

Minutes of the Finance Committee

The Finance Committee of the McLean County Board met on Wednesday, August 8, 2007 at 4:00 p.m. in Room 404 of the Government Center, 115 East Washington Street, Bloomington, IL.

Members Present: Chairman Sorensen (4:08 pm); Members Selzer; Moss, Butler, and Rackauskas

Members Absent: Member Nuckolls

Other Members Present: None

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

Department Heads/
Elected Officials

Present: Ms. Jennifer Ho, Risk Management; Mr. Don Lee, Director, Nursing Home; Mr. Robert Keller, Administrator, Health Department; Mr. Lee Newcom, County Recorder

Others Present: Mr. Gary Nelson, Attorney, Heyl Royster Voelker; Ms. Connie Clifford, Assistant Chief Assessment Officer, Supervisor of Assessments Office; Ms. Sally Scornavacco, Tax Administrator, County Clerk's Office

Vice Chairman Selzer called the meeting to order at 4:05 p.m.

Vice Chairman Selzer presented the minutes from the July 11, 2007 Finance Committee Meeting and Tuesday, June 19, 2007 Stand-up Committee Meeting for approval. Hearing no corrections to those minutes, Vice Chairman Selzer advised that the minutes would stand approved as presented.

Prior to going into Executive Session, Vice Chairman Selzer asked Mr. Don Lee to present the Nursing Home Monthly Report.

Mr. Don Lee, Director, Nursing Home, presented his Monthly Report. Mr. Lee noted that there was nothing unusual to note on this Report.

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

Motion by Rackauskas/Moss to Recommend that the Finance Committee go into Executive Session at 4:06 p.m. to discuss Pending Litigation with the Committee Members, the Administrator's Office Staff, Ms. Jennifer Ho, Risk Manager, and Mr. Gary Nelson, Attorney, Heyl Royster Voelker.
Motion carried.

Motion by Rackauskas/Moss to recommend the Finance Committee return to Open Session at 4:07 p.m.
Motion carried.

Motion by Selzer/Moss to Recommend Approval of the Settlement Agreement with Westfield Insurance Company for Property Coverage – Law and Justice Center Explosion and Fire.
Motion carried.

Ms. Ho reviewed the second quarter Risk Management cumulative claims report as of June 30, 2007. She reported that the second quarter realized a decrease in the average cost per claim for each line of coverage. Ms. Ho noted that incurred total costs for the second quarter of FY'2007 are the least of the past five years inclusive of FY'2007. She indicated that there has not been a tort settlement in excess of \$10,000.00 that was not previously approved by the Finance Committee.

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

Mr. Robert Keller, Administrator, Health Department, presented two requests that can be acted upon together. The first is a request for approval of an FTE Budget Amendment for Grant Fund 0105. This amendment converts a current intern position to a permanent part-time Health Promotion Specialist. The second is a request for approval of an Ordinance of the McLean County Board amending the 2007 Combined Appropriation and Budget Ordinance for Fund 0105. Mr. Keller explained that this is an FTE and Budget Amendment to redistribute some grant funds. He advised that the shift in funding will eliminate the intern position under the Susan G. Koman grant and establish the .55 FTE part-time Health Promotion Specialist position.

Mr. Keller stated that this change is cost-neutral and is within funds that have been appropriated.

Motion by Selzer/Rackauskas to Recommend Approval of an FTE Budget Amendment for Grant Fund 0105 to Convert a current intern position to a Permanent Part-Time Health Promotion Specialist and Recommend Approval of an Ordinance of the McLean County Board Amending the 2007 Combined Appropriation and Budget Ordinance for Grant Fund 0105.

Motion carried.

Mr. Keller presented a request for approval of a NACo Prescription Drug Card Program Agreement. Mr. Keller stated that the Finance Committee requested that the Board of Health review the Drug Card Program for potential involvement of the Health Department in the NACo Prescription Drug Assistance Card Program. He advised that the Board of Health approved the involvement of the Health Department in the Program.

Mr. Keller stated that the Health Department has designed a marketing plan and reviewed the success of the program in Peoria County.

Motion by Selzer/Butler to Recommend Approval of a NACo Prescription Drug Card Program Agreement.

Chairman Sorensen asked Mr. Keller if he determined there is a value to the Drug Card Program. Mr. Keller responded that Peoria County reported a savings of about \$101,000.00 to their citizens over a seven or eight month period of time. He noted that he believes the savings is an average of 21% off the retail drug price. Mr. Keller advised that this Program will mostly benefit the individual who does not have health insurance.

Mr. Keller reported that the Health Department's involvement is not labor intensive. He stated that a marketing plan was developed, and there will be a multitude of distribution sites, including the Community Healthcare Clinic and Scott Commission. Mr. Keller indicated that they will put the information on the website and be available to answer questions. He noted he does not anticipate much staff time being spent initiating this program. Mr. Keller advised that he expects the program will begin later this year.

Motion carried.

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

Chairman Sorensen advised that Ms. Becky McNeil, County Treasurer, could not attend the meeting. He noted that her Financial Reports for the period ending July 31, 2007 are included in the Agenda Packet.

Motion by Moss/Butler to accept and place on file the Month-end Financial Reports from the County Treasurer's Office for the month ending July 31, 2007, as submitted.
Motion carried.

Ms. Sally Scornavacco, Tax Administrator, County Clerk's Office, presented the County Clerk's Monthly Activity Report for the period ending June 30, 2007. She stated that the totals have stayed approximately the same since last quarter. Ms. Scornavacco pointed out that there was an increase in Liquor Licenses, which was likely due to the licenses needed for the Fourth of July.

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

Ms. Connie Clifford, Assistant Chief Assessment Officer, Supervisor of Assessments Office, presented a report on the Tax Year 2005 Median and Coefficient of Dispersion (the "COD") Report as submitted by Mr. Robert Kahman, Supervisor of Assessments. She reported that the Assessor's Office reviewed several benchmark Counties that are comparable to McLean County in assessments and found that the number of good sales in 2004, which is used for calculating the 2005 medium level of assessment, was 2,427. Ms. Clifford noted that this level is very comparable with Sangamon, Peoria and Champaign Counties. She indicated that in calculating the median value, McLean County is the closest to the statutory median (33.3% of market value) of all of the other Counties, which is extremely good.

Ms. Clifford reported that McLean County's COD, which measures how far the County is from that median value, is 11.67%. The standard is less than 15%. Ms. Clifford advised that the County is doing an excellent job, particularly compared to similar Counties.

Chairman Sorensen summarized that this is an attempt to compare the actual sale value of properties with the County's assessment process and to evaluate how the County is doing. Ms. Clifford replied that he is correct. Mr. Selzer stated that it shows that the County's assessed value is very accurate.

Ms. Clifford indicated that there are not a high number of complaints presented at the Board of Review. She noted that the COD indicates that there are some properties that are above the median and some below. Overall, the County is right where it should be according to the statute and assessment standards.

Chairman Sorensen asked if there were any questions. There were none.

Mr. Lee Newcom, County Recorder, introduced Mr. Bruce Cowans, Senior Vice President, MAXIMUS, Inc. to review the Report on the Recorder's Office Staffing Needs and Related Process Issues. Mr. Cowans pointed out the following four Key Findings listed on the report:

1. The McLean County Recorder's Office recently increased staff to 7.0 full-time equivalent employees (FTE). Mr. Cowans stated that MAXIMUS supports this staffing level. The Recorder would like to increase the staffing to 8.0 FTE. Mr. Cowans recommended feel that this should wait until the workload reaches approximately 42,000 annual recordings (workload is currently 36,000 recordings). Thereafter, MAXIMUS suggests that one staff member be added for every 5,200 documents of increase in annual workload.

Mr. Selzer asked if the current staffing level was previously at a 6.0 FTE and a temporary was added to make the 7.0 FTE. Mr. Cowans replied that the staffing level was 6.5 FTE when the report started. He stated that an addition 1.0 FTE person was hired under a temporary employee line, which will be a financial issue if the Board endorses that staffing level as it will be difficult to carry a temporary full-time employee out of that line.

Mr. Selzer asked if the Committee needs to recommend an increase in the full-time FTE level in the Recorder's Office, should the Committee reach the consensus that the current staffing level is accurate. Mr. Cowans replied that is correct. Mr. Newcom stated that Mr. Cowans endorses the current staffing level of 7.0 FTE, with one of the FTE's currently being the temporary employee.

Mr. Cowans indicated that Mr. Newcom had requested that the Report reflect his opinion that the Recorder's Office needed 8.0 FTE. Mr. Cowans stated that he did not believe an 8.0 FTE was necessary at this time.

Mr. Cowans advised that he used two methods to determine the necessary FTE staffing. One method is a comparison to similar Counties in Illinois, a peer benchmark survey. By that survey, the office is slightly understaffed. The second method is a flow-chart for process-mapping of the work by observing documents being recorded for a few days. By this method, the office is slightly overstaffed.

2. The office is making efforts to ensure quality of document recording. MAXIMUS suggested that the analysis of problems be focused on two things: proving if there are incorrect facts in the database and testing if searches for records cannot find documents sought. These are the two key metrics of quality, in our opinion.

Mr. Cowans acknowledged that the County is the archivist of these records and it is important that the records be able to be found and that the information on the documents is correct. He stated that he did not find any evidence that errors are happening. Mr. Cowans noted that he understands the office is receiving some assistance, pro bono, to look at error rates and quality control. He indicated that if errors are being found, it is important to find the source of the errors. Mr. Cowans stated that he believes the number of documents that are showing up as "not good" are miniscule. He affirmed that it is important to monitor the quality of the documents.

3. The office has experienced a rather sharp increase in the time required to mail documents back to customers to 30 days, from a level of 2.6 days a little more than a year ago. The Recorder attributes this to key verification (i.e., double entry of data) that he instituted under his administration. MAXIMUS agrees that key verification contributes to the time required to mail documents, but do not see it as factor sufficient to explain the sharp increase. The mail-out time is a concern, but current staffing is sufficient to solve the problem and the answer should lie in collaborative internal discussions of how to improve productivity.

Mr. Cowans advised that, since the time of this study, this issue has been corrected. He indicated that the number of days required to mail back a document received for recording had climbed quite sharply over the past year. Mr. Cowans stated that he did not conclude that this increase was a resource issue. He advised that if the increase has been corrected, there is nothing to worry about.

4. The public has access to staff areas. Most Illinois Recorder Offices separate public and staff areas to ensure the integrity of the database and prevent unauthorized access to documents such as military discharges. This change would be appropriate for McLean County.

Mr. Cowans reported that the square footage of the office is fine. If it is necessary to grow in the foreseeable future, he recommended that there is some space available to add employees.

Mr. Cowans stated that, after observing how other Illinois Recorder Offices are laid out, he recognizes the importance of keeping the public out of the staff work area. He recommends that the counter be modified to bisect the office 90 degrees. Mr. Cowans explained that there is a large piece of microfilm equipment that cannot be moved from its current position. By repositioning the counter, it would be possible to keep the public out of the staff work area.

Mr. Cowans asked if there were any questions on his report.

Mr. Selzer asked Mr. Newcom what is the turn-around time for documents at this time. Mr. Newcom replied that, when MAXIMUS was conducting their review, the Recorder's Office turn-around time was very bad. He indicated that when he took office, documents were returned in one to three days. The number spiked dramatically when the key-verifying step was instituted. Mr. Newcom advised that adding this step added another job function to the office, causing the spike. He pointed out that the quality of work was enhanced with the key-verifying step.

Mr. Newcom stated that, following the MAXIMUS visit, he reviewed the budget and the line item for temporary seasonal help. He indicated that there were enough funds in that line to add a full-time person. Mr. Newcom concluded that he made a good hire and the recording time is now down to same-day recording and the mail out time is down to about three weeks. He noted that, as they complete the catch-up, the return time will become manageable.

Mr. Newcom advised that, when MAXIMUS came to do the review, he believed the correct staffing level was 8.0 FTE. Since that time, there is a new reporting capability in the system, which is an employee productivity report. This allows the office to monitor what each employee is doing hour by hour and day by day. Mr. Newcom stated that he now recognizes that the office needs only 7.0 FTE.

Mr. Newcom referred to a discussion at a Committee meeting several months ago regarding the backlog at each individual station in the office. At that time, he was unable to conclude where the backlog originated. Mr. Newcom pointed out that, with this new reporting system, he now has that capability. He stated that this ability has increased the productivity from six months ago. Mr. Newcom concluded that, with the hiring of the full-time employee and the new reporting capabilities, the office is in good balance.

Chairman Sorensen asked what is the typical mail-out time for a Recorder's Office. Mr. Cowans responded that the goal is a day or two, but is more likely three to four days. He indicated that the new key-verifying step is a good step towards quality control. Mr. Cowans did not link this additional step with the spike in the mail-out time. However, he pointed out that it is a moot point as the problem has been resolved.

Mr. Selzer applauded Mr. Newcom for embracing the report and making the necessary adjustments to increase the productivity and enhance the quality control in the Recorder's Office.

There was a brief discussion on the financial management of the Recorder's Office. Mr. Newcom reported that he is very confident with the financial management of the office. He noted that all of the many recommendations made by the outside auditors over the past several years were instituted under his guidance. Mr. Newcom reviewed the process followed to balance the financial transactions in the office.

Mr. Selzer asked what needs to be done to approve a permanent 7.0 FTE in the Auditor's Office. Chairman Sorensen asked Mr. Newcom if there was enough money in the temporary line to get him through the end of the year. Mr. Newcom replied that there are enough funds. He stated that he would like to have that employee put on as a permanent FTE this year, so that the employee can take advantage of the County benefit package. Mr. Newcom indicated that he will bring this request to the Finance Committee next month as an action item.

Mr. Cowans referred back to the thought on productivity. He noted that the recording process is sequential in that the first person handles one section of the process and then hands it off to the next person, etc. Mr. Cowans stated that each step in the process should take the same amount of time with everyone working at the same rate. He pointed out that it is possible that one slower employee can hold up the whole process. Mr. Cowans noted that the productivity level of each individual employee can now be measured, which

makes it possible to see where additional training or a change in the sequence may be needed.

Chairman Sorensen asked the Committee if they are comfortable with the 7.0 FTE level in the Recorder's Office. The consensus of the Committee is that this position is justified.

Chairman Sorensen asked if there were any additional questions on the MAXIMUS report. There were none.

Mr. Newcom apprised the Committee of a deed scam he learned about at a recent National Convention. He explained that some citizens have received official sounding letters from a company, Illinois Deed Providers, Inc., telling them they need a certified copy of their deed and offering to mail them the official deed for \$69.50. Mr. Newcom stated that, while it is not illegal to charge citizens for a certified copy of their deed, a citizen need only go to the Recorder's Office to purchase an unofficial copy at about \$1.25 or \$12.00 for a certified copy. He indicated that, since Monday, the Recorder's Office has received five calls from elderly people who are concerned about their homes. Mr. Newcom stated that he put out a press release and held a press conference to educate the citizens of this situation.

Mr. Newcom reviewed another scam called "home flips" where someone goes to the Recorder's Office and files a Quit Claim Deed, usually on a paid-off property, then goes to a bank and mortgages the property without an appraisal and takes the money. The home-owners find out about this scam when their home is being foreclosed. Mr. Newcom indicated it is possible for the owners to loose their homes. He noted that this scam has not happened in this area.

Mr. Newcom advised that, from a state-wide standpoint, he has been involved in getting the Electronic Recording Act to pass. He noted that it is expected the Governor will sign this by the end of the month. If it has not been signed by the end of the month, it will become law without his signature. Mr. Newcom indicated that the Electronic Recording Act will give the Recorder's Office new electronic reporting capabilities.

Mr. Newcom stated that one way to prevent the deed fraud is to place a camera in the Recorder's Office. He noted that someone trying to flip a house will want to accomplish all the steps in one day and will not rely on mail, where there is a greater chance of getting caught. Mr. Newcom advised that a camera is in his budget next year as part of the office remodel.

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Mr. Newcom indicated Recorders' records are not a problem, nation-wide, in terms of identity theft. There is no instance, nationally, of a Recorder's records being used in identity theft. He noted that there is no automated way to find a Social Security number quickly. However, Mr. Newcom stated that he has been advised to lock down the site to a user name and password, which will eliminate any possibility of identity theft. He indicated that this system has already been ordered through Cott and should be completed by next month.

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

Mr. John Zeunik, County Administrator, presented a request for approval of a Resolution Evidencing the intention of the County of McLean, Illinois, to issue Single Family Mortgage Revenue Bonds and related matters. He explained that this program provides low interest rates to qualified home-buyers. Mr. Zeunik stated that last year's program provided 394 loans in McLean County in excess of \$44 million.

Motion by Selzer/Rackauskas to Recommend
Approval of a Resolution Evidencing the Intention of
the County of McLean, Illinois, to issue Single Family
Mortgage Revenue Bonds and Related Matters.
Motion carried.

Chairman Sorensen presented the July 31, 2007 Finance Committee bills for review and approval as transmitted by the County Auditor. The Nursing Home Fund Total is \$481,225.91 with a Prepaid Total the same and the Finance Committee bills include a Fund Total of \$791,566.59 with a Prepaid Total the same.

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Motion by Rackauskas/Moss to recommend approval
of the Finance Committee bills as of July 31, 2007.
Motion carried.

There was a brief discussion on what is being done to mentor and review the McLean County CDAP loans. It was the consensus of the Committee that Mr. Marty Vanags should visit the businesses and keep up-to-date on the status of the business. The Committee further requested that Mr. Vanags be invited to a Finance Committee meeting to discuss how he mentors the people who participate in this program.

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There being nothing further to come before the Committee at this time,
Chairman Sorensen adjourned the meeting at 5:10 p.m.

Respectfully Submitted,

Judith A. LaCasse
Recording Secretary

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