

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, October 3, 2007 at 7:30 a.m. in Room 400 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Selzer, Members Owens, Butler, Clark and Rackauskas

Members Absent: Member Moss

Other Members Present: None

Staff Present: Mr. John Zeunik, County Administrator; Ms. Jude LaCasse, Recording Secretary, County Administrator's Office

Department Heads/
Elected Officials
Present:

Mr. Robert Keller, Administrator, Health Department; Mr. Don Lee, Director, Nursing Home; Ms. Peggy Ann Milton, County Clerk; Ms. Joan Naour, Director, Correctional Health Care; Mr. Robert Kahman, Supervisor of Assessments; Ms. Jackie Dozier, County Auditor; Ms. Becky McNeil, County Treasurer; Mr. Jerry Vogler, Director, Veterans Assistance Commission

Others Present: Ms. Bree Davis, Communication Specialist, Health Department; Ms. Connie Clifford, Assistant Chief County Assessment Officer; Ms. Carol Ash, Internal Auditor, County Auditor's Office; Ms. Michelle Anderson, Financial Reporting Specialist, County Auditor's Office

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

Chairman Selzer presented the minutes from the September 5, 2007 Finance Committee Meeting for approval. Hearing no corrections to those minutes, Chairman Selzer advised that the minutes would stand approved as presented.

Mr. Bob Keller, Administrator, Health Department, reviewed the status of the NACo Drug Card Assistance Program. He introduced Ms. Bree Davis, Communications Specialist, Health Department, who is coordinating the project. Mr. Keller distributed a report on the NACO Drug Card Assistance Program and presented an update on the program.

Mr. Davis advised that the following steps have been taken:

- Contract has been submitted and signed by all parties;
- Marketing templates and materials have been received from Caremark and NACo;
- An order has been placed for cards and posters in English and Spanish;
- The McLean County Logo has been submitted to Caremark to place on cards and posters;
- Proofs of cards and posters with County logo have been received and approved – awaiting printing and shipment;
- Notification of participating pharmacies in progress by Caremark;
- Request sent via e-mail that the following entities volunteered to serve as distributions sites for the cards (awaiting replies):
 - McLean County Clerk
 - Community Health Care Clinic
 - John M. Scott Health Resources Center
 - United Way of McLean County
 - City of Bloomington
 - Town of Normal
 - McLean County Center for Human Services
 - Western Avenue Community Center
 - Normal Public Library
 - Bloomington Public Library

Ms. Davis stated Caremark takes care of notifying all of the pharmacies.

Ms. Davis indicated that when she receives confirmation from the above locations, she will distribute the cards, brochures and posters to those sites. She stated that a news release will be produced announcing the start of the program, which is projected to be on November 1st.

Chairman Selzer asked about hospital Emergency Rooms and Case Management Departments as possible distribution sites. Mr. Keller replied that he will check on the possibility of hospital distribution of the cards.

Mr. Keller stated that it is important, when describing the program, to know exactly what the program does and does not do. Ms. Davis explained that there is no flat discount of 10% or 20% with the card. If the retail price of a prescription is higher than what Caremark would charge, it is reduced to the Caremark price. This typically results in a 13% to 35% discount. Ms. Davis stated this program only applies to prescriptions that are not covered by insurance.

Mr. Keller indicated that they intend to add a Frequently Asked Questions (FAQ) link on the website that will provide all of the information related to the program. Ms. Davis added that there is a hotline at Caremark and NACo as well. She noted that there will also be a link on the County website and the Health Department website.

Ms. Rackauskas suggested that the cards be available at school registrations.

Chairman Selzer asked if there were any further questions or comments. Hearing none, he thanked Mr. Keller and Ms. Davis.

Mr. Don Lee, Director, Nursing Home, presented his Monthly Report. Mr. Lee stated that this was an exceptionally good month. Mr. Lee applauded Ms. Becky McNeil, County Treasurer, for the interest she credited to the Nursing Home account this month, namely \$85,000.00 rather than the usual \$15,000.00-\$16,000.00. He noted that she has invested the Nursing Home's funds very wisely.

Chairman Selzer asked if there were any questions or comments. Hearing none, he thanked Mr. Lee.

Chairman Selzer presented the General Report as submitted by Mr. Lee Newcom, County Recorder.

Ms. Joan Naour, Director, Correctional Health Services presented a request for approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2007 Combined Annual Appropriation and Budget Ordinance, Tort Judgment Fund 0135, Tort Judgment Department 0077, Correctional Health Services Program 0073. She explained this is to transfer \$135,000.00 to the line item "Non-Employee Medical Expenses," which covers all of the off-site medical services for the inmate population including hospitalizations, emergency room visits, medical specialty visits, x-rays, etc. Ms. Naour stated that every effort is made to control this line item. However, it is dependent on the condition of the inmates incarcerated. Ms. Naour indicated that last year the fund was under budget by 9%, which was the result of having no in-patient hospitalizations. This year there have been five in-patient hospitalizations. She stated that one hospitalization cost \$65,000.00 and another cost almost \$33,000.00. Ms. Naour advised that she is asking for the \$135,000.00 to cover the overage and any expenses that are anticipated for the remainder of this year.

Motion by Rackauskas/Owens to Recommend Approval of an Emergency Appropriation Ordinance Amending the McLean County Fiscal Year 2007 Combined Annual Appropriation and Budget Ordinance, Tort Judgment Fund 0135, Tort Judgment Department 0077, Correctional Health Services Program 0073.
Motion carried.

Chairman Selzer asked if there were any questions. Hearing none, he thanked Ms. Naour.

Chairman Selzer presented the Status Report as presented by Mr. Bob Kahman, Supervisor of Assessments.

Ms. Jackie Dozier, County Auditor, introduced Ms. Michelle Anderson who is the new Financial Reporting Specialist in the Auditor's Office. She noted that Ms. Anderson started Monday and is well into her projects.

Ms. Carol Ash, Internal Auditor, County Auditor's Office, reviewed an Audit on Fee Collections for Building and Zoning and the County Recorder's Office. She indicated that she made sure that the fees are appropriately distributed as they are collected and turned into the Treasurer's Office. Ms. Ash indicated that Mr. Phil Dick, Director, Building and Zoning, agreed to prepare written procedures for the Building and Zoning Department. She noted that these are just the two offices she has reviewed.

Ms. Ash reviewed Illinois Mandated Audits, which are the mandated audits done throughout the year. She stated that she included the fund balance, through August 31st, in the report. Ms. Ash pointed out that there are no expenses yet in the Children's Waiting Room Fund because of the construction in the Law and Justice Center. She indicated that the Law Library Fund received a grant from the Prairie State Legal Services for an on-line legal help program. Eventually, the grant will end and the Law Library Fund will fund the part-time position. Ms. Ash advised that the Law Library Fund has a positive balance through August 31st.

Chairman Selzer noted that the fee was previously raised an additional \$10.00. He asked if there is a proposal to reduce the fee now that it has a positive balance. Ms. Ash replied that the fee increase was a permanent increase.

Chairman Selzer asked if the McLean County Bar Association has paid its outstanding fee. Ms. Ash replied that the outstanding payment has not been paid. Chairman Selzer also pointed out that the contract has not yet been terminated. He recommended that the County take legal action against the McLean County Bar Association to force them to make their payment.

Chairman Selzer asked how much money is brought in by the Law Library Fund fee. Ms. Ash replied that it usually runs between \$5,000.00 and \$6,000.00 per month.

Chairman Selzer indicated that he will meet with Mr. Zeunik to propose an action item for the next Finance Committee Meeting to address the funds owed by the McLean County Bar Association.

Chairman Selzer asked if there were any questions or comments. Hearing none, he thanked Ms. Dozier and Ms. Ash.

Ms. Becky McNeil, County Treasurer, reviewed her Financial Reports for the period ending September 30, 2007 as distributed. Chairman Selzer pointed out that we are 75% through the year.

Ms. McNeil referred to a bar chart that was distributed, noting that, over the last seven years, the State of Illinois Intergovernmental Tax Receipts have continued to increase. She stated that the actual sales tax revenue has also been steadily increasing, though it was slightly down this year as compared to last year.

Ms. McNeil reviewed the Summary of Retailers Occupation Tax, State Income Tax and Personal Property Replacement Tax Revenue Report for the month ending September 30, 2007. She pointed out the following highlights:

- Retailers Occupation Tax Revenue Year to Date is \$4,241,163.13, which is -3.79% down from last year and 70.56% of budget.
- State Income Tax Revenue is \$1,399,663.25, which is 9.24% above last year and 87.73% of budget.
- Personal Property Replacement Tax Revenue is \$1,369,689.16, which is 21.28% above last year and 98.18% of budget.
- General Fund Property Tax Revenue is at \$6,696,851.69 which is 95.08% of budget.

Ms. McNeil reviewed the Investment Report. She noted that, in September, the Federal Funds rate dropped from 5.25% to 4.75%. It is the first time since 2003 that the rate has gone down. Ms. McNeil stated that this reduction was immediately reflected in the Money Markets.

Ms. McNeil pointed out that in September she acquired five new \$500,000.00 CD's with interest rates ranging from 5.00% and 5.35%. She noted that these are collateralized CD's.

Ms. McNeil reported that in September the average Illinois Funds Money Market rate was 4.76% as compared to 5.14% a year ago. The average Illinois Funds Prime Rate in September was 5.10% as compared to 5.20% in September 2006.

Ms. McNeil reported that the combined total of all invested funds is \$41,563,866.63.

Motion by Rackauskas/Clark to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending September 30, 2007, as submitted.
Motion carried.

Ms. McNeil reviewed the Statement of Revenues, Expenditures and Fund Balance for the General Fund as of September 30, 2007, noting the following:

- The total Revenue as of September 30, 2007 is \$23,069,728.49, which is 76.66% of budget;
- Expenditures are \$21,370,370.11, which is 71.02% of budget;
- The Fund Balance as of September 30, 2007 is \$12,523,890.70.

Ms. McNeil presented the CDAP Revolving Loan Fund Quarterly Report. She advised that there is one loan that is delinquent, namely Boitnott Foods, which is currently due for August and September. Ms. McNeil stated that she has been in contact with Mr. Eric Ruud, First Assistant State's Attorney. She indicated that they do not know the status of the loan. Ms. McNeil noted that she will continue to follow the County's requirements to send written notice of their delinquency.

Chairman Selzer recommended that the County file suit against Boitnott Foods to be in line to collect funds. Ms. McNeil replied that we will definitely be in line. Chairman Selzer noted that there is a second lawsuit that is ancillary to this one with Mr. Boitnott. He questioned whether or not there was some fraud associated with Mr. Boitnott's application.

Mr. Zeunik explained that Mr. Ruud has had conversations with Mr. Jim Finnigan who has been retained by Mr. Boitnott and will be involved in any type of bankruptcy that might be forthcoming from Boitnott Foods. He stated that, through EDC, the County is making arrangements, with permission from Mr. Finnigan and Mr. Boitnott, to conduct an inventory at the store. Mr. Zeunik noted that the County's collateral position on that loan is not very good. He indicated that, at best, the County is looking at non-perishable commodities if there are any left that are not tied up by other financings.

Mr. Zeunik advised that the County has also been contacted by attorneys who are pursuing other issues with Mr. Boitnott concerning Parkway Foods. He stated that we have responded to a number of requests for information and subpoenas from them. Mr. Zeunik noted that he anticipates an inventory will be completed between now and the end of next week. He stated he will report back to the Committee as to what non-perishable items and other equipment might be available so that the County can begin to identify and secure its position. Mr. Zeunik advised that Mr. Ruud has talked with the local bank, U.S. Bank, and with a representative from U.S. Bank who is based in California who handles situations such as this, namely when a client is in default and the bank and the SBA are holding a sizeable investment in the operation. Ms. McNeil added that their positions are above the County's.

Chairman Selzer stated that if there was any fraud or misrepresentation in the facts that came before the County Board, the County's position should be bumped to the top.

Ms. McNeil reviewed the Employee Benefit Fund Quarterly Report. As of the beginning of the year, this Fund had a balance of \$708,455.19. This is the Fund that accounts for the receipts and expenses of Employee Health Insurance Benefits, including Health Alliance, Delta Dental, VSP, etc. Ms. McNeil reported that the Total Revenues as of September 30, 2007 are \$2,829,705.83 and Expenditures are at \$3,398,746.49. The deficiency of Revenue over Expenditures is \$698,040.66. As of September 30, 2007, the Fund balance is \$139,414.53. Ms. McNeil pointed out that this fund had been carrying a sizable fund balance. She explained that, when the County restructured the health benefits that it would offer employees in 2007, this fund balance was built into it. Next year's rates will reflect the actual cost for employees.

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

Ms. Peggy Ann Milton, County Clerk, presented a request for approval to correct the legal description for Precinct 29. She explained that when the lines were drawn for the precincts, one legal description had an error. Ms. Milton noted that this error skews the number. She is requesting that the legal description be changed from "Orlando Ave." to "Raab Road."

Motion by Rackauskas/Butler to Recommend
Approval to Correct the Legal Description for Precinct
29.
Motion carried.

Ms. Milton informed the Committee that the County Clerk's Office will be working with Information Services to initiate a database in conjunction with the Department of Vital Records in Springfield. She stated that this system provides that all death records from January 2008 forward will be printed from an automated system. It will no longer be necessary to make copies of the originals. Ms. Milton also noted that death records from 1916 to present that are not needed for genealogical purposes will be able to be printed from the system as well.

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

Chairman Selzer presented the September 30, 2007 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund Total is \$378,776.45 with a Prepaid Total the same and the Finance Committee bills include a Prepaid Total of \$886,329.25 and a Fund Total that is the same. Chairman Selzer also presented a transfer of \$1,380.00 in the Treasurer's Office as recommended by the County Auditor. The transfer is for an adjustment of an expense from Line Item 0621-0001 to Line Item 0832-0001.

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Motion by Owens/Butler to recommend approval of the Finance Committee bills as of September 30, 2007 and a transfer of \$1,380.00 in the Treasurer's Office as recommended by the County Auditor. Motion carried.

Mr. John Zeunik, County Administrator, introduced the review of the Fiscal Year 2008 Recommended Budget for the following departments:

County Treasurer – 0001-0004 can be found on pages 13-16 of the FY'2008 Recommended Budget and pages 38-40 of the Summary in the Finance Committee Packet. Mr. Zeunik indicated that there was a significant increase in Revenue of 15.27%, from \$1,035,175.00 to \$1,193,200.00. On the expense side, the increase was 2.75%. Mr. Zeunik stated that the biggest increase in Revenue is the Interest on Investments and Certificates of Deposit. He added that there is a projected 5% increase on the cost and interest on delinquent taxes.

Mr. Zeunik reported that in the General Fund, other than the State Intergovernmental Revenues, this is one of the few budgets where there is a significant increase projected in revenues. Most of the other General Fund departmental revenue projections are flat or increases of less than 3%-4%.

Mr. Zeunik highlighted the Revenue line items, as follows:

- 415.0001 Interest on Investments has increased from \$380,000.00 in the FY'2007 Adopted Budget to \$418,000.00 in the FY'2008 Recommended Budget. This increase is attributable to the increase in interest rates on money market accounts and certificates of deposit.
- 415.0003 Costs/Interest on Delinquent Taxes has increased from \$500,000.00 in the FY'2007 Adopted Budget to \$525,000.00 in the FY'2008 Recommended Budget. This increase is based on a review of the actual revenues received in FY'2006 (\$521,365.00).
- 415.0400 Interest on Certificates of Deposit has increased from \$150,000.00 in the FY'2007 Adopted Budget to \$245,000.00 in the FY'2008 Recommended Budget.

Mr. Zeunik stated that, under Contractual, the 718.0001 Schooling and Conferences line item account increased from \$1,750.00 in the FY'2007 Adopted Budget to \$4,500.00 in the FY'2008 Recommended Budget. This increase is based on the finding in the Outside Auditor's Single Audit Report. He noted that 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 ("GASBE"), professional staff in the Treasurer's Office and the Auditor's Office will need to attend additional continuing education classes. Mr. Zeunik indicated that, beginning in FY'2008, additional funds are budgeted for continuing education and training in the County Treasurer's Office.

Mr. Zeunik reported that there is no change in the staffing level in the FY'2008 Recommended Budget.

Chairman Selzer asked if the proposed revenue increase in 415.0001 Interest on Investments will be correct, given the drop in interest rates. Ms. McNeil replied that her projection was very conservative.

Mr. Owens asked if there would be a rotation of schooling and training of personnel in the Treasurer's Office. Ms. McNeil replied that she has a small staff and on-going training will include everyone. She noted that she has not had any personnel turnover since 2003.

Mr. Zeunik suggested that the Committee review the second Fund in the Treasurer's Office and then recommend tentative approval on both Funds together.

Collector Automation Fund – 0168-0004 can be found on pages 17-18 of the FY'2008 Recommended Budget and pages 41-42 of the Summary. Mr. Zeunik stated that this is a special revenue fund that was established to assist the County Treasurer's Office with automation and document storage. Through the collection of an Automation fee, the County Treasurer's Office has available funds which can be used to purchase capital equipment, computer hardware and software. Mr. Zeunik noted that, as a Special Revenue Fund, the fund must be balanced within the fund. This revenue line item account has been budgeted at \$25,000.00 in the FY'2008 Recommended Budget and the Expenses have been budgeted at the same amount.

Mr. Zeunik noted that Ms. McNeil has requested that this money be appropriated as an Interfund Transfer so there are no in the Treasurer's office. The budgeted expense is transferred from the Automation Fund to the County General Fund and appears as a transfer into Information Services, since Information Service provides all of the technology and support to the Treasurer's Office.

Motion by Butler/Rackauskas to recommend tentative approval of the County Treasurer – 0001-0004 FY'2008 Recommended Budget as submitted and to recommend tentative approval of the Collector Automation Fund – 0168-0004 FY'2008 Recommended Budget as submitted.
Motion carried.

Chairman Selzer asked if there were any questions. Hearing none, he thanked Ms. McNeil.

County Clerk – 0001-0005 can be found on pages 19-22 of the FY'2008 Recommended Budget and pages 43-47 of the Summary. Mr. Zeunik reported that the total revenue has increased from \$227,595.00 in the FY'2007 Adopted Budget to \$344,460.00 in the FY'2008 Recommended Budget, which is a 51.35% increase. Mr. Zeunik noted that this increase is largely due to an increase from another "Help America Vote" Federal Grant of \$104,100.00. The other large increase is the Reimbursement for Special Services, which is the reimbursement the County Clerk's Office receives for election judges' expense. Mr. Zeunik noted that since next year is an even year and a Presidential election, Illinois law requires more election judges than in an odd year.

Mr. Zeunik indicated that there is also an increase projected on the interest earnings in the County Clerk's Office.

Mr. Zeunik reported that, on the Expense side, there is no change in the FTE staffing level in the FY'2008 Recommended Budget. However, he advised that there is a significant typographical error on Page 22 that shows 5.5 County Clerks. There is one County Clerk. Mr. Zeunik stated that this will be corrected.

Mr. Zeunik indicated that, for the Operating Expenses, many of the increases in Expenses are driven by the fact that this is the even year election. He noted that there is a cyclical expense in the Clerk's Office every two years, with the even year election expenses increasing and then decreasing in the odd year. Ms. Milton concurred that the County Clerk's Office is cyclical. In a consolidated election year, expenses are down and in a general election year, the expenses go up. She noted that in a general election year, it is necessary to hire more judges.

Chairman Selzer asked what is a "Take Notice Fee." Ms. Milton replied that it is a fee associated with the tax sale. The tax buyers are required to send notices to the individual property owners when the tax buyer purchases the taxes, but the Clerk's Office is required to do the paperwork.

Mr. Owens expressed confusion with line item 629.0001 Letterhead/Printed Forms that was previously budgeted in line item 773.0001 Non Contractual Services. Mr. Zeunik explained that this was an accounting decision made by the County Auditor so that the printing expenses be separated out and charged to the Letterhead/Printed Forms line item and the Non Contractual Services line item simply reflect the software services.

Mr. Zeunik suggested that the Committee review the second Fund in the County Clerk's Office and then recommend tentative approval on both Funds together.

County Clerk Document Storage Fund – 0137-0006 can be found on pages 23-26 of the FY'2008 Recommended Budget and pages 48-50 of the Summary. Mr. Zeunik reported that this Special Revenue Fund was established to assist the County Clerk's Office with automation and document storage. Through the collection of a Document Storage Fee, the County Clerk's Office has available funds which can be used to purchase automated document storage systems, contract for services, purchase capital equipment and purchase computer hardware and software. As a Special Revenue Fund, the fund must be balanced within the fund.

Mr. Zeunik reported that the increase in revenue is flat. He stated that the end of the year fund balance as of December 31, 2006, totaled \$45,158.00. Mr. Zeunik stated that there is no change in the FTE Staffing level in the FY'2008 Recommended Budget. He indicated that there is 1.28 positions budgeted, including a full-time Deputy County Clerk and some seasonal positions. Mr. Zeunik noted that the only other expenses incurred are Non Contractual Services of \$10,000.00 to assist the County Clerk's Office with microfilming and indexing of the permanent vital records that must be retained by the office, and a 3% Administrative surcharge which is assessed against all special revenue funds.

Mr. Zeunik advised that the total Document Storage Fund budget is \$46,215.00.

Motion by Butler/Clark to recommend tentative approval of the County Clerk – 0001-0005 FY'2008 Recommended Budget as amended to reflect the change from 5.5 to 1.0 County Clerk and change 14.53 to 10.03 total FTE, and to recommend tentative approval of the County Clerk Document Storage Fund – 0164-0005 FY'2008 Recommended Budget as submitted.

Motion carried.

Chairman Sorensen asked if there were any further questions. Hearing none, he thanked Ms. Milton.

Supervisor of Assessments – 0001-0049 can be found on pages 163-166 of the FY'2008 Recommended Budget Book and pages 51-54 of the Summary. Mr. Zeunik introduced Mr. Bob Kahman, Supervisor of Assessments and Ms. Connie Clifford, Chief Deputy, Supervisor of Assessments.

Mr. Zeunik indicated that there was very little change in the projected revenue from \$68,380.00 to \$70,057.00, which is a 2.45% increase. He noted that most of the change is reimbursement. Mr. Zeunik stated that the County receives a portion of the Supervisor of Assessment's salary back from the State, contingent upon the County meeting all of the State requirements in terms of assessment quality, which it always does.

Mr. Zeunik noted that, under 450.0011 Transfer from Other Funds, the transfer in the amount of \$32,536.00 is to cover the salary expense of a GIS Technician position. He stated that the Recorder's Office is permitted to collect a GIS Fee, which is used to support GIS activities in the County. Because there is a large correlation between what occurs in the Recorder's Office and what ultimately occurs in the Supervisor of Assessment's Office, the County uses a portion of those fees to cover the salary expense for that person.

Mr. Zeunik reported that, after the budget was printed, the Assessors Office discovered that there was an error made on Page 166. He explained that, by introducing technology into the office, Mr. Kahman has been very successful in reducing the full-time equivalent complement in the office. Mr. Zeunik stated that, when an employee retired earlier this year, Mr. Kahman reorganized the staff and eliminated the Senior Field Inspector position in 2008.

Mr. Zeunik noted that an error was made in the Administrator's Office and that position continued to be carried. Therefore, that position needs to be deleted reducing the complement to 11.44 FTE and reducing the total salary expense to \$405,654.000. Mr. Zeunik stated that this will reduce the total Operating Budget from \$717,368.00 to \$689,510.00.

Mr. Zeunik advised that the budget was down 2.0% from last year's budget and, with this reduction, the total Operating Budget would be down 5.64%.

Mr. Zeunik noted that there were very few other changes in the budget. He pointed out some increases in copy expenses, printed forms, and postage. Mr. Zeunik reported that the Contract Service category is down. Under Capital Outlay, the Supervisor of Assessments has proposed purchasing ten desks.

Chairman Selzer asked Mr. Kahman if he feels that there will be an increase in the number of people who will request to go before the Board of Review based on the sale price of homes dropping and will that increase the expense associated with the Board of Review. Mr. Kahman replied that he does not expect an increase. He advised that, in the past, he has used alternate Board members to assist when they have a large number of reviews. Mr. Kahman indicated that this is fairly cheap to manage.

Mr. Kahman stated that it is difficult to manage the public perception that they are being overtaxed when the values of homes are falling and assessments are not. He indicated that the assessment on a home is based on the prior three years market and not the current year. Mr. Kahman also noted that often the reduction in sale prices may still be more than the assessed value.

Mr. Clark asked how the County can be more pro-active in educating the public on the three-year average assessment, which could help reduce the number of potential appeals.

Chairman Selzer asked when do the appeals open up. Mr. Kahman replied that the assessments are going out right now and the appeals will be forthcoming. He noted that The Pantagraph is waiting for him to send a summary listing of assessment charges in certain townships.

In reply to Mr. Clark's question, Mr. Kahman stated that it is his opinion that people do not really want to be educated. Chairman Selzer recommended that information regarding how assessments are done be included in the press release Mr. Kahman is preparing. Mr. Kahman advised that he often speaks to groups in the community including Rotary, Kiwanis, the Elks, Young Men's Club, Farm Bureau, etc.

Mr. Kahman stated that the average tax payer does not want to know how they get assessed. He noted that people are only concerned about their tax bill. Mr. Kahman indicated that the assessment is a very simple process that is incredibly complex to administer.

Chairman Selzer again recommended that, when he sends the notice that the Board of Review meets, he include information on how the assessment is determined.

Motion by Owens/Rackauskas to recommend tentative approval of the Supervisor of Assessments – 0001-0049 FY'2008 Recommended Budget as submitted.
Motion carried.

Historical Museum – 0134-0072 can be found on pages 232-233 of the FY'2008 Recommended Budget and pages 55-56 of the Summary. Mr. Zeunik advised that this was established pursuant to Illinois law and a referendum which was approved in McLean County to create a tax levy to support the Historical Museum. The County is permitted to levy a tax not to exceed two-tenths of one cent per hundred dollars of equalized assessed valuation, which is projected in FY'2008 to raise \$63,807.00. He noted that the funds are then transferred to the Historical Museum after the taxes are collected. Mr. Zeunik indicated that, under State law, the Historical Museum is permitted to use that money for any purpose that they deem appropriate to maintain and operate the McLean County Historical Museum, including exhibits.

Ms. Rackauskas asked if this transfer of funds to the Historical Museum shows up on the tax bills. Mr. Zeunik replied that it get consolidated under the McLean County tax rate and amount due. On the tax bill, there is one line that says "County of McLean" which consolidates all of the separate levies that the Board approves. Ms. Rackauskas indicated that the breakdown on the levies would be good educational information for the public. Mr. Zeunik agreed, noting that, when the tax bill says 93 cents per hundred dollars of assessed valuation to "County of McLean," people assume that all 93 cents is going to the County to operate McLean County. They don't see that a portion of it is going to the Historical Museum, Cooperative Extension, Veteran's Assistance Commission, etc. Ms. Rackauskas asked how this can be changed. Mr. Zeunik replied that State law tells the Treasurer exactly what information has to be on the tax bill.

Chairman Selzer recommended that the public be informed via a newspaper article showing the breakdown of the County taxes. Mr. Zeunik advised that it would be possible to put this information out on the McLean County website as well.

Motion by Owens/Butler to recommend tentative approval of the Historical Museum – 0134-0072 FY'2008 Recommended Budget as submitted.
Motion carried.

Chairman Selzer asked if there were any further questions or comments. There were none.

Veterans Assistance Commission – 0136-0065 can be found on pages 246-249 of the FY'2008 Recommended Budget and pages 57-59 of the Summary. Mr. Zeunik introduced Mr. Jerry Vogler, Director, Veterans Assistance Commission.

Mr. Zeunik reported that, pursuant to the referendum which was approved in McLean County, the Veterans Assistance Commission is authorized to levy a property tax in an amount not to exceed \$0.03 per \$100.00 of equalized assessed valuation. He stated that the total operating budget is \$159,109.00, which is down 1.10% from the FY'2007 Adopted Budget. Mr. Zeunik indicated that Mr. Vogler is very frugal with the budget. Mr. Zeunik noted that, under State law, Mr. Vogler is authorized to levy a property tax up to 3 cents to support the Veterans Assistance Commission, which would generate quite a bit more money than what he is requesting in this budget.

Mr. Zeunik indicated that there is no change in staffing as it is a very small office. He noted that there are also very few changes in the annual operating expenses. Mr. Zeunik advised that this money is consolidated under the County's overall rate so that, once again, the public is unaware that \$159,109.00 of their tax dollars goes to support Veterans Assistance.

Mr. Vogler suggested that it would be nice to be able to not only split out the division of the County taxes, but also the division on how much of the allowable percentage is being levied. He pointed out that they are taxing at .00526 where they could actually be taxing up to 3 cents. Mr. Zeunik stated that the Veterans Assistance levy is at less than one-half of a cent.

Mr. Vogler stated that an effort was made to hold the budget down as much as possible and he does not wish to put too much money into his reserve fund. Mr. Vogler mentioned that he is still working on the transportation issue. He stated that he is working with two car dealerships in an effort to acquire a free car to transport veterans to Peoria to the Community-based outpatient VA clinic.

Chairman Selzer asked what is the decrease in the Fringe Benefits fund. Mr. Zeunik replied that previously the IMRF and the Social Security expense were budgeted in this fund. Since, both employees are County employees, the IMRF and Social Security expense should be budgeted in those funds.

Mr. Vogler indicated that the Veterans Assistance Commission subsidizes rents on a limited basis, but not the entire amount. For instance, for a single veteran, the maximum amount is \$250.00. He stated that this amount has not changed since 2000. Mr. Vogler advised that this amount will change to \$300.00 for a veteran with dependents.

Mr. Vogler pointed out that the expenditure for food is down by approximately 60%. He noted that this is because they now have an agreement with Midwest Food Bank and another food bank, where they actually get food to dispense to the veteran rather than giving them a voucher. So, instead of a \$50.00 voucher, the veteran will receive \$80.00-\$100.00 worth of food.

Mr. Vogler advised that in Illinois it is possible for a veteran to get assistance from the Veterans Assistance Commission and other welfare agencies, such as the Township. He stated that the veterans in Illinois are doing quite well. The percentage of McLean County veterans in poverty is less than the County average.

Mr. Vogler stated that he makes it very clear that the Veterans Assistance Commission is not welfare. He noted that there is a maximum amount of assistance they provide in a 12-month period.

Mr. Vogler indicated that their biggest difficulty is getting the word out to the veterans that the Veterans Assistance Commission is available for assistance.

Motion by Rackauskas/Clark to recommend tentative approval of the Veterans Assistance Commission – 0136-0065 FY'2008 Recommended Budget as submitted.

Motion carried.

Mr. Zeunik announced that the Finance Committee will hold a special budget meeting on Tuesday, October 9, 2007, at 7:30 a.m.

Mr. Zeunik advised the Committee that the mediated interest arbitration with the Fraternal Order of Police representing the Deputies was held yesterday, October 2nd. He explained that this is a new procedure. Mr. Zeunik stated that it is likely that this contract will be settled as a result of yesterday's mediation. The decision will come to both the County and the Bargaining Unit as a stipulated order, which means that the arbitrator will issue his order and everyone will need to abide by that order. Mr. Zeunik indicated that the mediator splits the difference. The mediator looks at what the County wants and what the

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bargaining unit wants and makes a decision on what each party will receive or give up.

Chairman Selzer asked what is the County's option after the order. Mr. Zeunik replied that there are no options. He stated that the only way to appeal it is to go to Court. Under Illinois Law, the arbitrator has the final say.

Chairman Selzer expressed his frustration that the Union was determined to go to arbitration no matter how fair the County was in its offer and negotiations.

Mr. Zeunik indicated that the individual who did the Interest Arbitration is a professor of Labor Relations at Northern Illinois University who has done this type of negotiations all over the country. He stated that this individual commented that Illinois law is very deficient.

Chairman Selzer recommended that when this is done, the County needs to look at its negotiation policy and consider making changes.

There being nothing further to come before the Committee at this time, Chairman Selzer adjourned the meeting at 8:30 a.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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