security Fund and the IMRF Pension Fund. This transfer amount reflects the Board's decision to increase the ratio of private pay residents from 15% to 25%.

Mr. Zeunik advised that there is a slight change in the FTE staffing level in the FY'2008 Recommended Budget, which is summarized on Page 50. He stated that there is an increase of one RN, a decrease of an LPN and an increase in a Domestic Services Assistant I.

Mr. Zeunik pointed out a typographical error on Page 51, which shows the food expense in FY'2007 at \$3,321,273.00. It should be corrected to say that line item 607.0001 Food has increased from \$321,273.00 in FY'2007 to \$345,666.00 in FY'2008.

Mr. Zeunik noted other increases in the 600 line items, including Linens and Bedding, Dietary Utensils and Cleaning Supplies.

Mr. Zeunik stated that the largest change is under Contractual line item 781.0002 IDHS – County Contribution, which has increased from \$0 in the FY'2007 Adopted Budget to \$2,542,278.00 in the FY'2008 Recommended Budget. This increase is based on the Intergovernmental Transfer Fee per bed fee that is assessed by the State of Illinois on publicly owned and operated Nursing Homes. The Nursing Home pays this fee and then receives back from the State a higher Medicaid reimbursement.

Mr. Zeunik stated that the other increase in the Nursing Home's Budget is in Capital expenses, which increased from \$179,240.00 to \$772,120.00. He noted that the largest expense is for a new roof at the Nursing Home at \$575,000.00, which is budgeted in line item 801.0001 Capital Improvement. Other Capital expenses include the following:

- 832.0001 Purchase of Furnishings and Office Equipment, including tables and chairs in the dining Room (\$20,000.00), televisions (\$7,000.00), beds (\$4,000.00), bedside Tables (\$1,250.00) and lateral file cabinets.
- 833.0002 Purchase of Computer Equipment, including computers and computer network equipment.
- 833.0003 Lease/Purchase Computer Equipment, including lease/purchase of certain computer network equipment.
- 835.0001 Purchase of Kitchen/Laundry Equipment, including food processor, deep fryer, laundry dryers, convection oven, steam table and ice machines.
- 836.0001 Purchase of Medical/Dental Equipment, including standard wheelchairs, "extra wide" wheelchairs, wheelchair scale and patient power lift and scale.

Mr. Lee indicated that if you take out the expenses for the IGT and the expenses for the roof, the Nursing Home budget only increased 4.7% for the year.

Mr. Owens asked for an explanation on the increase in the line item 0527-0001 Performance Incentive on Page 264 of the FY'2008 Recommended Budget. He noted that the budgeted amount in Last Year's Budget was \$53,000.00 and Last Year Actual was \$0; the FY'2007 Adopted Budget was \$78,000.00 and is currently at \$0; and the FY'2008 Recommended Budget is \$90,000.00. Mr. Lee replied that this is primarily for the sell-back for the TOPS Program. He noted that more long-term employees are seeing the benefits of earning the hours for the TOPS account rather than taking sick and vacation days.

Motion by Owens/Moss to recommend tentative approval of the Nursing Home – 0401-0090 FY'2008 Recommended Budget as submitted.  
Motion carried.

**Tort Judgment – Civil Division – 0135-0077** can be found on pages 244-245 of the FY'2008 Recommended Budget and pages 46-47 of the Summary. Mr. Zeunik stated that this is the portion of the State's Attorneys Office which is responsible

for handling all of the Civil cases, and basically defending the County in all of the lawsuits that are brought against the County.

Special Finance Committee Meeting

October 9, 2007

Page Fifteen

Chairman Selzer asked if this is for the Civil State's Attorneys. Mr. Zeunik concurred that it is for the two Assistant Civil State's Attorneys and a Legal Assistant.

Mr. Zeunik reported that there is no change in staffing. He noted that the 700 and 600 line items are pretty much unchanged. Mr. Zeunik indicated that the total increase is 3.17% at \$235,441.00.

Motion by Moss/Butler to recommend tentative approval of the Tort Judgment – Civil Division – 0135-0077 FY'2008 Recommended Budget as submitted.

Motion carried.

**Tort Judgment Fund – Correctional Health Services – 0135-0077** can be found on pages 237-240 of the FY'2008 Recommended Budget and pages 37-41 of the Summary. Mr. Zeunik advised that 100% of the Property Tax Levy is budgeted in this program. He indicated that there is no reason for that; it is just where it happens to be. Mr. Zeunik stated that you could just as easily take that \$2,383,049.00 and allocate it among the four programs based on the percentage of the total cost. That amount, along with the other revenue that comes into Tort Judgment, is what balances the budget for the entire Tort Judgment Fund.

Mr. Zeunik pointed out that there is a slight change in the FTE Staffing level in the Correctional Health Services in the FY'2008 Recommended Budget, as follows:

- The 515.8006 Licenses Practical Nurse staffing (Part-Time Employee) has been reduced from 1.00 FTE to 0.40 FTE;
- The 503.8006 Licensed Practical Nurse staffing (Full-Time Employee) has been increased from 0.00 FTE to 2.00 FTE;
- The 515.8013 Registered Nurse staffing (Part-Time Employee) has been reduced from 0.95 FTE to 0.40 FTE.

Mr. Zeunik explained that this change in the Part-Time Employee staffing and Full-Time Employee staffing more accurately reflects the staffing complement in Correctional Health Services. For budget accountability, this change will insure that the hours worked by the Full-Time and Part-Time nurses are properly coded.

Mr. Zeunik noted the following changes in Materials and Supplies:

621.0001 Non-Major Equipment, which has increased from \$700.00 in the FY'2007 Adopted Budget to \$3,700.00 in the FY'2008 Recommended Budget. This increase is based on expensing items purchased with a cost of \$1,000.00 or less against this line item account.

Mr. Zeunik noted that both 622.0001 Medical/Nursing Supplies and 622.0005 Vaccines/Prescriptions/Non-Prescription Medicines are down. He explained that this decrease is based on the proposal received from Health Professionals Ltd. ("HPL"), which is based on Peoria. This company is one of the largest correctional health care services providers in the Country and currently serves LaSalle, Peoria, Tazewell, and Champaign Counties. Mr. Zeunik indicated that HPL proposes to provide physician services, pharmacy and medical supplies to the County. They will provide all of those services for a total cost of \$126,364.52. Mr. Zeunik noted that this does not include psychotropic drugs as they will not provide psychiatric services. However, they will allow the County's contract psychiatrist to order psychotropic medications from their wholesale pharmacy at a discounted price.

Mr. Zeunik advised that this proposal is being considered because, over the years, the extraordinary costs have been in the Vaccine, Prescription and Non-prescription Medications. In FY'2006, \$115,900.00 was budgeted for these costs and ended up spending \$178,594.00. This year \$150,000.00 was budgeted and, through the end of August, \$103,000.00 has already been expended.

Mr. Zeunik pointed out that another advantage of this proposal is that HPL is very willing to continue using the current physician that is under contract from the OSF Medical Group. They will contract directly with OSF Medical Group and allow the physician to continue to provide services in the Jail.

Mr. Zeunik stated that the Center for Human Services provides the crisis intervention team, psychological counseling services and psychiatric services to the inmates in the Adult Jail. He noted that this service will not be changed at this time.

Mr. Zeunik noted that the Medical Director Fee, under the proposal, would be included in the \$126,000.00, so there is a decrease in that line item. He indicated that there is no change in the dental services being provided.

Mr. Zeunik stated that there is a nominal decrease in Capital expenses, with replacement of medical and dental equipment and furniture in the office area.

Special Finance Committee Meeting  
October 9, 2007  
Page Seventeen

Ms. Rackauskas asked if Ms. Naour will continue in her position. Mr. Zeunik indicated that there will be no change to the Nursing staff. He advised that the County has a very dedicated group of nurses who have been in place for years. They will continue to be County employees and Ms. Naour will continue to be the Director of Correctional Health Services. The difference would be in three areas. First, the County will be able to take advantage of purchasing all medications at a reduced rate, including prescription and non-prescription drugs through their wholesale pharmacy, which is Diamond Pharmacy. Currently, all medications come from Merle Pharmacy, a local pharmacy, at a significant premium. Secondly, all medical nursing supplies would be able to be ordered through HPL. The County currently orders these supplies from a number of different sources.

Mr. Zeunik stated that HPL also proposes to provide the physician for the County facility. At a meeting in September, HPL offered to contract directly with the physician with whom the County currently has a contract, Dr. Kenneth Inoue. Mr. Zeunik indicated that negotiations are underway with Dr. Inoue to consider signing a contract with HPL. That way, Dr. Inoue will be under contract with HPL and will continue to service the County facility. Mr. Zeunik stated that HPL will be responsible for all of the backup, including on-call needs and insurance coverage that would be required. He indicated that Ms. Naour has had three conversations with Dr. Inoue. Mr. Zeunik noted that the head of the OSF Medical Group expressed an interest in this proposal.

Mr. Zeunik advised that when this agreement gets finalized, a contract will be presented to the Finance Committee in November and will take effect in January. If this proposal does not get approved, the \$126,000.00 would be redistributed across the other line items to cover the medical director's expense and the pharmacy expense.

Chairman Selzer asked if the County will still have access to local pharmacies. Mr. Zeunik replied that HPL will have agreements with local pharmacies to provide medication if an inmate needed medication that was not in stock or easily accessible. This would be provided at no additional cost.

Mr. Zeunik indicated that HPL's original proposal for services of \$126,364.00 was based on an average daily population, in-house, of 200. In negotiations, HPL has agreed to change that to say that the \$126,364.00 will be a fixed price for an average daily population between 195-205, giving the County some flexibility.

Mr. Zeunik stated that if the County decides to move forward with this agreement, and if it wishes to enter into a three-year agreement, HPL will offer the County a guaranteed price in the second year and the third year.

Special Finance Committee Meeting

October 9, 2007

Page Eighteen

Ms. Rackauskas expressed her approval of the program. She also noted her appreciation with the consistency in the Nursing staff at the Correctional Health Services. Mr. Zeunik responded that the McLean County Correctional Health Services is a model program that is accredited by the National Center of Correctional Health and the American Correctional Association. He stated that the Program is well-managed and well-run by Ms. Naour.

Chairman Selzer asked Ms. Naour if she has a preference for a one or three year agreement. Ms. Naour replied that it may depend upon how the physician component works out. If the current physician agrees to contract with HPL, she would be willing to go with a three year plan.

Mr. Moss asked what is the schedule for the Nursing staff. Ms. Naour replied that usually there are two Nurses per shift. She noted that one Nurse works two 2:00 p.m. to 2:00 a.m. shifts per week.

Motion by Owens/Rackauskas to recommend tentative approval of the Tort Judgment Fund – Correctional Health Services – 0135-0077 FY'2008 Recommended Budget as submitted.  
Motion carried.

There being nothing further to come before the Committee at this time, Chairman Selzer adjourned the meeting at 8:55 a.m.

Respectfully submitted,

Judith A. LaCasse  
Recording Secretary